

# **The limits of high performance work systems in unionised craft-based work settings**

**Jo McBride**

## **Abstract**

This paper focuses on constraints on the effectiveness of high performance work techniques deriving from the traditions of craft-based trade unionism and long-established structures and cultures within sector-based employment relationships. The findings question the fundamentally managerialist nature of HPW accounts that assume labour's position in the high-performance equation to be simply one of recipient of managerial initiatives.

## **Introduction**

Often given labels such as 'high commitment management' or 'high involvement management', 'high performance work systems' (HPWS) are generally characterised by combining different systems of HRM in a strategy aimed at enhancing performance. Hence the association with 'bundles' theory which suggests that specifically chosen groups of HRM practices used in combination with one another may have a mutually reinforcing impact thereby creating better organisational performance results. At its core is the notion that a strategy involving management relinquishing a degree of control to employees will enhance employee autonomy over their job tasks, encourage greater employee involvement, commitment and trust, will provide better opportunities to upgrade skills, overall providing greater benefits for employees. The adoption of teamworking, flexibility and various forms of employee participation constitute the core features of this approach. Yet as argued by Danford *et al.* (2004:76) much of this supposed 'new paradigm' is nothing new with some elements featuring in former managerial strategies that were criticised for resulting in greater employee work intensification and increasing managerial control (for e.g. Garrahan and Stewart, 1992; also see Bacon and Blyton, 2003).

Indeed, in spite of the growing body of research on HPWS, the dominant issue in mainstream HRM literature focuses mainly on positive links between particular sets of bundles of HR practices and business performance. There is less evidence on employees' experience of HPWS in the workplace, and that which does focus on employee outcomes has become increasingly polarised to the point that Harley *et al.* (2007:609) note, "In spite of a growing body of research, there has not yet been a resolution of this debate".

Certainly, there are other issues where questions remain in relation to research conducted on HPWS practices. Some critics have argued that much of the HPWS advocates' opinions are written from a managerial perspective and simply examine only the direct relationship between a set of management practices and organisational outcomes (see Butler *et al.* 2004). Others have raised concerns in relation to limited confidence in research methodologies

(Godard 2004), an overreliance on already established survey data such as WERS and a predominant focus only on particular industrial sectors (see Harley *et al.* 2007). In this vein, another apparently more contentious area concerns, not links to productivity per se, but if HPWS yields benefits in 'all' settings (see Butler *et al.* 2004:15).

This paper has arisen out of this line of enquiry. It seeks to provide a further contribution in considering whether HPWS are only appropriate to certain types of industry or product market. In doing so, it considers challenges that potentially face the implementation or effectiveness of such systems. One of these challenges is related to the harmonising of HPWS systems into long established structures and cultures firmly embedded into an employment relationship of an organisation or industrial sector. The failure of HPWS debate to account for these issues is a real concern. The sector under study in this paper certainly offers some challenges to the HPWS philosophy, particularly with reference to how performance is measured, the nature of work and the nature of the industrial relations climate and culture. The paper concludes that there may be limits to its applicability in certain sectors.

## **Literature Review**

Supposedly an abandonment of Taylorism and a move to a post Fordist production paradigm based upon of high performance management techniques, much positive evidence of organisational benefits has accumulated in relation to HPWS practices. Research has included a wide range of positive effects for employers such as improved product quality, productivity and ultimately enhanced profitability (for e.g. Appelbaum *et al.* 2000; Bélanger *et al.* 2002; Huselid 1995; Guthrie 2001) Furthermore, it has been suggested by these optimistic models that employees can also gain benefits from such systems. According to this perspective, if employees are offered working conditions that include increased autonomy, together with the opportunity to participate in work decisions, then these heightened levels of worker involvement will apparently lead to higher levels of worker job satisfaction. Furthermore, it has been suggested that enhanced training and skills should result in higher earnings for employees together with more employment security and better quality employment.

However, there appears to be very little systematic data directed towards the HPWS advantages for employees, and it is argued by Ramsey *et al.* (2000:504) that the suggestion that these changes are beneficial to employees as well as employers is usually rather vaguely asserted. Some (for e.g. Harley 1999) have argued that new found job empowerment and discretion for workers is a myth and Godard's study (2004:360) suggests that the impact of HPWS practices, such as autonomous teams, on worker job satisfaction may, in actual fact, produce negative outcomes. Other studies argue that considerable levels of employee dissatisfaction can be linked with HPWS, particularly when managers use worker involvement and participation as a control mechanism to acquire greater effort from employees. Hence, rather than skill enhancing, this perspective views the techniques used with

HPWS more as a mechanism of increased control. However, as mentioned above, only a few studies have provided useful, systematic data informing this debate (see Danford *et al.* 2004, McKinlay and Taylor 1996, Ramsay *et al.* 2000, Harley 2002, Danford *et al.* 2004).

A major argument arising from this particular debate proposes that, with HPWS, there would appear to be “no real evidence of a ‘paradigmatic’ break with the capitalist logic of Fordist or Taylorist work techniques” (Danford, 2003:573). Indeed, it is noted how there are many similarities in critiques of HPWS as those raised in earlier studies on teamworking and similar work practices (for e.g. Garrahan and Stewart 1992). Bacon and Blyton (2003:14) note how such studies of lean production and teamworking demonstrated a deterioration of the quality of working life. The same issues appear to be being raised yet again in critiques regarding the effect of HPWS practices. It is suggested from such perspectives that, while HPWS practices may provide enhancements in discretion, the end result of high levels of workplace participation and expectation is more likely to be gradual work intensification, job insecurity and work stress (see Danford *et al.* 2004; McKinlay and Taylor 1996; Brown 1999). There have also been questions raised as to limited confidence of research methodologies conducted in relation to the success of HPWS systems.

Within such debates, it is observed how much of the initial research on HPWS in organisations is written from a managerialist perspective and is simply based upon a basic lack of agreement about which particular HRM practices should be incorporated and/or combined into an HPWS bundle (see for e.g. Butler *et al.* 2004:4). Godard (2004) provides evidence to demonstrate insufficient confidence in research on the performance effects of HPWS due to probable biases in how this research has been conducted and interpreted. He also argues that much of the research on HPWS and its’ effects on employees has been limited to only one or a few organisations or has only assessed the effects of one or a few specific practices, usually autonomous teams or quality circles (*ibid*:356). Furthermore, some studies acknowledge the fact that they have focused only on case studies that have positive outcomes of HPWS which might also question the confidence of such results. (see for example Sparham & Sung, n.d:14.) It could also be argued that some research is limited due to its overreliance on already established large scale survey data such as WERS and AWIRS (for e.g. Harley *et al.* 1999) and that a more qualitative, in depth approach may be required to provide more clarity and depth in findings, particularly from an employee perspective. An additional argument is that much of the existing research is predominantly focused on manufacturing and generally in companies competing on the basis of product quality, price and differentiation (Whitfield and Poole 1997). Indeed, in this vein, and an argument directly relevant to points raised in this particular paper, is that “we still do not know the extent to which HPWS are only appropriate for certain types of industry or product market strategy” (Ashton and Sung, 2002:165). The failure of HPWS debate to account for such issues is a real challenge.

It would appear then, from the discussion thus far, that the "...whole area remains in a state of flux with far too little case study data" (Butler *et al.* 2004.). Certainly, there are areas that have been suggested to be neglected or only tentatively approached in current research. In the first instance, is the question of the role of trade unions in the organisations that adopt HPWS strategies. There is a growing literature on HPWS suggesting that unions can assist in positive outcomes with HPWS systems but the research on this is extremely sparse. The mainstream HRM literature, with its more 'industrial relations friendly approach', suggests that practices such as HPWS shift relations from conflict to cooperation and can be advantageous to both unions and workers. Indeed, Harley *et al.*'s (2007:622) study concludes that workers and unions can benefit from HPWS in the service sector, although it also notes that workers and unions should not necessarily rush forth and embrace HPWS. Rather, it cautions against the assumption that they should resist such practices (*ibid*:623). Cochrane *et al.*'s (2005) study in New Zealand also concludes that there are limited grounds for a degree of optimism about the potential of union involvement in HPWS to enhance worker voice. On the other hand, Godard (2004:349) suggests that the implementation of HPWS strategies might create opportunities for union renewal, enabling unions to discard their traditional, adversarial role in favour of a new partnership one. He notes that a significant number of studies have explored whether is an association between HPWS and union presence and points out that only two (Huselid and Rau, 1996; Roche, 1998) have in fact found a negative association. However, he does conclude with a significant point in that conflicts embedded in the structure of an employment relationship may substantially limit the effectiveness of an HPWS practice for employers and have negative effects for workers and unions. Certainly, this is an issue that bears some resonance to this particular paper, especially with regard to the question of implementing an HPWS into an organisation with very long established and effective union organisation and an employment relationship that has a strongly embedded structure and culture.

Finally, another area that is of some significant to this paper and is only tentatively adopted in the literature is that of 'resistance' to performance based managerial strategies. There are certainly notes of cautions in the more managerial literature that organisations need to be aware that HPWS initiatives may be met with resistance and that this could come from any level of an organisation. Varma *et al.* (1999) suggest that it has shown to be mainly from supervisors and middle level managers. However, as Danford *et al.* (2004:106) point out,

*"It is a measure of the essentially managerialist nature of the mainstream accounts of HPWS that labour's position in the high performance work equation is reduced to one of recipient of participative measures and other incentives and provider of greater discretionary effort. The problematic of worker resistance just does not feature in this objectified treatment of acquiescent labour"*

Their study presents "...an alternative 'employee autonomy' which they suggest is very different to the superficial empowerment of HPWS models

(ibid.). This paper provides some support to these findings in the interesting worker autonomy that also exists in the industrial sector presented. It argues that there is limited knowledge to potential challenges to the implementation and effectiveness of HPWS models and seeks to address two questions arising from the literature:

1. Is HPWS appropriate for all types of industry and product market strategy?
2. Can HPWS still be effective when introduced into an organisation with an already strongly established structure and culture of an employment relationship?

The sector under study in this paper certainly offers a series of challenges to address some of these points, particularly with reference to how performance is measured, the nature of the work and the nature of the industrial relations climate and culture. The empirical data is provided from a wider study of industrial relations in the Tyneside Maritime Construction Industry.

### **Background to Industry**

The three companies involved in this study are the largest employers in the Tyneside Maritime Construction Industry (TMCI) and, for reasons of confidentiality, are referred to as Ship Repair Ltd, Refit PLC and Shipbuilders.Co.

Ship Repair Ltd is a subsidiary of the UK's largest ship repair company. Their major products and services are ship repair and marine conversions, including floating production storage and offloading (FPSO) vessels. It is the only company on the Tyne to retain a core permanent workforce. The main reason for this is the competitive nature of the industry, particularly in terms of attaining the skills required to undertake contracts at busy times. Due to the nature of the work, in ship repair there is a much more rapid and constant turnaround of business than in construction, creating a demand for a stable pool of workers. Refit PLC is a fabricator of integrated decks, modules and jackets for offshore oil and gas platforms. It is also involved in the design and construction of FPSOs and has docked the largest vessels ever witnessed on Tyneside with one of the most recent being 800,000 tonnes. Due to the instability in fluctuations of orders in this company, they are constantly managing uncertainty. Therefore, rather than maintaining a core workforce as in Ship Repair, this company employs only workers with trades either essential to certain contracts, or required at different stages of production. The employees are all on short term contracts to the length of time of the order, or phase of production, then made redundant once a contract is finished. Finally, as its title suggests, Shipbuilders.Co's main activity has historically involved the building of ships. It continues to offer this service and, in more recent decades, has expanded to include the conversion of marine vessels, FPSOs, hull structural units, offshore and onshore structures including subsea templates and manifolds, modules, jackets, deck sections, spool pieces and riser systems. The production process and market in which they operate is very similar to the previous companies.

As may be evident from these descriptions, there may be some difficulty in defining an industry still commonly known on Tyneside as 'the yards'. This article is using the term Maritime Construction Industry to encompass the building of ships, ship repair, ship conversion, offshore fabrication and the decommissioning of oil rigs which are all part of the Tyneside 'yards' as explained above. Although each of these would appear to be separate industries with different products, markets and demands, the common factor is the workforce which is able to work in either one of these sectors. The workforce in this industry is itinerant. Workers are sometimes directly employed and sometimes rely on agency work, although the most common type of contract is short term, since the demand for labour is dependent upon the stage of the construction or repair process.

Due to their similarity in the operating environment and physical process of production all of the companies in this study share a similar labour process from initial construction, or conversion, to the outfitting stages of production. This will be dealt with in more detail later in this paper. The demand for labour also depends on the achievement of orders, as in this industry there is an unstable, fluctuating market and at times, there might be no contracts and hence, no workforce required. To add to these issues, there is a skills shortage in the industry and all of these companies rely heavily on this pool of itinerant skilled workers in an industry with a constantly fluctuating market. This uncertain market can sometimes prove to be critical to some companies as the constant uncertainty due to economic fluctuations in the market meant that a company could be 'mothballed'<sup>1</sup> at any time.

At the time of the fieldwork, levels of employment fluctuated between 1000 - 3000 due to the nature of production in the industry. The research involved 39 semi structured interviews with managers, shop stewards, convenors, full time officers, regional and national officials. Structured self-completion questionnaires were issued to the workforce with the total number of responses received being 65% from Ship Repair, 59% from Shipbuilders and 28% from Refit PLC. This workforce data was supplemented with more qualitative data through the use of multiple methods such as observation of whole workforce meetings with shop stewards, management and shop steward meetings, national combine committee shop steward meetings, direct participation through 'training' as a welder on the shop floor and non-participation through generally 'hanging around' the shop stewards' offices and meeting workers on an impromptu basis as they visited the offices. Finally, this data was supported by secondary sources such as regional press in the North East and regional trade union minutes.

The trade union minutes were viewed as crucially important to this particular piece, due to the unions' continuing significance to this industry together with how contracts are tendered and achieved. This involvement in aiding employers to achieve contracts is despite the fact that there has historically been an adversarial employment relationship. As the embedded structure

---

<sup>1</sup> 'Mothballed' is the term used for the stage at which a company is in between orders, there are no blue collar employees and the yard is empty.

and culture of an employment relationship is viewed as an important element to consider for the purpose of this paper, it seems appropriate to briefly consider the background of industrial relations in this industry.

### **Background to industrial relations and the role of trade unions in the industry**

Industrial relations in the UK shipbuilding industry has been historically well documented (Clarke, JF. 1966, 1977; Clegg *et al.* 1964; Eldridge, 1968; Webb, S and B 1920) and is notorious for both its complexity, the sectional nature of trade unionism and the traditionally adversarial employment relationship. This has remained the case through a dramatic period of restructuring from the 1960s onwards when post war order books and lucrative government contracts for home ordered warships rapidly declined in the face of foreign competition. Nationalisation and privatisation followed in rapid succession along with EU decisions that prevented government subsidies and further opened the market to global competition where British yards were unable to compete on price. The single counterbalance was the opening up of the North Sea oil fields that required high tech rigs where there was a considerable advantage in being built by a skilled workforce located near to the oilfields that they were to be transported to. The restructuring of the industry left the yards on Tyneside with a fragmented ownership pattern and a skilled but ageing workforce that was forced to move from yard to yard in the Region or abroad in the search for work. In spite of these clear structural determinants of change, the decline of the UK as a shipbuilding power was commonly attributed to poor industrial relations by government, management consultants, employers and perhaps more surprisingly, the trade unions (see for e.g. Cm.2937, Cm 4756, HMSO, 1973). Yet, conversely, the trade unions play a prominent role in the survival of the industry, particularly on Tyneside.

A further critical element to the culture and history of the TMCI is the strong regional identity of the North East of England in general and Newcastle and Tyneside in particular. This culture is partly embedded in a male white working class affinity with traditional industries including shipbuilding and mining. The trade unions, in particular, have been major agents in promoting manufacturing industry through their institutional role in local agencies and economic forums. The Northern Region TUC has shifted from a largely traditional committee orientated approach to becoming a highly active agency in promoting the Region and its workforce in a period of unemployment and manufacturing decline (see Fitzgerald and O'Brien, 2005). It actively engaged with local State agencies and government in seeking the re-establishment of shipbuilding as a significant employer on Tyneside that utilised the existing skilled workforce and provided stable jobs for the future. In this context the trade unions became key agents in the campaign to bring shipbuilding back to the Tyne and establish a framework for stable job creation through a regional cluster group. (see McBride and Stirling 2004). Hence their role in how contracts are secured for the TMCI is crucial, not only for employers but clearly, also for their membership, the employees.

A major factor in the campaign to win orders for the Tyne has not only been the legacy of previous ships that have been built and repaired in this sector, but also the historical and cultural 'pride and quality of work on the Tyne'. In particular, pride in the 'producing on time' attributes, regardless of the state of the employment relationship at particular times. This point was highlighted in many interviews and was put forward clearly by one GMB Full Time Officer,

I can tell you that in terms of the river, there hasn't been one contract that hasn't been out on time, spot on, to the day, the very hour and within budget.

Hence, 'producing on time' is a major factor in the securing of contracts, just as it might be in a HPWS system in terms of measuring performance. Yet, in terms of the performance debate, HPWS assumes a model based on small to medium scale manufacturing with continuous sales. Together with this, the focus is not only upon producing on time but statistics such as defect levels on aspects of the product are also important in HPWS models. Yet it is more difficult to see how this is achieved in this particular industrial sector as performance in terms of 'quality' of work is not as straightforward as HPWS models suggest as the following depiction should indicate.

### **The measurement of quality in the TMCI**

First, in terms of the quality of the finished product, Project Management<sup>2</sup> in the TMCI deal directly with the turnaround of client contracts/orders and negotiations with clients. However, they also negotiate with the joint shop stewards' committee (JSSC) with regard to 'what is quality' in every job that passes through the yard. Such meetings are held on a weekly basis and also include any industrial relations issues that might be related to these jobs. As a researcher, I was given permission by management and shop stewards to attend and observe one of these meetings. The following is an ethnographic account of the meeting and, in order to consider the context of the shipyard<sup>3</sup> and social processes and interactions involved in such meetings, is intentionally descriptive.

#### The Shop Stewards Committee and Project Management Meeting at Ship Repair Ltd

On the day of the meeting, I met the convenor, Dave in the shop stewards' office and he introduced me to a new, younger shop steward who had only been in this role for a few weeks. He explained that the convenor and senior shop stewards were also taking him to the meeting to build experience. We then crossed the yard, passing the enormous cranes and cavernous dry docks, ensuring we were wearing our hard hats, and on this occasion, safety goggles which Dave informed me was the most recent grievance of one of the

<sup>2</sup> Also referred to as 'Controllers'.

<sup>3</sup> For those who have not experienced the enormity of a shipyard, Roberts (1993) provides a very useful description in his sociological account of shipbuilding on the Wear.



site managers who was issuing immediate disciplinary warnings to those not wearing goggles when crossing the yard. We were going to collect Barry the other senior steward from the plumbers' section, and eventually got to this huge workshop which was a dirty, cold, corrugated iron and red brick workshop. Inside, Barry was working at his desk in his office at the top of the workshop where a radio was playing and men were sitting in separate workstations, wearing overcoats on top of their boilersuits and working on machinery. When we entered, they all stopped working and came over to chat to the stewards. The atmosphere was very relaxed there was a distinct hovering smell, as everywhere in the yards, similar to damp rusty iron.

When we got to the project manager's office, I noted that there were lots of whiteboard charts on the walls with blocks made up of weeks and names of ships due in as contracts filled in untidily with different coloured marker pens. The atmosphere was very relaxed and I was surprised to see the shop stewards roll up and smoke their cigarettes being myself used to the now non-smoking work environment. One of the managers entered the room and we were introduced. He was wearing a white boiler suit and standard mustard coloured work boots with a red hard hat under his arm and explained that the other manager was on the phone and would join us shortly. In the mean time, he suggested they begin the meeting.

The discussion began with the block charts on the wall and the dates and names of the ships coming in for repair, how long the work should take, how much time they had in between contracts and the size of the workforce required. This then raised the issue of agency workers and the workforce grievance concerning differentials in pay rates between these workers, with the agency workers receiving less pay. Dave told the manager that the workforce viewed this as an injustice and 'wanted it sorted out'. I noted that the atmosphere in the office changed when this issue was raised and there was some strong language demonstrating the strength of feeling involved in the conversation that led to the manager looking uncomfortable.

The second project manager then arrived, also dressed in white boiler suit, and we were introduced. He was brought up to date and then he started discussing the last contract ship, which had apparently led to complaints from the owner concerning inferior work. Neither management nor shop stewards appeared very pleased about these comments and again the long conversation was fairly heated. It revolved around *what* was construed as 'shoddy' work, *where* the client maintained this inferior work was in the ship, *how* it was identified, *which* trades would have been involved in that part of the production process and *who* was going to inspect it to determine the extent of inferiority, if any.

After this discussion, shop steward Barry then asked about recent management complaints to the shop stewards concerning a current job in one of the dry docks that was apparently behind schedule. One of the managers suggested that this was a rumour and advised the shop steward not to listen to rumours and Barry snapped, "I'm not, that's why I'm bringing it up here!"

The manager then denied that the project management team had a problem with this particular job and this issue appeared to be resolved.

Dave then flagged this issue of 'rumours' and queried the management as to his recently acquired information that another competitor company had put in a bid for 'Gemstone' ship, which was apparently a large, and potentially lucrative order for the company and workforce. However, the management claimed that they were unaware of this and would chase it up for the following week's meeting. The meeting lasted for approximately an hour and was on the whole informal, apart from the occasions mentioned above where the atmosphere became more formal and tense. The conversation turned to football by the end of the meeting. I noticed that the new shop steward had not even entered the conversation and had smoked a generous amount of cigarettes in this short time as though he was uneasy and searching for something to do.

Although it could hardly be argued that this represented strategic qualities of negotiation, what this meeting did illustrate was the significance of the shop stewards role to management and involvement in determining the quality of a product. Clearly here, we can see negotiations over *what is* quality, *who* is responsible for that particular portion of the work and *what* are performance indicators. It would appear that such factors of 'quality' are dynamic and fluid rather than fixed in this sector. Also, who decides what is good quality work is a negotiated, multi level process, not fixed and static as HPWS models would assume. It is a lot more complex than this in the TMCI as will also be demonstrated in later sections, however for the purpose of this particular discussion, one factor it could be attributed to, is the interdependent relationship that exists in this industry.

It is clear that, in this industry, there is vulnerability in terms of economic uncertainty due to fluctuations in markets. Undoubtedly, the employers on the Tyne need orders for their company to survive and the workers will also need the securing of orders to maintain their employment, hence this suggests one element an interdependent relationship<sup>4</sup>. Furthermore, in order to retain skilled workers, or perhaps it could also be suggested in terms of employee involvement, management will need to ensure that their workforce have information of potential future work. From their perspective, this is a requirement to secure the skills needed for forthcoming orders and for the workforce, clearly for security in knowledge of impending work. As is evident from the above case study, Ship Repair Ltd actively seek to involve the JSSC in management discussions relating to the securing of contracts. Indeed, all of the companies in this study had an employment relationship whereby the shop stewards were involved in many different management meetings with regards to various issues. This involvement is then extended to the workforce through various different means.

---

<sup>4</sup> For more detailed information on this interdependent relationship see McBride (2005)

## **What is involvement in the TMCI?**

The strong shop steward organisation and healthy workplace union democracy in this industry was discussed in great detail in McBride 2004. The shop stewards aim to ensure that the rank and file membership are kept informed of any issues that might affect their employment and that they are able to have an active part in decision making. The convenors in each yard form a 'yard committee' which negotiates directly with management on most employment issues. The yard committee, following meetings with management on any issue, takes full report-backs of discussions/negotiations with management to the JSSC where any decisions to be taken are arrived at collectively. The JSSC then identify any matters of concern to their members and, if necessary, take such issues to either section meetings or mass meetings depending on the issue. This is to ensure as full participation of the workforce as possible.

Observations of mass meetings at two of these companies demonstrated that the workforce in both were certainly active participants in decision making, with many proactively offering reasons and solutions to problems raised in the meetings that had been put forward by management and unions. As also discussed by Danford et al (2004:106) this is not necessarily the image presented in mainstream accounts of HPWS that assume that the worker is passive and acquiescent. Nonetheless, the mass meeting is not necessarily a regular setting wherein the workers are able to be, as a whole, collectively involved in any decision making or information regarding their company or the TMCI. However, through interviews, it was discovered that the extremely efficient organised group structure in the yard does allow for the workforce to be involved in these issues in different ways.

If the issues are not deemed significant enough to hold a mass meeting, the shop stewards take issues raised from management meetings or JSSC meetings to single trade section meetings and hold discussions with workers on the shop floor in smaller numbers, as explained by the plumbers' shop steward John,

I get them in little groups and explain different things rather than take them into a big meeting, bearing in mind we've only got 22 plumbers, and I'll explain the situation.

All of the shop stewards reported that they had frequent formal sectional meetings with their trades and were also available to members on an informal daily basis at tea and dinner breaks, particularly if they are small trades, as highlighted by the drillers' shop steward Graeme,

Well it's more or less when you're sitting have your tea together, if there's anything to discuss or anything that needs to be brought up...in my department anyway, I don't know about the other departments...I mean there's only 3 or 4 of us and we sit and have our tea up in the shed so if there's any problems or anything like that we talk about it then.

Issues brought up at any of these meetings are then discussed at the JSSC monthly meeting. Shop stewards in the yard meet together 'at least once a month' on 'informative' issues and emergency mass meetings are usually held during annual pay bargaining. However, there is another forum through which the workers have the opportunity for involvement in decisions on their employment collectively and this is through the monthly 'grouse meeting'.

The long established, traditional 'grouse' meeting is whereby, on the last Friday of every month, the yard shop stewards meet with the workforce, in paid time off work, in order to discuss any grievances raised by the members. It is also used as a means by management and external trade union to inform and communicate with the shop floor workforce through the shop stewards. Only trade union members and shop floor workers are allowed to attend these meetings and attendance is voluntary. At Shipbuilders.Co where the researcher attended such a meeting (see McBride, 2006), it was claimed that the usual attendance to such meetings was 90-99%. After such meetings, the stewards then attend a 'post grouse meeting' with management to articulate the grievances of the shop floor and negotiate on any issues of importance to the membership. Results of such meetings are recorded and cascaded back to the workforce via sectional meetings and leaflet handouts, which include a summary of discussions with management on issues raised at grouse meetings.

All of this evidence would suggest that there is strong collective employee involvement in the industry. This is not only evident within one company, but extends beyond the boundaries of the organisation to the whole regional industry. Evidence was also provided that revealed an additional informal, practice of regional workforce involvement with employment issues in the TMCI. This concerned many of the shop stewards and the TMCI workforce off site and out of hours of work, as described by a MSF full time official (FTO),

...someone will pick the phone up and say 'right we're all meeting at such and such a place' and a lot turn up.

When asked as to what these informal meetings involved, he said,

Well you discuss what the trends are in employment practice and so on, for instance where employers are trying to change shift patterns, where they're trying to undermine the working time regulations or you can have a situation where the employer is trying to undermine the regulations to maximise their payments, their wages, so there's all kinds of discussions like that, on terms and conditions which generally occur and if someone has got an agreement to hand then normally, they're passed over and there'll be an attempt at some point to try and introduce a benefit in the discussions and negotiations domestically, exactly what the employers would do but in reverse.

Included in these discussions will also be information on future work and orders and discussions regarding many other issues involved with work such as the results from quality project management meetings discussed earlier.

Additional evidence suggested that such collective worker involvement in the industry also extends nationally through the Confederation of Shipbuilding and Engineering Union (CSEU) shop stewards' meetings as explained by Barry, a senior shop steward,

We go to combine meetings at Carlisle...so we find out what's going on up and down the country...we meet through the CSEU either bi-monthly or tri-monthly and basically all the lads from all over the country come and meet there. The beauty of them is that you sit down and basically find out what's going on throughout the rest of the country...

Hence, it was explained how useful these meetings were in terms of finding out the state of employment in different regional industries. Furthermore, at an observation of one of these meetings, the shop stewards also discussed client orders that were being granted to each yard and which national yards were bidding for certain, even the same, client contracts. This all demonstrates the involvement of shop stewards nationally in exploring potential contracts and orders that are, not necessarily directly involved with the company, but more related to the security of employment for their trade union membership.

Hence all of these meetings off site and out of work hours are used as an informal, voluntary forum for workers in the TMCI to discuss many issues related to their employment in this industry including information on future contracts and security of employment for themselves and their colleagues. Yet despite the strong illustration of a firm collective identity, there remains a contradiction in what can be defined as 'collectivism'<sup>5</sup>, for conflict in the form of demarcation still markedly exists in this industrial sector, especially on Tyneside. It is suggested that this may be due to the continuing significance of the occupational culture and identity in this industry.

### **The importance of the occupational culture and identity in the TMCI**

The issues of interchangeability and flexibility are a problem in this industry and demarcation lines remain to be a constant source of conflict. A manager in Refit PLC explained when asked as to whether he believed demarcation still existed in that particular company,

Of course it still exists, of course (laughs) oh goodness me yes. You have real trouble if you start to talk about interchangeability, where someone else is doing someone else's job. You see if it's flexibility

---

<sup>5</sup> For an in depth discussion of 'collectivism' in the TMCI see McBride 2005

within the GMB or flexibility within the AEEU group then you're all right, but if you try to make it cross over, from AEEU group to GMB group, then you've got a problem.

However, Barry, a senior shop steward, maintained that flexibility was *not* necessarily accepted within a single union group,

An electrician will always do an electrician's work, a plumber will always do a plumber's work but sometimes they {management} try to get people to do other people's work and we say, "Na, we will not do it"

John, another shop steward, described how management had on occasion attempted to evade demarcation lines,

It generally happens on weekends, not during the week, we're sitting in the house and our job's being done by, for instance, the fitters, and the management has told them to do it and said, "Don't worry we'll take the responsibility when they {craft workers in question} come in tomorrow morning"

This would all suggest that, attempting to implement flexibility and interchangeability has certainly produced some resistance from the workforce. It was suggested by some respondents that such resistance might be due to the "traditional culture" in the industry on the Tyne, as the employee relations manager in Refit PLC explained,

Part of this is a Tyneside problem, you've got so much baggage...history, tradition, some of which is a good thing cos some of it provides you with pride in work and our guys do work hard and well, but it is a Tyneside problem.

One of the managers at Shipbuilders.Co, who had moved from a Teesside yard, also gave a very interesting personal view of this 'legacy',

Industrial relations in this industry has got its own culture. When we first took over this company, I had a meeting with {FTO} from the GMB and when we put the contract together, the yard agreement, he said 'There's a culture on the Tyne. It is different'. I said I'm from 40 miles down the road, I've been a boilermaker, I served my apprenticeship at {A Company} on Teesside, I'm a plater by trade, I've worked offshore, I've been a shop steward, I've been a supervisor for years and years and you cannot tell me anything about boilermakers'. I was totally wrong.

From this evidence it is clear that there is an embedded culture of industrial relations in the TMCI. In particular, it can be seen how demarcation continues to be a significant issue of conflict in the sector. With flexibility being a major element of HPWS, this could certainly pose a challenge to the implementation of such a strategy in this industry.

There are several reasons why demarcation remains to be such a problem in this industry. A primary reason, as mentioned, is in relation to the importance

of the occupational identity in this industry and there are two perspectives that can be offered here. Firstly, the preservation of the skills required to conduct a job is crucial to protecting the workforces' employment and they do this in several different ways – strict demarcation lines, a closed shop and no flexibility or interchangeability. There is arguably a fairly understandable reason for this in the nature of the industry itself, for the frequent redundancies clearly indicate why the protection of the skills to do a particular job is so important. Hence, in striving to preserve the necessary 'skills' for a certain trade in each yard, the expertise required to conduct this job in any one of the yards on TMC1 is consistent. Thus, this is a form of protection, not only directly for the workers in a particular yard, but also for the 'regional collective workforce'. For if there is the potential of a redundancy in one yard, the workers will possess the relevant skills to simply move to another yard, hence protecting the employment of the 'regional collective group' rather than one trade or one yard. This is not a recent development due to the vulnerability and decline of the industry, but is once again, part of the embedded culture that exists in this industry. Since a further way in which the preservation of the skills for certain trades is continued, is through the apprenticeship system.

Apprentice regulation was also the principal means by which the skilled craft workers of 19th Century shipbuilding sought to protect their employment and retain the importance of the skill required to conduct the job. As Lorenz and Wilkinson (1968) note, when new trades to the industry with the advent of iron ships, and later welding, were introduced,

*As the main shipbuilding trades became organised by separate unions of Boilermakers, Shipwrights and Blacksmiths, the tendency was for all occupational groups to be classified as skilled with the means of entry confined to apprenticeship. (in Elmbaum & Lazonick 1968:114)*

Hence, the introduction of these different trades into the industry clearly led to each trade attempting to protect their employment by emphasising the importance of skill required to conduct their work. This was reinforced with the development of union organisation around the job or trade. It was even further reinforced in the apprenticeship, which now clearly indicated an identification with the craft and skill, also allowing for a clear social definition of group membership (Eldridge 1968:93). The trade union sectionalism and demarcation disputes characteristic of the modern industry became embedded in these divisions in the labour process. Additionally, it has been argued that this protection of employment was not only associated with job security but also arguably related to the issue of control (Eldridge 1968; Roberts 1967). In conducting demarcation disputes, the workers and their trade unions were restricting management in reducing flexibility. Together with this, they also limited management's ability to introduce unskilled workers to skilled areas. This is evident in the control over apprenticeships and in the restrictions on dilution. However, not all of these effects were necessarily negative to the employers, for a highly skilled workforce is arguably beneficial for production and also for the industry on the Tyne as a whole, in that the

skills that were developed allowed inter yard specialisation. This is also an advantage to the regional TMCI workforce in terms of control in that they don't only control what is involved in defining a trade, but also they are able to, at certain times, control the rate of pay for that skill.

An MSF FTO explained how this can also be an advantage to the regional workforce in that it puts the employers on the Tyne in competition with each other for the workers when there are a several contracts due into the region at approximately the same time,

...‘cos what you currently have is a mobile group of workers who haven't got an allegiance to any employer because the employer hasn't got an allegiance to them. So Refit get a large contract and were prepared to pay £12 an hour and the people who work at Shipbuilders would leave Shipbuilders who were being paid £8 an hour to go to Refit and then if that occurred again across at Offshore then there'd be the same thing so what would happen is there'd be a spiral and they'll (the skilled workers) chase it and therefore the employers and contractors will become poachers. So what they'll be looking at is having some form of commonality which, probably the only thing that would pull someone away would be the length of a contract that they were promised or the prospect of earning more money through overtime. So that would be their view to retain a rate of pay for a job.

All of this clearly also suggests that another example of a way in which the protection of the identity of the 'skilled worker' is beneficial to the workforce is that the worker is able to retain the exercise of control over their own work (see also Roberts 1993 and McBride 2007a). They decide what the skills of their particular occupation should entail and hence, the workforce in the TMCI still also possess a great deal of autonomy in their work and manage their work themselves. The rate for the job can also be negotiated through the way in which the production process operates

Historically, this industry has been dominated by two groups of trade supported by ancillary workers. The 'construction' (or steel) trades built the structure of the ship and the 'outfitting' trades furnished it; both were supported by apprentices and general workers. This system has not changed dramatically over the years. When a new contract begins, the initial skills required are predominantly those of the GMB trades, half way through a contract it is likely to be 50/50 GMB and Amicus trades, then at the final outfitting stage, predominantly Amicus trades are required. Trades in UCATT are also required throughout the labour process, although the numbers are few. Hence, different trades (or teams) will be required at different stages of production. If more than one company on the Tyne requires a certain set of skills at similar times, then the required trades have the power to negotiate a higher rate for their skills.



The evidence above suggests elements of 'teamworking', one of the key rudiments of HPWS models. However, it is not as clear-cut as the mainstream HPWS models suggest, for the 'teams' of trades are not static but vary depending on the stage of the production process. Also, it is they who control the way in which the work is conducted and how much a job is worth. Issues of quality, as discussed earlier, are negotiated at various different levels with various different groups. Furthermore, the workers identify themselves as a 'collective' rather than a team, and have a collective identity at different levels and in different ways<sup>6</sup> that is far more complex than simply a static, collective team of workers in one area. Given that the trades are employed at different stages of production and the workers work in gangs or squads, the craft identity is also reinforced socially. This idea of 'teamworking' is not new and is part of the embedded structure and culture of the industry<sup>7</sup>. In this sense, teamworking has always been part of yards, but not as defined by performance models. The notion of 'teams' here is more worker led and part of a more collective mentality that does not allow itself to be managed from above.

Finally, this evidence could suggest some support for the 'empowerment thesis' which is another key element of the HPWS philosophy. However, in this industry it is not empowerment that has been 'given or offered' by some new management technique such as the implementation of a HPW system, but it has historically always existed in this particular industry. It is worker led and culture led and it is embedded within the system. This could prove to be a real challenge to HPWS models and the reasons for this are discussed below.

## **Conclusion**

The overall aim of this paper was to challenge the underlying assumption in the HPWS philosophy that its techniques may yield benefits in 'all' settings. It considered whether there may be challenges that potentially face the implementation or effectiveness of such systems. One of these challenges is related to the potential of harmonising of HPWS systems into long established structures and cultures firmly embedded into an employment relationship of an organisation or industrial sector. It was argued that such strongly established cultures and structures may substantially limit the effectiveness of HPWS practices. Furthermore, the findings presented evidence to support other studies (in particular Danford *et al.* 2004) that question the fundamentally managerialist nature of HPWS accounts that assume labour's position in the HPWS equation to be simply one of recipient. They argue that the problematic of worker resistance just does not feature in HPWS's objectified treatment of acquiescent labour. It is argued in this paper that the failure of HPWS debate to account for all of these issues is a real problem and the discussion presented here will attempt to consider the challenges that

---

<sup>6</sup> For an in depth discussion of this 'collective identity' see McBride (2007)

<sup>7</sup> Even at the turn of the last century the Webbs refer to the 'gangs' of skilled trades (Webb, S& B 1920:353) working at different times on production in this industry.

might reduce its applicability in certain sectors, in particular the one under study in this paper.

The first point relates to the very nature of the product of the TMCI. The final product has a market and contract bidding process much like anywhere else but it is subject to political imperatives, highly complex multi-layered negotiations (between many different groups) and various stages. Hence performance and/or productivity are only one vector of this process. Also, the longer time frame due to the bidding process means that representing the workplace within the market is more challenging on a day to day basis. Producing on time appears to be a major factor and it was argued how the performance debate assumes a model based on small to medium scale manufacturing with continuous sales where statistics such as defect levels on aspects of the product are important. Yet it is difficult to see how this is played out in this industrial sector.

One example to demonstrate the complexity of this was in the 'negotiations over faults' meeting between the shop stewards and management. This demonstrated that the negotiation context and issues of representation may be more complex at the heart than the more industrial relations friendly approaches to HPWS such as Appelbaum *et al.* (2000). Furthermore, this is only one aspect of measuring 'quality' in this industry as it was demonstrated how there are also complex negotiations and conflicts between different parts of the shipbuilding production process. Balancing different skills and occupations requires an industrial relations approach from unions and managers that may not always be able to reference performance and productivity issues so simply. Furthermore, what is considered to be a 'skill' or a part of a particular trade appears to be controlled through demarcation, the apprenticeship system and the embedded occupational culture and identity.

The continuing nature of occupational or skill differences remain important to the sector and make negotiations on performance related issues complex. The building and repair of maritime products requires a set of skills and occupations that have been located in a particular space over a long period of time. This creates a context that has various relevant characteristics:

1. An autonomous, spatial identity that views the production process in broader terms and that is more autonomous of management strategy.
2. A view of skills and occupations that may not conform to the more 'dissected' approach of HPWS with its views of quality etc.
3. A labour process that is more fluid and less fixed spatially (taking into account the demarcation between work groups) and which may have a more complex link with performance indicators

Here of course, there is also the challenge of constructing a list of high performance work systems and indicators across such a complex and large scale process as the maritime construction industry. Furthermore, the nature of the work may require a constant “management of discontent” by unions and their members. Worker autonomy over the control of the job through apprenticeship and control of the ‘rate for the job’ at certain windows of opportunity does not fit well with the HPWS portrayal of employee autonomy and the acquiescent worker. Even more so, the idea that quality oriented committees can be established as easily as outlined in HPWS models is not so straightforward. This brings us to employee involvement.

Involvement cultures in the TMCI have a large degree of autonomy and internal and external variety as this paper has also attempted to point out. The real challenge in the context of the TMCI is how the vulnerability of the sector and the lack of a long term strategy for it shapes expectations and trust within the workplace. The nature of the contracts provide an element of vulnerability and the lack of a certain future for the sector permeates the differentiation and cynicism of the workplace. In this respect, generating ‘enthusiasm’, ‘trust’ and ‘involvement’ around HPWS would be quite a challenge in this sector.

Finally, there may be limits to HPWS applicability in certain sectors, occupations and forms of employment contract. In this research, one is dealing with a workforce that has its own dynamic and culture embedded within a longstanding tradition, and one that is quite distinctive from management’s. Outputs, products and performance can also be viewed in terms of high-profile legacies. HPWS is less concerned with these issues. For the purposes of future research, there are two issues that can be raised. The first is the compelling question of the extent to which the ‘traditional’ industrial relations in this sector will persist and thereby limit the potential introduction of HPWS. This is important, since among other reasons, the advocates of HPWS argue that sectoral history should not act as an impediment to adoption. The second and related issue is the extent to which extant forms of social relations, including the contingencies and qualities of the sector, in any case, provide for a more complex and multi-layered approach to the negotiation of performance. The failure of the HPWS debate to account for this is a real challenge and arguably demonstrates how limited the debate is when we take a closer look at the histories and sociologies of specific sectors.

## References

Appelbaum, E., Bailey, T., Berg, P. and Kalleberg, A.L. (2000) *Manufacturing Advantage: Why High-Performance Work Systems Pay Off* ILR Press, Ithaca, New York.

Ashton, D. and Sung, J. (2002) *Supporting Workplace Learning for High Performance Working*. Geneva: International Labour Office.

Bacon, N. and Blyton, P. (2003) The impact of teamwork on skills:employee perceptions of who gains and who loses. *Human Resource Management Journal*, 13:2, pp13- 29

Brown, T. (1999) Restructuring, Teams and Learning: The Case of a Clothing Company. *Studies in Continuing Education*, 21:2, pp239-257

Butler, P., Felstead, A., Ashton, D., Fuller, A., Lee, T., Unwin, L. and Walters, S. (2004) *High Performance Management: A Literature Review*. Learning as Work Research Paper No. 1. University of Leicester, Centre for Labour Market Studies.

Cochrane, B., Law, M. and Piercy, G. (2005) *Lean but is it Mean? Union members' views on a high performance work system*. University of Waikato, AIRAANZ.

Danford, A. (2003) Workers, unions and the high performance workplace. *Work, Employment and Society*, 17 (3) pp569-573.

Danford, A., Richardson, M., Stewart, P., Tailby, S. and Upchurch, M. (2005a) *Partnership and the High Performance Workplace: Work and Employment Relations in the Aerospace Industry*. Palgrave Macmillan.

Danford, A., Richardson, M., Stewart, P., Tailby, S. and Upchurch, M. (2005b) *Skills Training and Employee Development in the High Performance Workplace. Supporting Partnership or Elites?* Paper presented to the 23<sup>rd</sup> International Labour Process Conference, University of Strathclyde, 21-23 March.

Danford, A., Richardson, M., Stewart, P., Tailby, S. and Upchurch, M. (2004) *High Performance Work Systems and Workplace Partnership: A Case Study*

of Aerospace Workers. *New Technology, Work and Employment*, 19:1, pp14-29.

Evans, W. R. and Davis, W.D. (2005) High-Performance Work Systems and Organizational Performance: The Mediating Role of Internal Social Structure. *Journal of Management*, 31:5, pp758-775.

Garrahan, P. and Stewart, P. (1992) *The Nissan Enigma: Flexibility at Work in a Local Economy*, Cassell, London.

Godard, J. (2004) A critical assessment of the high-performance paradigm. *British Journal of Industrial Relations*, 42(2), pp349-378

Guthrie, J.P. (2001) High-involvement work practices, turnover, and productivity: Evidence from New Zealand. *Academy of Management Journal*, 44, pp180-190.

Harley, B., Allen, B.C. and Sargent, L.D. (2007) High Performance Work Systems and Employee Experience of Work in the Service Sector: The Case of Aged Care. *British Journal of Industrial Relations*, 45:3, pp. 607-633.

Harley, B. (2002) Employee Responses to High Performance Work System Practices: an Analysis of the AWIRS95 Data, *The Journal of Industrial Relations*, 44:3, pp418-434

Harley, B. (1999) The Myth of Empowerment: Work Organisation, Hierarchy and Employee Autonomy in Contemporary Australian Workplaces. *Work, Employment and Society* (13)1, pp41-66

Huselid, M.A. (1995) The impact of human resource management practices on turnover, productivity, and corporate financial performance. *Academy of Management Journal*, 38, pp635-672.

Huselid, M.A. and Rau, B. L. (1996). 'The determinants of high-performance work systems: cross sectional and longitudinal analysis'. Unpublished paper.

McBride, J. (2007a), *The Dynamics of Power and Control in the Employment Relationship in Maritime Construction Industries on the River Tyne*. University of Bradford School of Management Working Paper No. 07/04.

McBride, J. (2007b), *Can Sectionalism be Good for Solidarity? Some Evidence from the Tyneside Maritime Construction Industry*. A paper

presented to Work, Employment and Society Conference, University of Aberdeen, 12–14 September.

McBride, J. and Stirling, J. (2004) A New Industrial Relations in an Old Industry? Paper presented to *The Miners' Strike 20 Years On: Challenges and Changes*, Northumbria University, July 2004. Unpublished paper.

McBride, J. (2006) *Mapping Worker Collectivism: Some evidence from River Tyne industries in the North East of England*. *Work, Employment and Society*, 20,3 pp583-591

McBride, J. (2005) 'The Persistence of Power? Trade Union Workplace Union Organisation and Industrial Relations in the Tyneside Maritime Construction Industry' Unpublished PhD Thesis Newcastle: University of Northumbria in Newcastle

McBride, J. (2004) *Renewal or Resilience? The Persistence of Shop Steward Organisation in the Tyneside Maritime Construction Industry Capital & Class*, 82.

McKinlay, A. and Taylor, P. (1996) Power, Surveillance and Resistance: Inside the Factory of the Future. In Ackers, P., Smith, C. and Smith, P. (eds) *The New Workplace and Trade Unionism*, London, Routledge.

Ramsay, H., Scholarios, D. and Harley, B. (2000) Employees and High-Performance Work Systems: Testing inside the Black Box, *British Journal of Industrial Relations*, 38:4, pp 501-531.

Roche, W. (1998). 'In search of commitment oriented human resource management practices and the conditions that sustain them'. *Journal of Management Studies*, 36: 653–78.

Sparham, E. and Sung, J. (n.d) *High Performance Work Practices: Work Intensification or 'Win-win'?* University of Leicester Centre for Labour Market Studies, Working Paper 50.

Varma, A., Beatty, R.W., Schneider, C.E. and Ulrich, D.O. (1999) High Performance Work Systems: Exciting Discovery or Passing Fad? *Human Resource Planning*, March, pp26-37

Webb, S. and B. (1920a), *The History of Trade Unionism* (3rd Edition) (London: A.M. KelleyPublishers).

Webb, S. and B. (1920b), *Industrial Democracy*. Fourteenth Thousand (London: Longmans, Green & Co.).

Whitfield, K. and Poole, M. (1997) Organizing Employment for High Performance: Theories, Evidence and Policy. *Organization Studies*, 18:5, pp745-764.

Wood, S. (1999) Getting the Measure of the Transformed High-Performance Organization. *British Journal of Industrial Relations*, 37:3, pp391-417