The Sociology of Organizations

Some Problems Emerging from Research in Shipbuilding

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Introduction

Between 1967 and 1970 I and three colleagues were engaged in sociological research in a Tyneside shipyard*. Our primary aim was the investigation of the 'orientations to work and industrial behaviour' of the workers in the yard. During the course of the project, however, we acquired a lot of information about the way in which the yard, and to a lesser extent the firm it belonged to, operated, as this was essential for an understanding of work orientations and behaviour. In the process of writing up the research I have attempted to develop a theoretical framework which is adequate for the analysis and presentation of this material about the shipyard as an organization. This paper is an attempt to outline that framework. It reflects my dissatisfaction with existing approaches to the sociology of industrial organizations, though it is not written primarily as a critique of such approaches.

Obviously an approach to the sociology of industrial organizations which is appropriate for shipbuilding, but nowhere else, would be of limited interest. However, I do not think that this is the case, and I shall try to develop these ideas so as to indicate their general relevance to industrial organizations (by which I mean organizations employing people on the production of goods and services and constrained by market forces or their equivalent). Certainly the processes of change which occurred during our research — and I should emphasise that the period was one of major changes in the

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industry — were closely parallel to developments elsewhere in industry: mergers of previously separate companies, and consequent rationalisation and bureaucratisation; productivity bargaining and the reform of pay structures; more general attempts at modernisation, like improvements in industrial training; some technical changes; and so on. Thus the occasion for this paper is research in shipbuilding, and examples will be drawn from that industry, but I hope the argument will be of general interest.

The Contract of Employment

An industrial organization, like a shipyard, is based upon contracts of employment. This may well be true in an historical sense, but is meant primarily in an analytical one. Industrial organizations exist because and in so far as one man, or men, or their representatives, employ others to produce goods or provide services. If by 'contract of employment' we mean not only the legal rights and obligations linking employer and employee, but also the whole complex of expectations on both sides of such a relationship, then an examination of the nature and implications of the contract of employment seems to me to be the most appropriate starting point for the analysis of industrial organizations.

Examination of the contract of employment, however, reveals that it has a surprisingly indeterminate nature. It may specify rates of pay, hours of work, and some more peripheral matters such as holidays; and if one includes job specifications, company handbooks and so on, it may be established in even more detail. However it can be argued that it is impossible, and not merely unusual, to determine in advance the full extent of an employee's or an employer's obligations. The contract between employer and employee involves an 'agreement' to buy and sell labour power, and the entry by the employee into a relationship of subordination to the authority of the employer which is essential if the exchange is to take place. In piece-working and similar systems where pay is tied directly to output and the exercise of authority by the employer may be of lesser importance, the situation tends to approach one of sub-contracting and not employment at all.

This sort of analysis of the employment contract has been made most fully, with relation to effort at least, by Baldamus (1961, esp. pp. 35-6) who writes:

'... the formal wage contract is never precise in stipulating how much effort is expected for a given wage (and vice versa). The details of the arrangement are left
to be worked out through the direct interaction between the partners to the contract. If a worker slackens his effort at one moment, the foreman's job is to remind him, as it were, that the departs from his obligations, and, in certain circumstances, it is quite possible that there may be some haggling between the two as to what is a 'fair' degree of effort in relation to wages paid'.

Other writers, too, although adopting very different and in most cases less satisfactory theoretical perspectives, argue that there are indeterminate elements in the employment contract. For example, Jaques's distinction between the 'prescribed' and 'discretionary' components of work leads to the assertion that all employees have a discretionary component in their job — decisions and choices that the person in the role must take (Jaques, 1961). In describing the historical processes by which managers have attempted to legitimate their authority and secure the willing cooperation of their subordinates Bendix (1963) sums up the situation as follows:

'In modern industry the cooperation needed involves the spirit in which subordinates exercise their judgement. Beyond what commands can effect and supervision can control, beyond what incentives can induce and penalties prevent, there exists an exercise of discretion important even in relatively menial jobs, which managers of economic enterprises seek to enlist for the achievement of managerial ends' (p. 251, see also p. 204).

He sees the internalisation of an ethic of work performance as essential if industrialisation is to take place.

Thus my argument is that with regard to both the amount and the quality of work done the contract of employment can only be worked out in the day to day activities of managers, foremen and workers. In many cases there may be a body of custom and shared expectations which define what is appropriate within fairly narrow limits; and in all cases this elaboration of the employment contract is constrained by the wider system of economic and social relations of which it is a part. However if the contract of employment is as central as I suggest, and if it is indeterminate in crucial respects, further understanding of the organization will come from exploring the processes of negotiation which do define the behaviour expected on each side more precisely. Indeed, if as I shall argue it is possible to use the term 'negotiation' in two rather different ways, the organization can be seen to be the reflection and result of these processes.

In the first place negotiation can obviously be observed to take place through 'official' channels, between employers or their representatives and the Trade Unions, and through slightly less 'official' channels between man-
agers and workers, or their representatives, the shop stewards. In this way, as some students of the subject have acknowledged, industrial relations as conventionally understood is an essential part of a sociology of industrial organizations; social relations in the organization are established, defined and changed by industrial relations activity. (This is reflected in Flanders' description of the study of industrial relations as 'the study of the institutions of job regulation' (1970, p. 86), though I have reservations about other aspects of his argument).

Secondly, however, there is negotiation in the sense implied by Strauss and his colleagues when they describe an organization (in their case a psychiatric hospital) as a 'negotiated order'. This refers to the ways in which the behaviour expected of the employer and his representatives in the authority structure of the firm and of the worker is 'negotiated' in the daily interaction between manager and worker, worker and worker, and manager and manager. My contention is that there is no clear break between this sort of negotiation and bargaining about industrial relations as commonly understood. Strauss et al. (1963, pp. 103-4) argue that

'. . . order is something at which members of any society, any organisation must work. For the shared agreements, the binding contracts — which constitute the grounds for an expectable, non-surprising, taken-for-granted, even ruled-​lineless — are not binding and shared for all time. Contracts, understandings, agreements, rules — all have appended to them a temporal clause. That clause may or may not be explicitly discussed by the contracting parties, and the terminal date of the agreement may or may not be made specific, but none can be binding forever — even if the parties believe it so, unforeseen consequences of acting on the agreements would force eventual confrontation. Review is called for, whether the outcome of review be rejection or renewal or revision, or what not. In short, the bases of concerted action (social order) must be reconstituted continually; or, . . . 'worked at'.

Such considerations have led us to emphasise the importance of negotiation — the processes of give-and-take, of diplomacy, of bargaining — which characterises organisational life'.

They draw attention to the ways in which the structure of an organization, the definition of roles and relationships between them, is the outcome of processes over time; and they suggest some of the influences on the negotiative process (p. 121):

'The model presented here has pictured the hospital as a locale where personnel . . . are enmeshed in a complex negotiative process in order both to accomplish their individual purposes and to work — in an established division of labour — toward
clearly as well as vaguely phrased institutional objectives. We have sought to show how differential professional training, ideology, career, and hierarchical position all affect the negotiation.

Thus negotiation, in both senses, must be seen not as a once and for all matter but as an ever present organizational process, though, of course, the degree to which this is so, and the rate of change within organizations, are likely to vary widely between different types of enterprise and even different periods of time. All industrial organizations, however, are characterised by the facts that their personnel is constantly changing (and newcomers may not be prepared to accept the prevailing order even if it is fully and effectively communicated to them); the balance of resources and sanctions available to participants is unlikely to remain static; and their environment is unstable, particularly due to changes in labour and product markets, and in technology. The current ‘order’ has to be continually renegotiated.

One fundamental reason for the in some ways precarious nature of the ‘negotiated order’ is that the major parties to it — employers and workers — are constrained by the system of social and economic relations in which they exist to try to secure incompatible ends. The employer must keep his costs down, including labour costs, or go out of business; the employee wishes to maintain or improve his level of wages — or equally important to keep his ‘costs’ down — or risk, at the best, relative deprivation, or at the worst, starvation and/or physical or mental injury. Thus bargaining takes place both over the level of pay and over the nature and amount of work to be done for that pay; and in both cases the parties, however much they may share other interests in common, have opposed interests; opposed interests which are ‘real’ in the sense that they cannot be defined away but arise from the nature of the ‘system’ in which the parties are enmeshed. Though these contrary interests — and others which some or all of the actors may have — do not determine the nature of the compromises which are negotiated more or less officially, they do set certain limits to them.

That ‘order’ of some sort is possible under such circumstances — and there is a wealth of empirical evidence to suggest that it is, and over long periods of time — raises further problems. It can only be understood in terms of the very strong societal supports for the institution of employment, and for economic activities generally. No full analysis will be attempted here, but some of the processes involved can be indicated. As Baldamus (1961) has pointed out, during ‘primary socialisation’ (in the home and at school) most members of society internalise to some degree an obligation to work
and the expectation that work will involve deprivations; during 'secondary socialisation' (in the workplace) these diffuse obligations are made more precise and standardised conceptions of 'a fair day's pay for a fair day's work' emerge. This whole area seems to be largely unexplored, and some commentators have emphasised the break between 'school' and 'work' and the problems of adjustment for the young worker, especially if his or her experience has been of modern educational methods. One can point in contrast to the fact of compulsory regular attendance at school from 5 to 16; and writers such as Mann (1970) have argued that the content of education will lead to an acceptance of existing authority structures. It does seem valid to assert the existence of normative supports for the employment relationship if this can be done without adopting a consensus 'image of society' more generally.

Further support comes from the internalised obligations to consume, to provide for one's family at a certain level — in popular terms, to keep up with the Jones's — which our society engenders, 'obligations' which make necessary continuous employment despite the very real deprivations which it brings with it for many. There are, of course, certain contradictory consequences which follow from these two structurally derived supports for industrial organisations and I shall mention them later.

The Control of Work

I have suggested that the contract of employment is the basis of industrial organisation; that in its official form it is in crucial respects incomplete; that processes of negotiation between the actors involved are therefore necessary to establish order; and that such processes occur more or less continuously because of the constantly changing nature of the environment of any industrial enterprise. I have also suggested that quite apart from any personel desire to grow rich or expand his business, the employer has interests which conflict with those of his employees and is constrained to control the activities of his employees, towards getting relatively more work for less pay, by the pressures of the competitive market system in which the organisation operates. (In many firms it is of course difficult any longer to identify an 'employer'; and the nature of personal ambition which can be imputed to directors and managers is disputed by economists and others; but the constraints to operate efficiently by exploiting labour fully — in a technical sense — would appear to apply within broad limits whatever the
ownership and control situation.) What, then, are the controls available to employer manager and how do they manifest themselves in the work place?

I would suggest that it is useful to distinguish two sorts of control. There is the control which can be exercised by the allocation of work, and of responsibility and authority — the possibility of determining who does what in ways which appear best to serve the interests of the employer; and there are the regulative controls over the quantity and quality of the work done, which operate by a wide variety of means varying from direct supervision, through many varieties of payment systems, to the manipulation of motivation as in human relations training programmes.

It is to the employer's advantage to be able to determine who does what in his enterprise, in that control over their activities may be built into the resulting structure of the organisation. Perhaps the most obvious example of this is the hierarchical nature of large scale organisations in which there is a pyramid of super- and sub-ordination. The literature on bureaucracy since the time of Weber has been concerned with exploring the nature and ramifications of such control hierarchies. Many allocative decisions have consequences as to the sort of regulative controls which are possible; to fragment the work of skilled men, for example, so that the component tasks are performed by unskilled who are machine- or line-paced in their work is to introduce the possibility of a very direct control over their level of effort. In contrast to rely on skilled manual workers who are able to tackle a variety of complex tasks with discretion, as is the case in shipbuilding — or to introduce professionally qualified experts to perform technical or managerial tasks — is likely to mean that certain areas of decision-making, perhaps unavoidably, are out of direct managerial control.

The most obvious device for closing the employment contract with respect to the quantity of work performed for a given level of earnings is one of the many forms of incentive payments systems. Such means, however, have been shown in many empirical studies to have considerable disadvantages, and they are in any case generally combined with some form of direct supervision, of controls over quality of work, and of attempts to stress the common interests of employer and employees. In situations where there are time rates of pay, the process of effort bargaining may still take place, but it is widely accepted that these other means of control will be more important, for example, that the ratio of supervisors to workers will be greater. Another means of control, only available with certain types of technology, is machine paced work; the conflicts then centre on manning and the pace of the line (see Beynon, 1973).
The employer or manager is not able to exercise his control over work unchallenged or unconstrained. Employees organised in occupational interest groups (trade unions, professional associations, and so on) attempt to control the allocation of particular types of work, and to secure 'a fair day's pay for a day's work' for their members. And within the work place not only are the details of the effort bargain worked out in the official and unofficial negotiation for the rate for the job and/or a reasonable level of effort but the relations between employers and employees include a struggle over the 'frontier of control', over precisely what degree of autonomy or subordination particular individuals or groups will have.

The operation of these processes can be illustrated in the case of shipbuilding. As is well known, the allocation of work between trades has been the subject of negotiation, and dispute, ever since ships started to be built of iron and then steel towards the end of the 19th century. The disputes were both between employers and workers (or their unions), and between rival trades in different unions claiming particular tasks for themselves. There was a long series of disputes in the 1890's; the Webbs wrote of Tyneside: 'Within the space of thirty five months (between 1890 and 1893), there were no fewer than thirty five weeks in which one or other of the four most important sections of workmen in the staple industry of the district absolutely refused to work' (1913, p. 513). As a result of such disputes of 'who did what' were eventually agreed between the various pairs of trades in dispute, and a procedure agreement reached which at least provided some of them with a framework within which most succeeding disputes could be settled without stoppages of work. Because of course there continued to be such disputes despite agreed lists, as technical changes, new materials, developments in ship design, and so on presented new issues which had to be negotiated — sometimes at an official district level, sometimes with respect to one yard, or even part of a yard, so that practices could vary widely. The negotiations did not stop there: although shop stewards could be found with their little books in their pockets detailing the tasks which members of their society could undertake, in practice demarcation lines were crossed on the job to some extent and in certain circumstances.

Obviously in the case of shipbuilding the workers retained a very considerable degree of control over the allocation of tasks in the organisation, a control which also had advantages when questions of pay came up. Although demarcation disputes were disliked by the Webbs, and have had a bad press ever since, they probably have lower costs for the employer than
commonly supposed; Parkinson, writing in 1960 in the standard work on
the economics of the industry, suggests that demarcation practices as a
whole probably add less than 5 per cent to the wages bill. On the other hand
preservation of the skilled trades, which was the corollary of allowing
existing allocations of work to continue, had certain advantages for em­
ployers. They could continue to operate with a pattern of craft administra­
tion (Stinchcombe 1958), because they could rely on the availability of a
body of skilled workers, able to exercise discretion on the job and with
internalised standards of workmanship which reduced the need for super­
vision and extensive quality control. Also they faced a fragmented labour
force, which although it might engage in leapfrogging wage claims as well
as disputes over who did what, would not easily unite in opposition to the
employer.

We found, for example, at the end of the period when traditional demar­
cation still persisted, that managers generally recognised and evaluated
positively the skills and abilities of the workforce. The two major technolo­
gical innovations of the post-war period — the adoption of welding rather
than rivetting, and the introduction of prefabrication — were accomplished
within the traditional framework of allocating and organising jobs within
skilled trades; indeed one manager on Tyneside suggested publicly in the
1940's, when welding was growing in importance, that it should definitely
be an apprenticed trade as otherwise men would be unable to cope with the
conditions of shipyard work.

The result of recent changes has been to alter this negotiated order. Cer­
tain previously rival trade unions have amalgamated. Firms have merged
and hammered out common agreements over conditions and pay to cover
all their yards and to replace the multifarious yard level practices. Product­
vity agreements have offered higher rates of pay in return for mobility,
flexibility and interchangeability. As yet the full implications of these
changes are still being worked out. In this case the degree to which arrange­
ments are formalised is greater (because of the greater size of units affected,
and the consequent need for more bureaucratic means of control); but even
so the agreements are formulated in very general terms and one suspects
that a lot of filling in of details will have to be done.

I have suggested that the employer's control over the quality of work
done was dependent upon the internalisation of certain standards of per­
formance by the craftsman — and the institutionalisation of them within
the craft group to some extent; but obviously there have always been other
checks, including quality control at certain stages in construction and those
by the clients’ representatives in the yard. I would suggest that control over
the quantity of work done was customarily exercised through some version
of payment by results, for some steel trades often by complex structures of
piece rates, some of them dating back to the 19th century. What is notable
about the pay structure of shipbuilding until very recently, however, is its
extreme complexity — many traditional piece rates had been converted to
lieu rates, some trades had contract bonus schemes, some times allowed
for jobs, and so on — and the extent to which particular groups of workers
could and did negotiate with the foremen about rates, allowances and other
questions affecting pay, like overtime. The introduction of rates for broad
categories of workers within the whole group of yards has altered this pat­
ttern drastically, reducing the autonomy of the individual shop steward and
foreman, and making the main location of negotiation of pay the much more
formalised group negotiating committee. Whether other forms of negotia­
tion of pay will re-emerge at yard and trade level it is too early to say, but
there are strong pressures to prevent it.

What is still to be ‘negotiated’ in the broader sense is the other side of the
effort bargain (the new bonus is too remote to have much effect). In the
recent past when most steelworkers were paid on lieu rates, production was
kept going, so many managers and workers argued, because production
welders remained on piece rates. With the ending of this practice manage­
ment attempted to exert control by increasing the number of supervisors
and introducing stricter checks over starting and stopping times, movements
about the yard, and so on. These moves aroused a good deal of resentment
and opposition among workers, and produced protests from the shop ste­
wards committee which appeared likely to lead to certain modifications of
management’s schemes.

Orientations to Work

So far I have outlined some of the areas and patterns of negotiation, some
of the conflicts over control, without providing any basis for the explanation
of why different groups of actors adopted certain strategies and pursued
certain ends. One such explanatory device is the notion of ‘orientation to
work’, but this has to be used in rather different ways from its formulation
by Goldthorpe and colleagues (1968).

In the Affluent Worker study it was suggested that orientations to work
could be determined relatively unambiguously and that behaviour in the
labour market and at work was rational in terms of such objectives. I do not want to suggest that workers' behaviour is likely to be irrational, governed by a 'logic of sentiments' as Roethlisberger and Dickson suggested, but rather that there may be competing rationalities involved. Certainly our own investigation in shipbuilding leads us to suggest a much more complex picture, and it is possible to conduct this part of my argument with rather more illustration from empirical data than has been possible so far (see also Brown, 1973).

Shipbuilding workers on Tyneside are recruited almost entirely from traditional shipbuilding areas. Of those we interviewed 44 per cent were the sons of shipbuilding workers or workers in ship repairing or marine engineering, and 28 per cent of their wives were the daughters of such workers. These sorts of connections with the industry are still found to a considerable extent among apprentices currently entering shipbuilding. Knowledge and experience of shipbuilding, and of the tasks, conditions and social relations of shipbuilding workers, are widespread in the localities from which the labour force is drawn. Work and non-work are not clearly separate worlds. Even if the sources of shipbuilding workers' orientations to work are to be seen as their family, community and class situations, these are not independent of the industry, but influenced by the major part shipbuilding has played in the economic and social life of Tyneside. For this reason alone one cannot treat the subjective dispositions of the actors as 'a crucial independent variable relative to what occurs in the work situation' (Goldthorpe, 1966, p. 240).

Secondly, socialisation at work can be shown to be an important influence on orientations to work. This is most clearly seen in the study we made of apprentices. Two cohorts of apprentices were asked to complete written questionnaires on three occasions over two and a half years during their training. In response to an open-ended question about the things looked for in a good job there was a shift towards an emphasis on the intrinsic qualities of the job itself and away from factors like pay, security and good prospects. Attitudes to promotion changed and the proportion who thought they would like a foreman's job fell. In response to other questions attitudes appeared to become more hostile to the firm and its management, and more favourable to trade unions; and there was an increased proportion of choices, in a forced choice question, for statements calling for greater worker and union participation in decision making in the firm, a change in what Fox (1971) terms their procedural orientation.

For both these reasons — the industry-community links, and the fact of
socialisation at work — the mechanism of self-selection which applied in Luton cannot be generalised to the shipbuilding situation. Homogeneity of orientation among any group of shipbuilding workers, must be seen as occurring because of socialisation at work and/or in the ‘community’; the social origins of such workers are in important respects more homogeneous, and their opportunities for job choice more restricted, than in the case of the Affluent Workers. On the other hand, for many skilled shipbuilding workers and apprentices there is not the same need to choose between high pay and interesting work. In the Tyneside situation seeking employment as a skilled shipbuilding worker might well be the result of a realistic and realisable desire for both types of reward.

It is clear that shipbuilding workers do look for both instrumental rewards and intrinsic satisfaction in their jobs. They cannot be seen as having a single-stranded orientation to work. They have multiple objectives and expectations, and for them the question of priorities is bound to arise. In assessing a job, or expressing one’s satisfaction or dissatisfaction in an existing job a variety of incommensurable factors have to be combined and evaluated. For those who want a number of things out of their employment it may not be entirely clear, even to the actors themselves, to which they attach the greatest importance. In such a situation I would suggest that the context of choice or of action becomes crucial.

For example, in contrast to the factors emphasised as important in choosing a job, it was social relations with fellow workers and interesting work which were by far the most frequently mentioned ‘things liked’ about working in a shipyard, and the physical conditions of work were least liked. Further, in the context of a pay dispute, militant tactics — overtime bans or strikes for example — are quite normal. In more normal circumstances the majority of the men have relatively favourable opinions of supervision and management; only three per cent regarded the firm as a bad one to work for, and 62 per cent thought it good. In the context of a general question about strikes only 5 per cent expressed general approval for the use of the strike weapon; however, when asked about strikes they had been involved in 27 per cent thought them justified, more than half of all those who had been on strike in the industry at all.

Thus orientations to work cannot be regarded as unambiguous and unproblematic, an easy key to workers’ attitudes and behaviour. Nor can they be regarded as uninfluenced by the work situation. Indeed in trying to account for the actual patterns of action which could be observed in shipbuilding we have emphasised the ways in which shipbuilding workers have
been differentiated at work in very many ways — in terms of occupation, union membership, pay level, pay system, labour market situation and so on (see Brown et al., 1972). The crucial point about this argument is that the differentiation among shipbuilding workers has led them, despite shared meanings, to pursue their aims in work on occupational or sub-occupational lines frequently in opposition to the interests of other occupational groups. With regard to the threat of unemployment for example, there has been relatively little which could be done by all shipbuilding workers acting collectively. The decision to close a whole yard might lead to such widespread action, but for the most part variations in the demand for shipbuilding workers have affected different occupations very differently and each occupation has had a distinct labour market situation. In these circumstances it is scarcely surprising that considerable effort has been put into preserving certain areas of work for a particular trade and that demarcation disputes have occurred.

There has been a similar situation with regard to pay. A limited amount could be achieved by widespread collective action to raise nationally agreed basic rates. This was a remote and lengthy way of improving the situation, however, and negotiations at yard level over piece rates, job contracts, special allowances and so on have been more likely to secure quick and visible results. Such negotiations have normally involved only one occupation or even a particular category or squad within the occupation.

The past pattern of industrial action appears to lend support to this line of argument. With few exceptions, including national strikes in support of a general pay claim, strikes in shipbuilding have been the action of specific groups of workers pursuing their own claim or grievance. For example, 60 per cent of all the strikes in the North East shipbuilding, repairing and marine engineering industries between 1949 and 1960 directly involved 100 men or fewer, and only 8 per cent involved more than three hundred. Similarly in the yard we studied 32 stoppages of work were recorded in a five year period in the early 'sixties; with four exceptions only one occupation was involved, and less than two hundred men were involved (out of a yard labour force of over 3,000) in three quarters of the disputes.

Thus there may have been a general homogeneity of expectations and objectives among shipbuilding workers — a shared 'solidaristic' orientation to work, though without the strong expressions of antagonism to the employer which such workers might be expected to have. Such shared meanings, however, have not had the consequences which might have been
predicted, because of the occupational differentiation in the industry and the competing bases for identification which this has offered.

As we have also outlined in the same article, however, the traditional situation to which the above analysis applies has changed over the past six or seven years. Union amalgamations, new training schemes, the creation of consortia of previously independent yards, and particularly the negotiation of standardised conditions of employment and rates of pay within such consortia, have all had the effect of eliminating many, though not all, of the factors which previously fragmented the shipbuilding labour force. In the traditional situation, shipbuilding workers at work were differentiated in a multitude of ways which were both permanent and important for their earnings and job security. The overall effect of the changes has been to reduce or eliminate many of these sources of differentiation. They all tend towards the creation of a more homogeneous labour force. At the same time the context within which action has to be taken if men wish to improve their pay and conditions of work has also changed. The limited sectional bargaining of the past is no longer possible when all Tyneside shipbuilding workers face one employer, share common rates of pay and a common bonus (within any one union), and can only bring about changes by negotiating centrally with group management. Collective action on a broad front is called for in such a situation, and in so far as it occurs this will presumably reinforce the growing sense of common identity.

Ideally, any analysis of an industrial organization will also include discussion of the objectives, values and orientations of directors, managers and foremen. Our own study is limited so far as the upper levels of the hierarchy are concerned; production managers and foremen in shipbuilding, however, notably share a great deal in common with the men they control in terms of origins, background and industrial experience. This may account for their tendency, at least until recently, to accept traditional practices in shipbuilding, to be slow to introduce 'modern' management techniques, and to regard the fluctuating market for their products as a 'given' beyond their control (see below). It does not provide any easy explanation of the persistence of relatively high levels of overt conflict in shipbuilding, though it may be relevant to the acceptance of such conflicts as a normal characteristic of the industry.
The Nature of the Environment

The emphasis of the discussion of orientation to work has been to suggest, in contrast to the presentation of Goldthorpe and his colleagues, that 'orientation' cannot be seen as derived solely or even mainly from the non-work situation, and as independent of the work situation. Such a discussion must not be allowed to convey the impression that the 'environment' or 'context' of a shipyard or any industrial organisation is unimportant for an understanding of social relations within it. Indeed I have already suggested that an emphasis on societal supports for the institution of employment is essential to any understanding of employer-employee relations.

Similarly to argue that objectives and expectations with regard to work are derived from the experience of both work and non-work, and their interaction, is to acknowledge the essential place in any account which must be given to the 'context' in which the organisation exists. This context or environment can be seen to affect social relations in the organisation in at least two ways: through the formative influence of non-work situations and experiences on actors' objectives and orientations; and in providing certain crucial conditions of action for members of organisations — employers or employees.

Considering first the influence on actors' objectives and orientations it seems to me important to recognise that the environment of any industrial organisation in an advanced capitalist society contains certain contradictions; that is it presents actors with situations which they cannot resolve by their own actions, and where they cannot avoid acting in ways which simultaneously improve and damage their interests. For example, in much of the post-war period pay claims by employees have both more or less maintained the relative position of any group of workers as compared with others and contributed to inflation which sooner rather than later reduces the level of their real wages. Similarly whilst demarcation disputes appear to damage both the industry involved and the two parties, not to act to preserve areas of work in a situation where redundancy is always possible would also be damaging. Any search for an understanding of such action must include recognition of the contradictions which are inherent in the situation.

Further, from the employer's point of view whilst the obligations to consume may reinforce employees' obligation to work and ensure a higher level of demand for the product, it also results in constantly rising aspirations and demands for more pay and possibly even in threats to existing property relations. Also, we may try to show how the measures taken by
employers to merge yards into consortia and to standardise and rationalise
the utilisation of labour within such organisations have led to the unintend-
ed creation of more homogeneous work forces with rising aspirations —
and industrial disputes if such aspirations are not met, as perhaps they
cannot be; but both the mergers and the subsequent ‘rationalisation’ might
be seen as the only courses of action open to shipbuilding employers in an
increasingly competitive market situation, when in addition government aid
would only be given as an aid to such ‘modernisation’.

Recognition of contradictions or ambiguities of this sort is therefore
essential for an understanding of the values, attitudes, and images of
society of workers, and probably managers too. It is unlikely that many
actors will hold entirely unambiguous and coherent images of society in
such situations, and insofar as there are anomalies and discrepancies in
values and ends, an individual or group’s action in the organisation is likely
to be partly dependent on the situation and possibly inconsistent with action
at other times and in a different context. Such recognition may help in
providing an explanation of apparently ‘irrational’ courses of action, but at
the same time makes prediction of likely courses of action in any situation
the more difficult.

Finally, as I hope I have emphasised already, I do not regard the ‘nego-
tiated order’ of an industrial organisation as being unconstrained by various
conditions of action which are largely or completely beyond the control of
organisational members. The difficulty here is to avoid on the one hand
producing a merely ad hoc list of factors (see, for example, Pugh et al,
1963) or on the other too narrowly pre-judging what is relevant in terms of
an a priori framework. Without suggesting that this is necessarily a com-
plete list I think some reasons can be given for emphasising certain environ-
mental or contextual factors in the case of industrial organisations.

The members of such organisations are constrained, in the first place, by
the markets in which the organisation has to operate — for its raw materials,
its capital, and, probably most important, its labour and the sale of its
products. In the case of shipbuilding the nature of the product market (or
more precisely, the product market as it is perceived by directors and manag-
ers — as being largely beyond their control, which is not entirely true) has
been perhaps the crucial influence. It has influenced the mode of adminis-
tration adopted (one without elaborate administrative hierarchies or means
of managerial control, which might prove uneconomic in periods of slack
demand); and it has influenced the type of production facilities that have
been developed, at least in Britain (relatively unspecialised and allowing a wide variety of types of ship to be tendered for and built).

Capital, product and labour markets, however, at least in the period since 1945, and to a lesser extent before 1939 too, have been manipulated and/or controlled by the government at various times and in various ways. So the actions and policies of governments must be considered as a second important environmental constraint, though also one which can be affected by the actions of both management and labour. The importance of government policy has probably always been true for shipbuilding organizations which have engaged to any extent in warship building. It has been more apparent during the past decade, however, in which government funds have been instrumental in bringing about mergers of shipbuilding firms and in saving some of them from bankruptcy, to give only the most obvious examples.

Lastly, a rather different set of conditions for action arises from the current state of technology, or indeed more generally knowledge (so as to include, for example, administrative and accounting procedures as well as ways of and machines for making things). In this area too the actors have a degree of choice of technology; most obviously, for example, in that although ships cannot be made by process production methods, they could be (and have been) mass produced; and of choice within any technology in that their actions are rarely completely determined by the production, or administrative, system used. Indeed, the whole argument of this paper is to suggest that work organisations are to an important extent negotiable, and environmental constraints are not to be excluded from this generalisation. Nevertheless this brief list of 'environmental factors' is sufficient to indicate that the framework for the analysis of industrial organizations must include an explicit conception of the nature of the society ('industrial', 'advanced capitalist', or however labelled), in which the organization exists.

**Conclusion**

It is always tempting and dangerous to claim too much for an approach which can be set out rather sketchily in general terms and, perhaps, illustrated with a few selected 'facts'. The test of this approach will come in the detailed account of the 'findings' of the shipbuilding research project. However, I would like to suggest that even as it stands it does have certain strengths:
(i) the sort of approach I have outlined enables one to combine in one ac­
count of an industrial organisation what are conventionally the concerns
of industrial relations on the one hand and the sociology (or the theory)
of organizations on the other. This is something which can and should be
done, and an important step seems to me to be recognition of the ‘nego­
tiated’ nature of industrial organizations, of the contribution of collective
bargaining to the more general processes of negotiation, and indeed of the
way in which the bargains and bargaining procedures are themselves negoti­
tiated.

(ii) at crucial points the sort of analysis I have attempted involves reference
to the ‘context’ or ‘environment’ within which the organization exists, and
necessitates some account of the nature of the wider society. This is so not
only in the explicit consideration of the ‘environment’, but also very crucial­
ly in attempting to account for the nature of the contract of employment.
‘Closed system’ models of organizations are generally recognised as in­
appropriate, but it is scarcely more appropriate to compile an ad hoc list
of environmental factors. It is possible, and I hope fruitful, to suggest that
an industrial organisation is related to the wider society especially through
the values and orientations of its members, through the current state of the
‘arts’ (knowledge and techniques) available for its use, and through the
markets (as modified by government actions) in which it has to operate.

(iii) the approach suggested here has been one which attempts to include the
recognition of the systemic nature of social relations in industrial organiza­
tions without reifying that system; or, to make the same point from the
other ‘end’, to recognise that actors within such organizations do have cer­
tain choices and must be seen as pursuing certain ends, but that their actions
have unintended as well as intended consequences, and take place within
constraints determined by the intended and unintended consequences of the
actions of others outside as well as inside the organisation, as well as by
physical and other factors. It may not be possible to ‘get the best of both
worlds’ in this way, but it seems to me important to try.

References