

## ATTITUDES TOWARDS WORKERS' PARTICIPATION IN GREEK INDUSTRY: A FIELD STUDY

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### **Abstract**

This paper attempts to analyze the reactions of C.E.O.s, middle managers, unionists and workers in Greek enterprises that have introduced diverse schemes of workers' participation. Top managers in participatory firms normally support participation, whereas middle managers and supervisors have proved to be more sceptic towards the issue. Unionists generally favour forms of representation, while they reject schemes involving the distribution of company shares to workers. Finally, workers have appealed to participation only temporarily, mostly when confronted with the impending bankruptcy of their firm. For the participation process to advance, the education of the ones involved in human relations issues seems to be necessary.

### **1. Introduction**

Terms like dialogue, negotiation, participation and consensus have been very widely used lately within the Greek industrial relations context. This fact reflects the long-delayed need for communication among the social partners and adaptation to the trends developed in other E.E.C. countries (Bruyn and Nicolaou-Smokoviti, 1989). Indeed, in most European countries workers' participation in decision-making is long-established; usually the State merely regulated already established practices. In Greece, however, negotiations between managers and workers concerned mainly syndicalist issues, while participation came into public discussion through government initiative only during the last decade.

Our main objective for conducting research into participation is to provide a factual basis upon which participatory practices may be founded and future developments may be evaluated. A most important aspect of this task, is the

understanding of attitudes of the social actors involved in the participatory process (top managers, middle managers, unionists and workers).

## 2. Theoretical Background

According to the strategic choice theory viewpoint, human organizations are socially constructed and constitute meaningful embodiments of individual action (Astley and Van de Ven, 1983). Following this line, we assume that the form and content of participation within the enterprise is shaped through the action of certain social agents and external influences, due to the overall industrial relations system. Contingency factors (such as market mechanisms, sectoral peculiarities etc.) are also involved, but in this study they are assumed as transforming — or transformed by — the attitudes of the social actors mentioned above.

The attitudes of the social actors towards participation are studied in one dimension (in favor or against participation), since they determine the participatory form of their enterprise on the whole. We consider participation as a major determinant of the enterprise culture, which cannot be effectively isolated from its context to be examined separately (see Gherardi and Masiero, 1987, for a parallel view of the cooperation culture). In this sense, a theoretical model is constructed (Fig. 1) in order to define the research framework.

### **a) Top managers**

As a rule, top managers who support participation consider it a means to increase efficiency. They believe that worker involvement will result in:

- better product quality, since workers will have more interest in their jobs;
- reduction of absenteeism, since job satisfaction will be improved; and
- development of worker initiative, since communication will be widened.

In this study, changes of management policy due to participation measures are also examined.

### **b) Middle managers and supervisors**

Supervisors' and middle-level managers' attitudes are considered crucial for the success of participation experiments, a fact often overlooked in practice.

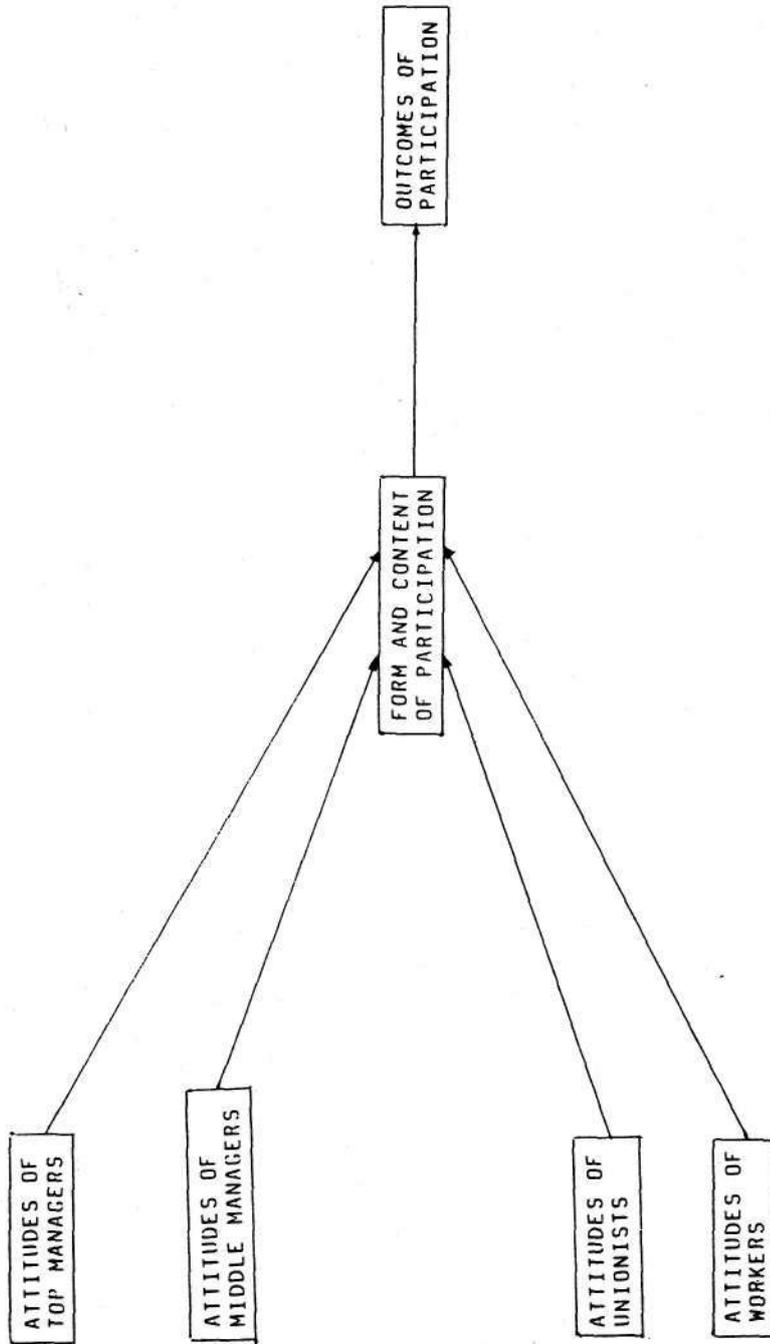


Fig. 1. A theoretical model for studying social actors attitudes toward participation.

Several cases have been reported in other countries where participation measures failed mainly because middle managers did not become involved in the process (Emery and Thorsrud, 1976; Fortune, July 1981). On the other hand, implementation problems have been easily overcome through the support of supervisors. This phenomenon level has also been analysed within the Greek context.

#### c) **Trade unionists**

Concerning trade unions, much has been written about the need for union and management to move beyond conventional collective bargaining and to begin working together in establishing participatory programmes which combine increased productivity with improvement of the quality of working life. Many union leaders have been criticised for taking a hostile stance towards cooperation schemes out of fear of sharing responsibilities with management (cf Kochan et al, 1977; Trist et al, 1977). In any case, conventional union attitudes are often revised once participatory norms at the enterprise level are established. In this research therefore, the diversification of union policies in various cases is studied.

#### d) **Workers**

Workers' attitudes towards participation are of crucial importance for its success, as emphasised by Walker (1970):

"The critical factor appears to be workers' attitudes toward participation in management since if there is little interest and pressure for workers' participation among workers, little difference is made by having high capacities and high relative power, or by high acceptance of workers' participation on the part of management."

Moreover, all participatory schemes include as an objective the social upgrading of workers. Various studies have shown that they refuse to bear the weight of market crises alone, while managers keep their lifestyle, use company cars, have separate lunchrooms and other amenities (Fortune, December 4, 1989). In this sense, workers see participation as a means of opposing discrimination against them, as well as an opportunity to have their say in matters affecting their job content. In this light, we examine changes in human relations networks on the job due to the introduction of participation.

### 3. Historical and legal background

Participative organization in Greek industry dates back to the middle of the nineteenth century, when semi-autonomous work groups at the emery mines on the island of Naxos were already in operation (Zagouras, 1989). Forms of participation involving the operation of factory councils are recorded in the tobacco and shoe industries during the 1920-1936 period (Seferis, 1976). Since World War II, participation through labour representatives on issues relating to social and economic policy has been introduced at the national level, for example in the Social Policy Council, the Technical Education Council and the Social and Economic Policy Council (Zagouras, 1984).

These practices remained sporadic, however, and did not affect the mainstream of Greek industry (Nicolaou-Smokoviti, 1988). It must be noted that industrial development until the 1980s emphasized expansion rather than improvement and neglected qualitative changes in labour relations such as occurred in other parts of Europe during the 1950s and 1960s (Bruyn and Nicolaou-Smokoviti, 1989, p. 136). Only since 1983 has legislation been enriched as regards notions of worker participation (Zagouras, 1984; Kravaritou-Manitaki, 1986; Nikolaou-Smokoviti, 1988).

Law 1386/1983 dealing with "problematic" companies provided for the establishment of a corporation under the title "Industrial Restoration Organization" (O.A.E.) which has undertaken rehabilitation of those companies which have been found viable. These "problematic" companies had been abandoned by their proprietors after receiving considerable bank loans. During a rehabilitation period, the length of which is not specified, worker representatives are called to participate in their company's Board of Administration through presidential decrees, while the owners and their representatives are excluded.

Law 1316/1983 concerning pharmaceutical industries provided for the operation of a five-member supervisory Council in every factory, mandated to deal with the protection of the environment and the improvement of productivity, product quality and working conditions. One workers' representative sits on this Council.

Law 1568/1985 initiated the establishment, within every private enterprise, of one Health and Safety Committee consisting exclusively of worker representatives. This Committee proposes to the production manager measures for the prevention of accidents and the improvement of working conditions.

Finally, Law 1767/88 provides for the establishment of Works Councils, comprised exclusively of workers' representatives, in all private companies employing more than 50 persons. Members of the Works Council have a two-year mandate renewable only once. It is the employer's duty to convoke the Council every two months and to inform the body on actions taken in relation to the enterprise. The Works Council has a veto right on issues concerning personnel matters, welfare activities and work security regulations. In case of dissent, final decisions are taken by the Prefectural Council on Labour Issues.

A particular aspect of Greek industrial relations is that participatory arrangements have been introduced solely through legislation, while in the USA and most Western European countries legal provisions were mainly used to validate arrangements already established by custom and practice (Raftis, 1984).

#### 4. Research Methodology

Studies focusing on social actors' preferences or desired schemes of participation are inevitably caught in a "chicken and egg" situation; individual attitudes towards participative schemes before their implementation, may well change completely a short time afterwards. Consequently, a longitudinal study of the issue seems necessary.

The data presented below were collected within the framework of a larger study conducted during 1983-1989 in all private companies which to our knowledge had introduced participation structures. During the first phase of fieldwork, information was gathered through semi-structured and unstructured interviews with top and middle management staff, trade union officials at the local level and workers from various departments. Subsequently, a primary analysis was presented to the informants with the request to comment on it. Group interviews were also used in order to pinpoint variations between individual and group attitudes. Information collected was checked for accuracy through observation of workers' behaviour during the carrying out of their job. Finally, important material was added by the study of written documents such as notes of meetings, announcements, press articles, correspondence etc., wherever available.

Conventional sociological methods of investigation such as questionnaires or scale rating have proved inapplicable to similar situations, for a number of reasons:

— *Variable response.* Reaction to direct questions is heavily conditioned by extraneous factors, mainly party and union adherence, as well as by informal relations with key persons within the company. Techniques using indirect questions, though far more time-consuming, are appropriate for revealing real attitudes towards delicate subjects.

— *Variable codes of reference.* Since the object was to interview persons from all strata involved in the process of participation, there was a high risk that the same question would be understood in different ways depending on the interviewee's background.

— *Caution.* People often refuse to answer even harmless questions when asked within sensitive surroundings such as the company where they work. This is far more true with written than with verbal questions. A loosely-structured interview, rather than a written questionnaire, offers the advantage of letting the informant gain confidence as discussion advances.

— *Validity of data.* Quite often, information obtained via questionnaires or even through formal interviews does not reflect reality, since informants do deform their answers, whether willingly or unwillingly. By repeating informal interviews with the same person and by direct observation of behaviour "in situ" (Whyte, 1984), an appreciable part of such deformations is corrected.

Besides applying time-consuming research methods, the greatest difficulty encountered was the all-encompassing influence of party politics on Greek industrial relations. The researchers were only too frequently obliged to face overt or covert questioning on their own party allegiance, ulterior motives and personal relations with other agents in the company. Claims that the study had a purely academic character and therefore was focused on objective appraisals, often failed to convince.

## 5. The Cases

Among the 12 firms where some form of worker participation was found by the present study, we observed that:

- Five firms have tried participation following management's initiative: AMIANTIT, MOTIVO, TEOCAR, IZOLA and PETZETAKIS.
- Five firms have yielded to participation under union pressure. These are: PYRKAL, KOUPAS, HELLENIC SHIPYARDS, VELKA and CHRO-

PEL It is noticeable however that, concerning the first four among these cases, union initiatives were aimed primarily at incorporating their respective companies into the public sector, rather than participating in the decision-making process.

- In two cases, KOULISTANIDIS and PANTELEMIDIS, participation was tried through spontaneous worker action. In these cases too, workers' initiatives aimed primarily at securing the company's viability. It is worth noting that these two companies are the only non-unionized ones among those studied.

As regards their present status, four of the above companies have closed down (IZOLA, KOUPAS, CHROPEI and KOULISTANIDIS), two have rejected participation after a short time (MOTIVO and PETZETAKIS), one is currently in the process of being taken over by the nearby municipality (PANTELEMIDIS), two have been submitted to the O.A.E. (PYRKAL and VELKA) and one has been bought out by the National Industrial Development Bank ETBA (HELLENIC SHIPYARDS).

#### **5.1. The PYRKAL Ammunitions Co.**

The PYRKAL ammunitions and arms industry employs 3,500 workers in three plants located in Athens. Having amassed debts of 1 billion drachmas (approx. \$6 million) the company was taken over by the O.A.E. in April 1984. On the new Executive Board appointed after the take-over, 3 members are elected representatives of the personnel. They are chosen by ballot for a two-year renewable mandate and can be recalled any time by the General Assembly. The General Assembly of the workers' union has ruled that these representatives cannot sit at the same time on the union Board and that their fees should be paid to the union. Representatives also have to report twice a year to the union Board on the proceedings of the company Executive Board.

Due to the large number of voters, a proportional representation system has been established; shop-floor delegates are elected together with the members of the union Board. A delegate (or shop steward) is elected among 30 to 70 workers belonging to the same section. Delegates get together in order to exchange views with union Board members and worker representatives on the company Board. Calling General Assemblies has proved impractical, so they have been replaced by Section Assemblies where matters of industrial relations and production are discussed. Motions are submitted for consideration to the Management Board.

The union participated in each of the two Procurement Committees with one member. A non-voting union representative is present at the meetings of the Board of Directors, where important decisions are formulated, in order to be submitted to the Executive Board. Two Health and Safety Committees, composed exclusively of worker representatives, have also been established.

The PYRKAL case has been given a lot of publicity for various reasons. Two points are particularly worth noting:

- Despite the presence of worker representatives at all levels of decision making, the union is still ill-informed, as some decisions are taken at informal management meetings.
- Whenever its proposals regarding management policy are not accepted, the union turns to public opinion for support. Neither the establishment of formal participation procedures, nor the relatively high competence of worker representatives has secured considerable worker influence in decision-making.

## **5.2. The KOUPAS Machines Co**

The KOUPAS machine-making industry employed 450 workers in two plants. Total debt in 1983 amounted to 1.7 billion drachmas. Back salaries due to workers amounted to another 80 million drachmas. The company was among the first to be included in the "problematic" sector managed by the O.A.E., in January 1984. The company's Board of Administration has 10 members appointed by O.A.E., including the respective presidents of the two workers' unions.

From the beginning of the crisis the workers were looking forward to State intervention in order to keep the factories in operation, relying on the fact that they were vital suppliers of machines to Greek industry. A climate of relative optimism prevailed and there was less insecurity, compared to other ailing firms. The two unions submitted massive demands to the new management after the State took charge via O.A.E., while continuing the strikes they had proclaimed previously. According to management sources, one could distinguish two groups of workers in respect to their attitudes towards the company:

- One group was ready to make sacrifices in order to keep the plants running.

- The other group took for granted that the company belonged to the public sector, therefore they gave priority to claims and disregarded productivity.

There was no notable interest on the part of the workers to get involved in managerial tasks, such as checking the accounts or proposing concrete improvement measures. Persisting crises in industrial relations and failure of the company to meet its financial obligations led to its closing in 1987.

### **5.3. The HELLENIC SHIPYARDS Co**

This company employs 4000 workers in its shipyard near Piraeus and was hit severely by the lack of orders in the shipbuilding and repairing sector. It was adopted by the State-owned ETBA bank for rehabilitation in April 1985 and was finally purchased by it from the previous owner.

This case is unique because, for the first time in Greece, workers agreed to be paid in company shares a part of their back wages. The entire stock was bought by the bank at a price set after arbitration by an international firm of accounting auditors. Afterwards, according to an agreement concluded in October 1985 between the new management and the union, every worker was paid 145,000 drachmas (approx. \$800) in cash and the rest in company shares. Thus, an estimated 12% of the stock rests in worker hands. The agreement includes a clause obliging the company to buy back the shares from the workers who wish to sell at the initial price within two years after the delivery of the shares.

### **5.4. The VELKA Spinning Co**

The company employs 1100 workers in two plants. In September 1981 its management called an assembly of the personnel and announced, to the astonishment of all, that the firm had overborrowed and was obliged to close down. Until then management had followed a tough policy, barring the formation of a factory trade union. The workers had had neither involvement in decisions, nor any information about the firm's financial situation. Under these circumstances, workers organized and elected a 15-member action committee mandated to strive for the continuation of their employment. After a long series of deliberations and worker initiatives, the company was taken over by the O.A.E. in December 1983.

Initially, a 3-member Administration Council was appointed, including 2 worker representatives. In the middle of 1985, its members were increased to 7, still including 2 workers. There has been no rotation, the same persons being reelected since the introduction of the scheme. Disagreements between worker members and others in the Council are rare. Their interventions mainly concern relations with government agencies, while their interest in commercial policy is minimal. It has been agreed not to bring labour matters to the Council.

Participation in the company's Board and dealing with various management problems, have contributed substantially to the upgrading of union representatives, but other workers showed no improvement. Since the menace of redundancy has been fended off — albeit verbally — workers have ceased to be interested in common affairs and have delegated everything to union men.

For ordinary matters, workers are informed via the members of the union Council, while more important issues are announced on the notice board. As Blauner (1964, 75) discovered among textile workers in plants using comparable technology in the U.S.A., workers are brought closer by facing common problems, although they have few opportunities for contact on the shop floor. Similarly, rumours travel rapidly at VELKA and workers mobilise easily when called by the union.

Relations on the shop floor are generally good. It is to be noted, however, that a few middle managers were accustomed to authoritarian methods and created acute tension with their subordinates after the change of top management. In this matter top management adopted a conciliatory stance and thus disappointed the union. The overall distance between management and workers has increased since 1983 and communication between directors and workers has become minimal.

The union has contributed to securing the company's viability by consenting to certain restrictive measures such as freezing wages and internal transfers. This fact, combined with unfavourable working conditions — humidity and heat during the summer months — has resulted in a loss of interest in work and in working at a slower pace, while absenteeism and turnover are high. Salaries of technical staff are at the lowest level of the collective agreement for the textile branch, white collar staff also having low earnings. Workers consider poor compensations necessary for salvaging the company, but they also believe that they are not rewarded according to their efforts. Nevertheless, the company has been steadily recovering, thanks to a successful management policy and some

profitable commercial deals. It is mentioned as an example of a "problematic" company which managed to recover and become profitable.

### 5.5. The IZOLA Appliances Co

The company produced household electrical appliances. During its expansion period it employed up to 2500 workers in five factories in the Athens area. In 1959, a scheme was established whereby workers who had at least 5 years employment with the company could have share in the profits. At the end of each financial year a payment in cash was made as follows:

- Managers: 2 months' salary.
- Sectional managers and foremen: 1<sup>1</sup>/<sub>2</sub> month's salary.
- Workers: 1 month's salary.

In addition, a special fund was kept, providing supplementary health coverage as well as life and accident insurance. According to opinion surveys, it was mostly younger workers who opposed the scheme, preferring to receive their entire share of the profits in cash. Gradually, cash payment was replaced by distributing shares of equal current value. This aroused considerable resentment and demotivated workers. Those workers who had not sold their stock in time finally lost it when the company closed down in 1979.

It is worth noting that during the 1950s two types of councils were functioning; one was the division meeting, where each division head met with his section heads, and the other was the section council, where each section head assembled the foremen reporting to him. These meetings were held during working hours; their minutes and proposals were sent to top management. These councils were established under pressure from top management, because middle managers seemed reluctant to call meetings with subordinates, although they were eager to take part in meetings with superiors. On the other hand, workers did not show any particular interest in participating.

Top management took measures to improve the quality of working conditions, but stifled every attempt to form a company-wide union by laying off initiators. During the period 1974-76, unions were founded in every plant of the company for the first time. These unions published a newspaper, founded a mutual aid fund, organized section assemblies to discuss workers' problems and elect section representatives. Delegates from each production unit formed a secondary body — called a plant committee — in order to coordinate industrial

action, such as the slowing down of the work pace and holding strikes. All plant unions were dissolved during the period 1976-77 by laying off their leading members.

#### **5.6. The KOULISTANIDIS Textile Co**

The KOULISTANIDIS textile works, located in the Thessaloniki area, employed 250 workers in 1980, when debt reached 220 million drachmas. In February 1980 payments stopped and in October 1980 the 117 remaining workers called Mr Michael Koulistanidis, a son of the former proprietor who was much respected by the workers, to assume the post of emergency administrator. He agreed to manage the company until an appreciable part of the debt would have been paid back. Emergency administration steps imply that a court-appointed supervisor controls all daily transactions. Operation was secured this way until the end of 1983, when closure became inevitable, as interest on the debt was increasing faster than the company could stand. When the OAE refused to assume its management, the firm closed down in 1985.

During 1981-1983 workers had shown considerable initiative in the management of production (there was practically no supervision on the shop-floor) as well as in submitting proposals and negotiating with the various banks, social security funds and government agencies. It is worth noting that most decisions were taken unanimously. This fact is particularly striking, given that all workers were in their fifties and sixties, having more than 25 years with the company.

There was no dominant party or union affiliation among the workforce. It is noteworthy that workers refused to create a union out of fear of getting involved in party politics. The fact that they managed for several years to organize and to operate without any formal structure is a proof of their latent forces.

#### **5.7. The AMIANTIT Asbestos Cement Co**

The company produces asbestos-cement items in various forms (pipes, roofings, fittings etc.) and employs 200 workers in its plant near Patras. In the past there was constant conflict between workers and management. A 4-month strike ended in January 1979; the issue was unhealthy working conditions, as asbestos is considered a carcinogen. The climate started improving in March 1981 when a new management team took over, applying modern ideas in labour relations. Production methods were improved through cutting the asbestos-cement products under sprayed water, to avoid generating dust.

A profit-sharing scheme was established in 1982. Workers with more than 3 years with the company are entitled to 12% of the net profit, distributed in proportion to each one's years of service. When leaving the company after a 10-year employment, a worker retains the right to participate for the next two years.

The company's accounts can be checked any time by an appointed representative of the workers. AMIANTIT is the only private company in Greece that has accepted (since 1982) workers on the Board of Administration. During 1982-84 a union representative without a vote sat on this Board; since 1984 there are two representatives, having the same rights as other members. There was notable resistance at the beginning, especially from the shareholders, but gradually the other members accepted worker delegates.

The company's top management holds the right to refuse a delegate immediately after his election and has to submit its reasons in writing to the union. In case the union disagrees, the final decision is to be taken by arbitration; however, such a body has not been appointed yet, as management sees no reason at present. The two worker delegates sitting on the 7-member Board are given a 1-year renewable mandate and can be recalled any time by the workers' General Assembly; nevertheless, such a case has not yet occurred. A high rotation of persons in these two seats has been observed, because both union and management agree that this is a way to involve more workers in the decision-making process. On the other hand, frequent changing of persons results in poor performance, since worker delegates do not have the time to acquaint themselves with their task and to carry it out efficiently. Consequently, compared to their colleagues of the "problematic" companies, workers in AMIANTIT are much less competent as Board members.

Delegates are afraid of approving a decision contrary to the interests of the workers and for this reason they consult the union Board immediately after receiving notice of the agenda for the next meeting of the company's Board. During meetings they avoid airing personal views and they never deviate from the union line. At any rate, disagreements between worker members and other members are scarce. Although worker members sometimes express their reluctance to endorse a decision, at the end they are convinced by the others to consent; till now they have never refused to sign the Board's minutes.

Particular emphasis is given by the present management to rules of conduct and the equal treatment of workers, a policy imposed by the nature of the work (strenuous tasks and unhealthy conditions). This is also necessary in order to

dispel the remaining distrust created by the former management. In spite of these efforts, the financial situation of the company is critical because of the accumulated external problems. Drastic cuts in the utilization of asbestos products in recent years, as well as pending obligations to the mother company (the EDOK-ETER construction company) which closed down abruptly, contribute to an atmosphere of pessimism.

### **5.8. The MOTIVO Clothing Co**

MOTIVO clothing company employs 150 workers in two plants located in Athens and Missolonghi. A noteworthy fact is the attempt in 1982 to create a subsidiary company, MOTIVO EXPORT, which was meant to pass into the hands of the workers. This company would produce and market ties and skirts. Its stock was 30.5 million drachmas, divided into shares of 1000 drachmas. All MOTIVO workers could buy MOTIVO EXPORT stock up to 1500 shares each. Equipment and raw material would be provided by MOTIVO Co. The union opposed this scheme fiercely, condemning it as "popular capitalism" and urging workers to abstain from such an entrepreneurial initiative. Thus the plans for the creation of MOTIVO EXPORT were never realized.

In 1984, the company established a scheme whereby workers could lease knitting machines from the company, with the prospect of becoming their owners after an agreed number of hours of operation. The rationale of this scheme was that workers would be more motivated to work when looking forward to the benefit of acquiring the machines at the end; since the knitting section lagged far behind other sections in productivity. In spite of the tough resistance of the union, three workers bid to try the scheme by starting their own companies. Two of these offspring companies were soon dissolved since they did not fulfil their obligations, but the third one has become independent since 1988, after completing the required hours of machine utilization. It is most impressive that its machines require much less maintenance, compared with the machines installed at MOTIVO, although they operate more hours.

### **5.9. The TEOCAR Automobile Co**

The TEOCAR automobile company, a subsidiary of Japanese NISSAN, is **the** only one in Greece that has adopted a "quality circles" program. Its factory, employing about 500 workers, was founded in 1980 in Volos, an industrial town located in Central Greece. TEOCAR is considered among the most advanced

companies in the country regarding technology as well as modern management methods applied.

The program was introduced in 1983 upon the initiative of the General Manager. At first, the union opposed severely the creation of "circles", suspecting that they aimed at work intensification, but eventually gave its consent after being convinced that they are concerned only with quality improvement. Their members are workers trained for two weeks in data collecting and statistical analysis. Each "circle" consists of 6 to 10 workers from the same section, meeting once a month for one hour to identify, study and eliminate problems of their choice related to production methods.

The procedure for the formation of a "circle" is completely informal. After taking their decision, workers and their foreman meet with the head of the quality control section and inform him about their intention. Subsequently, they receive a 16-hour training within a week's time by their foreman and senior staff members. The foreman is present at the "circle" meetings during its initial functioning period and later, as workers get acquainted with procedures, he withdraws. Then, a coordinator and his assistant are elected among "circle" members.

Hours spent at the meetings are paid by the company, but rewards for solutions found are mainly moral, such as a trip to Japan for the best solution of the year. Workers' participation in the "circles" is voluntary. After originally announcing the program, the General Manager has avoided discussing it with workers, in order to dispel union suspicions of putting pressure on workers to join. "Circle" members address the foremen for elucidation and further information. It has been noticed that "circles" thrive mainly in sections where foremen are dedicated to the concept. At present there are 18 "quality circles" in TEO-CAR, totalling about 160 workers.

Results are encouraging, as worker involvement has largely increased on the shop-floor. Members' qualifications have been notably upgraded and absenteeism has been reduced because a new interest in work has been developed. Labor-management communication has improved significantly and a climate of mutual trust prevails.

#### **5.10. The PETZETAKIS Plastics Co**

The company produces plastic hoses and employs 800 workers in two plants, located in Athens. The owner, when he died in 1974, left 20% of the

company stock to the workers to be distributed in proportion to salary and years of service. The workers received their shares in 1979 after a long series of legal procedures. During the following years many workers sold their shares (the current price is 3,500 drachmas) so today an estimated 10% of the stock belongs to the workers. Beyond a feeble presence in the annual shareholders' meeting, there exists no worker participation in decision-making.

During the period 1976-1979 the union president sat on the company's Administration Board, holding a veto on labour issues. According to worker accounts, however, he did not use this post to inform the workers on what was said on the Board or to carry their views there; on the contrary, he was suspected of collaborating with management on personnel issues without being authorised by the workers. When a new union president took over, management declared its opposition to any form of participation, a motion that all union sides approved as a means of having clear-cut relations with management. Since then the company functions along conventional lines, in theory as well as in practice.

#### **5.11. The CHROPEI Pharmaceutical Co**

This company had 450 employees in its plant located in Neo Phalero, near Piraeus. From 1981 to 1988, when the plant closed down, the union participated actively in management decisions through labor-management committees. During the same period the owner and general manager had delegated his authority to three directors. The reason for the involvement of the union in management matters was that the company was heavily indebted to the National Bank with the impending risk of closing down. The union solved external problems, dealing mainly with the control of purchases and the negotiation of orders with customers. Although union delegates had a purely consulting role, in practice their proposals were always adopted by the council of directors.

On the other hand, directors adopted a negative stance towards union demands concerning matters of direct interest to workers. According to a section of the personnel, the union did not press hard enough for worker matters and was used by management. Thus, although labor-management relations improved somewhat in comparison with the period before 1981, workers had the feeling that they lacked incentives. It is important to note that about a quarter of the total personnel were graduates of college or university. As a result, there was indifference towards work and a slow pace.

### 5.12. The PANTELEMIDIS Rim Factory

The PANTELEMIDIS company employs 14 workers in its factory, located in the Thessaloniki area. Upon the owner's death the workers took over the running of the factory after the heirs declined the succession. This takeover was legally questionable since there was no separation between the ownership and the usufruct of the plant. For this reason the transfer of ownership to the municipality of Evosmos (the nearby community) has finally been agreed.

The workers are in their fifties and sixties and almost all have been with the company from its start. They are not involved in party politics, neither have they ever wanted to join a trade union. It was a young trained technician among them who took the initiative to try to operate the plant autonomously.

The General Assembly is functioning as the principal decision-making body. During the initial period of operation without management, it was called at least once a week, due to the many issues to be discussed and the frequent disagreements. Later it took place once a month outside working hours, simply to inform members of actions taken. Control of operations is maintained by a Coordination Committee composed of three members. They have an one-year mandate and can be recalled any time. Efficiency has apparently dropped since the owner-management period but the company is still profitable. Members of the Coordination Committee are practically chosen by cooptation, since there are no candidates and no fixed rules of office. Workers informally express their wish to change their colleagues on the Committee, but each one of them appears unwilling to take this post. Thus, a ballot is held and those elected are persuaded to accept the post.

Relations on the shop floor are good, in spite of the acute conflicts disrupting occasionally. Every single issue is thoroughly discussed and in case of deadlock the mayor of Evosmos is called in to intervene. Nevertheless, he remains a respected outsider, not an authorized arbitrator; his view is not binding upon the workers. Disagreements usually involve the carrying out of additional duties, which by common decision do not give rights to additional payment. Three wage scales have been agreed upon, depending on one's trade (welder, fitter and unqualified worker). At present, unskilled workers are only two; all the others have acquired a trade after expressing the wish. Their training has been on the job, through working side-by-side with an experienced tradesman.

In spite of the fact that the company is the sole producer of wheel rims in Greece and therefore has no fear of competition, its financial situation remains

critical. This is caused by the slack rhythm of work, the absence of commercial spirit, the lack of programming and the haphazard production planning. Workers keep hoping that by turning ownership over to the municipality the crisis will be overcome.

## 6. Discussion

Research findings are presented in Table 1. Four of the cases have been omitted: IZOLA, because of the conflicting participatory schemes attempted at the same time; MOTIVO, because the proposed form of participation has no effects on company workers; PETZETAKIS, because the impact of participation on labor relations is insignificant; and KOULISTANIDIS, because the company operated only at intervals during the critical period and therefore no clear-cut attitudes of the social actors involved have been observed.

Regarding evaluation criteria, "particularly negative reaction" denotes that the parties are prepared to impede normal operation of the company in order to force withdrawal of the participatory scheme. Inversely, a "particularly positive reaction" is judged when actors are ready to safeguard the procedures established. When positions are classified as slightly positive or negative, it means that the actors in place express their satisfaction — or opposition respectively — but that they do intend to mobilise in order to support their views. On the left corner of each square the position of each social actor is illustrated during the initial period of introduction of the participatory scheme, while on the right hand side the present situation is depicted.

As expected, initiators continue to support participation fervently, with the exception of KOUPAS and PANTELEMIDIS. In the first case, trade union leaders wanted to refer their company to the O.A.E. and to participate in management as a means of satisfying economic demands; it was not a goal as such and it could not lead to the development of the necessary dynamics for the establishment of permanent participation structures. In the second case, the fall of interest among workers could be explained mainly through cultural factors, due to their advanced age and their evening work in agriculture.

In all companies where it was the trade unions who pushed for the introduction of participatory schemes, a subsequent fall of the interest of workers was observed. From the moment that the closure of the companies was avoided — albeit temporarily — workers stopped showing an interest in the common good and delegated full powers to their union representatives to decide as they see fit

T A B L E 1

Social actors' attitudes toward worker participation

Companies Social actors	AMIANITIT	TEOKAR	PYRKAL	KOUPAS	GREEK SHIPYARDS	VELKA	CHROPEI	PANTELE- MIDES
Top Management	++ I ++	++ I ++	+	0 0	+	++	-	+
Executives	0 +	-	0 0	+	+	--	-	Non- existent
Union	0 +	--	++ I ++	+	++ I ++	++ I ++	++ I ++	Non- unionized
Rank and File	0 +	* ++ 0 ** 0	++	+	++	++	+	++ I 0

Notes :

- I : Initiator for participation
- \* : Concerns Quality Circles members
- \*\* : Concerns non-members
- ++ : Strongly in favour of participation
- +
- 0 : Neutral or ambiguous regarding participation
- : Moderately in favour of participation
- : Strongly against participation

upon all matters pertaining to company management. This tendency is noticeable world-wide; to cite Miller (1965, 33), "for the great majority of people... active participation in politics comes only when normal life is disrupted by some calamity... We have no reason to believe that the great mass of people will ever take much interest in politics, except when something has gone wrong".

In fact, the impressive mobilisation of a large majority of workers we witnessed in these companies during the period 1981-1984 was apparently due to external contingencies, such as high unemployment and political effervescence, rather than to a conscious need to take part in decisions. When these factors disappeared, mobilisation subsided immediately. We observe that the presence of worker representatives on Boards did not succeed in avoiding dissipation of interest. They have not been able to use their position to participate actively in the running of companies because they lacked the necessary knowledge of financial and administrative matters. A typical phenomenon was observed in AMIANTIT, where representation on the Board was introduced upon management's initiative; after studying briefly the advantages offered to workers through participation, a formalisation of procedures followed. It seems as though this is a universal fact: interest in participative measures and structures falls rapidly after the first period (see among others: Corinna, 1972; *Autogestion et Socialisme*, 1978; and for production groups: Katz, 1982).

The average worker has shown that he/she wants to have a say on general matters concerning the company where he/she works, but only through delegates. Personally, he/she seems unwilling to hold a post or to become involved directly into promoting demands on the shop floor level. This finding is commensurate with research results in other countries (Hespe and Wall, 1975; Wall and Lischeron, 1977; Hanson and Rathkey, 1984, on similar preferences of workers in British companies). This fact explains why rotation in the posts of worker representatives on the Board is small (with the exception of AMIANTIT, where the mandate is annual) and there have been no instances where representatives were recalled by their voters. Workers have a tendency to decline responsibilities by stating that their present representatives are the only ones capable of understanding the goings-on at the Board meetings.

During Board meetings, disagreements between workers and other representatives are very rare. What worker representatives usually ask for is to be briefed on the overall financial situation of the company. In any case, personnel or industrial relations matters — which particularly interest workers — are rarely brought to the Board. Proposals submitted by workers to the Board for the improvement of company operations are also scarce, due to the lack of

appropriate knowledge and training, a fact already found in Irish and Australian companies (Murphy and Walsh, 1982; Dubler, 1985).

During deliberations, worker representatives never deviate from union policy, to the formulation of which they have usually contributed themselves. A similar phenomenon has been observed in British companies (Brannen et al, 1976). In the PYRKAL and AMIANTIT companies, worker representatives on the Board are obliged to resign from any office they may hold in the union, under the explanation that sitting on the Board and taking decisions in common with employers is incompatible with trade union philosophy. The same attitude has been found in British trade unions (Coates and Barrat Brown, 1973).

We cannot ignore the fact that all companies which established participation schemes had acute viability problems. With the exception of the CHROPEI and KOUPAS cases, participation resulted in the establishment of mutual trust between management and workers, which permitted coordinated action towards salvaging the companies. Workers were informed on the critical situation and moderated their demands. At any rate, since participation was tried as a last resort after every other solution had failed, chances of success were minimal.

In the KOUPAS case disagreement was intense, proving that participation measures cannot be effective when serious industrial relations problems are pending within the company. On the other hand, CHROPEI was the only case where a reversal of attitudes occurred. Workers were favourably disposed in the beginning but later became negative, after discovering that cooperation with management did not result in the democratization of hierarchical structures. On the other hand, top and middle management shifted from a negative to a positive stance when they realized that their fears of participation as a means of curtailing their prerogatives were unfounded.

A particularly negative attitude toward participation was observed among trade unionists in TEOCAR and supervisors in VELKA, but eventually these initial reactions were defused through appropriate handling by the respective company managements. It is noteworthy that the most violent union reactions were triggered by schemes of co-ownership, in IZOLA and MOTIVO. There exists a widespread belief in trade union circles that "worker capitalism cultivates the illusion of equality between labour and capital, thus blunting the combativeness of workers".

TEOCAR is the only Greek company that introduced a scheme of direct participation, admittedly with impressive results. Workers feel proud to belong

to the only car maker in the country and to use advanced technology. By introducing Quality Circles, their level of competence has been appreciably raised while communication between levels of command has improved. Workers acquire substantial knowledge and experience through their job, which enables them to form well-founded opinions on matters transcending the shop floor. In this way they feel confident to look for more involvement in the running of the company.

## 7. Concluding Remarks

Experience of worker participation in the private sector in Greece is very limited, since Law 1767/1988, providing for the establishment of Worker Councils, has barely been put into practice. Most of the companies that we have studied were "dragged" into participation by the circumstances, without the necessary preparation and infrastructure. Under these unfavourable conditions, results from the first instances where participation was introduced can be judged as rather encouraging. We summarize below the attitudes of the social actors involved in the process:

### **(a) Top management**

Greek top managers, while admitting that the existing system of industrial relations is obsolete and that more worker involvement in the running of the company will be beneficial, in practice they seem reluctant to delegate authority to subordinates. Top managers of most companies figuring in Table 1 have a clear participatory philosophy that — according to them — helps them manage more efficiently. As its main advantages, they point to enhancement of human relations and improvement of communication (in AMIANTIT, PYRKAL, GREEK SHIPYARDS and VELKA) and to better product quality and less absenteeism (in TEOCAR).

### **(b) Middle managers and supervisors**

Supervisors' views on participation appear generally more conservative than those of managers. In VELKA and TEOCAR, many supervisors declared themselves against participatory schemes. The majority of supervisors interviewed, though accepting that participation is vital for good industrial relations, express their reserves; they fear that having their actions controlled by worker

representatives might prove detrimental to shop-floor discipline. We mention characteristically the case of the AMIANTIT plant manager, who explained his refusal to sit on the company Board in terms of not having to confront those of his workers who sit there as delegates.

**(c) Trade unionists**

We have noted that unions' demands for participation are frequently expressed in an indirect or confused manner. In any case, unions favour participation in the sense of delegation of power by workers, rather than direct involvement in decision-making at the shop floor level. They insist that the choice of delegates must be left entirely to the unions. Among the various participation models (Raftis, 1984), they prefer holding seats on the company Board, apparently because of its constitutional power and the prestige of its members. On the other hand, they oppose schemes involving distribution of company shares to workers, maintaining that such measures promote class reconciliation.

**(d) Workers**

Workers have shown an interest in participation mostly when confronted with the prospect of unemployment, whether caused by mass lay-offs or by a closing-down as a result of bankruptcy. Whenever their employment rights become secure, their interest in participation decreases substantially. We are inclined to attribute such an "instrumental attitude" (i.e. orientation toward conventional issues of collective bargaining and disregard for qualitative issues such as participation and quality of working life) on the part of the workers, to the long-established distrust in their employers, to insufficient education and information, as well as to the political polarization and superficial debate characterizing Greek industrial relations in general (Nicolaou-Smokoviti, 1988, pp. 197-198).

One cannot overlook the fact that the majority of participatory schemes encountered in Greek companies involve representation at the Board level. From the data collected it is inferred that, while representation frequently results in industrial peace, it does not achieve its primary goal, namely active involvement of workers in the operation of their companies.

The TEOCAR case can be used as a model of enhancing workers' consciousness through their initial involvement in matters directly related to their

work. In other words, we consider participation essentially as a learning process (Mulder, 1977; IDE 1981). By obtaining influence initially in areas where workers possess sufficient knowledge and have already an interest, they acquire enough confidence, their aspiration for more involvement increases, and their range of control is widened in proportion to their experience.

In conclusion, our study has pointed that participation schemes are beneficial to the degree that their initiators realize their limited dynamics and apply them with the aim of improving vertical communication within the company. When it comes to a substantial enhance of worker influence, it is essential to combine indirect participation (through delegates in various decision-making bodies) with direct participation (through personal involvement in shop floor matters). As a consequence, education and information are of capital importance, whether for workers and their delegates or for supervisors and managers. Education in this sense includes training in fields such as collective bargaining, industrial law, management, production planning and technology, microeconomics etc. Information includes the diffusion of current data on the financial, commercial, technical and human sides of the company to the workers.

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