WORKERS' PARTICIPATION IN MALTA, FACTS AND OPINIONS

GERARD KESTER

The aim of this article is to describe three cases of workers' participation recently introduced in Malta, and to report on a pilot study of reactions of workers.

PART I

THREE CASES OF WORKERS' PARTICIPATION*

MALTA is going through a critical period of social change, a major reason for this being the recent introduction of various forms of participation in decision making and ownership. In the government-owned Drydocks, with about 5,000 workers the largest concentration of industrial labour on the island, a system was introduced in 1971 that was rather similar to co-determination. Later that same year, the management of a textile factory – employing some 200 workers – was taken over by a union when it appeared that the factory would have to close down. In another instance a privately-owned cargo handling company (86 employees and about 1000 licenced dock-workers on contract) discontinued operations but was taken over by the unions who now own and manage it: three clerks and one dock-worker are fully involved in the management of the freight handling operations.

Worker's participation in management, in varying forms, has been instituted in many countries. In the case of Malta it is too early for an adequate assessment; however, it seems appropriate to describe the country's first experiences even though this report must be incomplete since research is still under way. The purpose of this article is thus to inform rather than to evaluate.

THE MALTESE SCENE BEFORE PARTICIPATION

Some information on Malta will help to understand the recent changes. Malta has a population of 320,000 living on 316 square kilometers, making Malta one of the most densely populated countries of the world. Before gaining its independence in 1964, Malta had for a century and a half

*Part I of this paper was submitted (in a slightly different form) to the First International Conference on Participation and Self Management (Dubrovnik, December 1972).

been a British colony, where the majority of its labour force was employed directly or indirectly with the British military base. Today, after a ten-year programme of economic diversification, the distribution of the working population over the various economic sectors is rather similar to that of industrialised countries: relatively few work in agriculture (less than 10%) but many in (government) services and in industry. Although the industrial workforce is growing quickly, unemployment still poses a major problem and more money is continuously being pumped into the economy to stimulate industrial development.

Industrial relations have become increasingly problematic[1] as was clearly illustrated by the rapidly growing number of strikes and, concurrently, of man-days lost. Since 1964 the number of man-days lost through strike action at least doubled each year. The issues at stake in most industrial disputes indicate at least two important causes: fear of unemployment, and dissatisfaction with wages. Although unemployment has generally decreased since Independence, job insecurity has made itself felt especially in organisations affected by the 'run-down' of the British services, and in the Drydocks. Wage dissatisfaction has been mainly the result of changing reward structures; negotiations on conditions of work have been decentralised and conducted mainly on the enterprise level. A chain reaction of demands resulted, with continuously disturbed existing wage relativities; in short, 'progressive fragmentation'[2] was clearly at work in Malta. Industrial action has been facilitated by the fact that there were no clearly agreed or legally binding procedures of dispute settlement. The legislative framework was highly permissive: when an industrial dispute arose, workers or managers had a free choice between conciliation, arbitration or industrial action; agreements, once reached, were not legally protected. Even though most negotiations were concluded without dispute or through government mediation, the need for new procedural forms was felt. The government in power in 1969 had proposed a new industrial relations bill to Parliament; this included legal support for collective agreements, establishment of an industrial court, compulsory settlement of disputes if conciliation failed and restriction of

[1] On the state of industrial relation in Malta in the period under discussion, cf. *Alternative Industrial Relations Systems for Malta* (proceedings of a seminar, Royal University of Malta, 1971). A general handicap when describing industrial relations in Malta is that there is hardly any published material available on labour-management relations or industrial relations in the Island.

[2] As this process is described in: A. Fox, and A. Flanders, 'The Reform of collective Bargaining: from Donovan to Durkheim,' in A. Flanders, *Management and Unions* (Faber, London, 1970), p. 241 ff.

strikes. Consultations on this bill were unsatisfactory to many interested groups, especially the trade unions, who very strongly opposed the eventual and almost complete prohibition of strikes.

At the time of Malta's independence, almost half the wage and salary earners were unionised. The degree of unionisation declined because of the many U.K. services which then came to an end, but by 1970 the same degree of unionisation was reached again. Currently, union membership is especially high in the larger industries and in government services. The General Workers' Union (G.W.U.) is the biggest union (70% of all union members, mainly industrial workers and clerks). Most other unions are combined in the Confederation of Malta Trade Unions and include mainly government employees and white collar workers. Unions operated at the enterprise level and were mainly concerned with collective bargaining. In reaction to this, the employers associated to form one organisation in negotiations. There was little ideological struggle regarding management prerogatives, or quest for democracy in production relationtionships.

In the context of this paper, the Malta Drydocks Corporation represents a very important case of industrial relations in Malta, since participation started here.[3] The history of the Drydocks dates back to the era of the Knights of St. John. Under British rule a big naval dockyard was developed, which for a number of decades was of major significance to the Maltese economy as an important source of employment. In 1957 the Yard was converted into a commercial concern since the British Navy no longer needed it. This shift from naval base to commercial firm was very difficult; the labour force was recruited to serve an admiralty shipyard and was consequently larger than could be productively employed in a commercial concern.

Not surprisingly many industrial relations problems resulted, in which the G.W.U. generally followed a policy of opposition. Only once was an effective form of cooperation introduced: in 1965 a 'Joint Consultative Committee' was set up to 'establish a consultative and advisory machinery for the regular exchange of views between the workers' representatives and management (...) on matters of mutual interest.'[4] This committee worked satisfactorily for several years, but was dissolved in 1967

[3] The history of the Drydocks is very complicated, and I merely summarise the most important events which are directly relevant to their present situation of participative management. I base my information on: E.Ellul, *Industrial Relations at Malta Drydocks: Economic Aspects* (B.A.-dissertation, Royal University of Malta, 1972).

[4] *Ibid.*, p. 21.

when management introduced changes without prior consultation with the G.W.U.

In 1968 the Drydocks were nationalised by the Maltese government, with the help of its British counterpart, and put under hired British management. The maintenance of employment for all those employed in the Drydocks, in spite of the economic difficulties it entailed, continued to present the major problem. Workers and union were appeased by the Prime Minister who 'assured that no matter what happened at the Malta Drydocks nobody would lose his employment.'[5] The G.W.U. was invited to nominate one member to sit on the Board of Directors of the nationalised enterprise, but the offer was considered to be too weak and was refused. However, the government appointed an ex-union president to sit on the Board even though he was not nominated by the union. There were frequent clashes between the G.W.U. and the Yard's management, mainly centered around disputed wage ratios between industrial workers and white collar employees. The result was a ban on overtime, while about 50 workers in key trades went on strike (Autumn 1970). 'The action brought the Malta Drydocks to an immediate standstill which lasted seven months'; several attempts at conciliation failed and in Spring 1971 'the parties concerned decided to wait until after the forthcoming general elections (June 1971) to settle the dispute.'[6]

Towards participation

The Drydocks played an important part in the elections; how would pending problems be solved in an industry which formed one of Malta's chief foreign exchange earners and the largest industrial enterprise? In their jointly published electoral manifesto, the Labour Party and the General Workers' Union stated: 'The Drydocks will be reorganised in the following way: a new Corporation will be set up, 50% of its members being nominated by the government and 50% by the G.W.U. under a Chairman acceptable to the two sides. The final aim will be to put the Drydocks back on its feet and that control will ultimately fall to the workers. This would mean that employees would be working in their own interests.'[7] The desirability of participation was expressed in other ways. A Commission for Civil Servants was proposed in which all interested parties would be represented; its aim would be to reform the Civil Service and, pending claims for regrading and regrouping, to form a background to this reorganisation.

[5] *Ibid.*, pp. 29-30.
[6] *Ibid.*, pp. 29-30.
[7] *Peace and Progress: the Electoral Manifesto of the Workers Movement*, Malta, June 1971, p. 7.

Participation in planning was also promised: a prospective labour government would review the existing 5 year plan (1969-1974) and would consult with the trade unions, other associations, civil servants, industrialists and others.

In Malta, there was no ideological struggle to demand participation. True, the Labour Party had expressed the desirability of participation for many years, but it had never specified details of the form and extent of participation. Due to this lack of previous clarification, participation came as a surprise to many Maltese, even to trade unionists.

MALTA DRYDOCKS: A CASE OF CO-DETERMINATION[8]

After the Labour Party had won the elections, the plans for the Drydocks that it had announced together with the trade unions were put into practice. Three trade union representatives and three government representatives were appointed by the Government to the Board of Directors. The union representatives were nominated by the General Council of the G.W.U., and not directly elected by the workforce of the Drydocks; two of them are union leaders who work in the Drydocks and the other spent a good part of his working life there before becoming a full-time union official. Board members do not receive remuneration (implying, incidentally, a very considerable yearly saving). Soon after the creation of the Board of Directors it was realised that board representation was not an effective instrument of union participation in such a large organisation. The Joint Consultative Committee (first installed in 1965, see page 4), was re-instated with seven members: 3 management representatives, one representative of a Senior Staff Association (not affiliated with the G.W.U.), one representative of the white collar section of the G.W.U., and two representatives of the metal workers section of the same union. All members of this committee are full-time employees, but through procedures established by the unions and by management respectively. The Joint Consultative Committee is empowered to conduct consultations on all aspects of management and to convey its conclusions and advice to the Board of Directors.

Later, consultation was introduced at still lower levels of the Drydocks. In the five main divisions, Joint Production Committees were instituted with basically the same composition as the Joint Consultative Committee, and enjoying a consultative function: they discuss productivi-

[8] Information on the cases of the Drydocks, the Textile Factory and the Cargo Handling Company was collected by, respectively, Lawrence Mizzi, Simone Mangion and Denise Vella, students of the Royal University of Malta, as part of their work for their B.A. dissertation.

ty measures, tools, machines, welfare and any other social or technical problems. In both the JCC and the JPC's, bargaining on personal and economic matters is barred. Workers participation at the Drydocks is completely channelled through the unions. Rank and file employees (almost all of them union members) were informed about the introduction of participation in mass meetings where the Prime Minister and the General Secretary of the union told them what was going to happen. Further information flows mainly through newspapers and informal communication between workers, shop stewards and other union officials.

One thing which may seriously threaten the experiment in participation are the short-run expectations of the workers in the Drydocks. It will be recalled that earlier a seven-month strike occurred over re-structuring wages; now the workers expect this problem to be solved by the new enterprise structure. Government and union urge the workers to practice self-denial and patience. The concern of both the union leaders and government is to provide the Drydocks with a sounder economic basis. First and foremost, they now share the responsibility for an enterprise which has been in trouble financially ever since it was commercialised in 1957. The ship repairing business is faced with strong competition; moreover, market opportunities in the Mediterranean have decreased since the closure of the Suez canal. The crucial problem for the union is its co-responsibility for effective utilisation of the labour force while safeguarding employment. In the long term, the solution to this problem will grow in importance since the enterprise is eventually to be owned by the workers. The unions are still searching for the most effective way in which workers and also the shop stewards can share the problems of the enterprise and practise joint decision making.

Joint Management in a Textile Factory

The developments at the Drydocks created a climate conducive to similar initiative elsewhere. In Autumn 1971, a textile factory was in a state of liquidation and threatened with closure. The factory was a branch of a larger foreign company and was in operation for only one year. It has 200 employees and a relatively large foreign managerial staff. The latter enjoyed high salaries – for Maltese standards – and emoluments such as free company cars and housing facilities. The majority of the shares were in private hands; the Malta Development Corporation (M.D.C.) also had shares in the Company and was represented on the Board of Directors.

In consultation with the banks, the M.D.C. and the principal owners, the unions had tried to find a solution, but without success. The workers received their last wages and faced immediate unemployment. At that mo-

ment, the secretary of the textile workers section of the G.W.U. called the workers together and proposed that they should continue with production, using the available raw materials to produce garments for the local market. The workers agreed, and volunteered to give up part of their wages, all bonuses and piece rates.

Work started the following workday. Production was kept going by selling garments on the local market. By also selling company cars, reduced wages could be paid during the first weeks. The greatest immediate problem was replacement of the managerial staff. At a meeting with the previous management, the foreign managers were asked to indicate those Maltese supervisors who would be the most suitable to take over the managerial functions. These new managers had to train themselves in their new jobs, as they had never been fully prepared by their foreign superiors for managerial jobs, whether of an organisational kind or in terms of technical know-how. They now spent their free time reading and studying, trying things out at the factory, working until midnight. Through effective and genuine cooperation between union officials, the new managers (who previously, as supervisors, had not been unionised and had maintained a social distance between themselves and the rank and file workers), and the workers to keep production going, impetus in the operation increased. Workers were called together at regular intervals and informed about the results. When it became clear that the unions and the workers were determined to continue, the M.D.C. and the banks became interested; especially so when they saw that the company's debts were decreasing significantly, due to a substantial reduction of overhead costs: as in the case of the Drydocks, here too substantial savings were obtained by eliminating high-salaried foreign managers and their emoluments.

During this period, the Board of Directors of the private company resigned, the general manager was sent on paid leave and the question of ownership was 'frozen'. With the consent of the shareholders, decision-making powers were given to a managing committee. This committee is composed of two people: one officer of the Malta Development Corporation and one trade union official. The MDC representative manages economic matters such as financing and accounting. The union official, secretary of the textile workers section of the G.W.U., is responsible for social and personnel matters, a function comparable to that of 'labour director'. Both men do their managerial work without extra remuneration.

Positive results became visible quite soon. Business picked up and is now normal, including exports; the M.D.C. and the banks have offered financial assistance and early this year workers were put back on their original wage level. Work relations have undergone substantial change. The

former division between management and labour has been replaced by a shared feeling of responsibility by workers, supervisors and union officials, a feeling based on their success in safeguarding employment and making the enterprise again a going concern. The enterprise claims that productivity has increased and that absenteeism and labour turnover have been remarkably low since the new structure was introduced.

One of the most difficult and immediate problems of the enterprise is: what to do about the ownership? With its initiative in continuing production, the union intervened on behalf of the workers, but in the final analysis also on behalf of the owners. Company shares are mostly in private hands, but the workers and the G.W.U. evidently feel that if the enterprise should again make a profit, this should not automatically go to the shareholders.

Another problem is the participative structure itself. Participation was introduced with the original objective of safeguarding employment, but has developed into much more than was foreseen. The union is fully involved in the managerial decision-making process and in the implementation of decisions. Serious problems may soon arise especially from the role conflict that seems inherent in the position of the union leader *cum* 'labour director': how will he be able to match efficient management and effective representation of workers?

The cargo handling company: close to self-management

Another company which was running at a loss in the same period, was a private cargo handling company in the port. The port had been the scene of many conflicts and strikes, especially since October 1970 when the company refused to accept a draft collective agreement. The company operated in the port under a contract concluded with the government; it decided to terminate this contract since it was working at a loss and was not allowed to raise its charges. The workers were sent letters of discharge. The G.W.U. set out to fill the vacum created by the previous owner. It entered into a contract with the government and established a cargo handling company with a share capital under full union control. The new Cargo Handling Company is a rather small work organisation with 86 employees including both industrial workers and clerks. But the company also manages the work of some 1000 port workers and clerks who it does not directly employ, but who work under licence against piece rates. These workers are in a way self-employed, but once they start to operate they form part of the organisational structure of the cargo Handling Company.

The management of the Cargo Handling Company is supervised by a Board of Directors, consisting of four government officials and four union

members. The government is represented on the Board since it bears ultimate responsibility for the port. The government leases out the managing of the port work; previously to a private company and now to the union. One of the government officials (the port director) is chairman of the board but has no voting right, so that the 4 union representatives have a majority of votes. The unions adopted the policy of appointing people to the Board who actually work in the port, since they know the trade. Of the four trade union directors one was a port clerk, two were delivery clerks and the other a port worker. All do their board work without extra remuneration, but receive reimbursement for any wages they may loose through attending meetings.

The trade union representatives on the Board are not elected by the port workers but by the General Council of the G.W.U. in consultation with its port workers section. As owner of the Cargo Handling Company, the General Council also appointed the general manager who was previously a delivery clerk in the port. He is simultaneously a trade union member of the Board of Directors; as a general manager he has a full-time job although he had no previous managerial training. He still receives the salary of a delivery clerk.

In this case as in the cases of the Drydocks and the textile factory, participation of workers is thus channelled through the G.W.U. Here, again, unionisation is nearly 100%. The four union representatives on the Board consist of elected shop stewards of the port, and are also members of the Executive Committee of the port workers section of the G.W.U. As such, according to the unions, they can be regarded as representing the workers. In actual practice there is considerable informal communication and consultation between the Board of Directors and the rank and file workers, if only because the directors themselves work in the ports. Since the workers are informed about Board decisions they exert control (they have access to the minutes of Board meetings; in addition, the union holds monthly and annual meetings at which workers are informed about the company). But conflict is not excluded: disputes arise, for example, on piece rates, and when they do, workers can approach the secretary of the port workers section who will then have to bargain with the manager. In this case, two trade unionists, in different roles, bargain with each other.

The economic results of the union-led enterprise have been very satisfactory. During the first six months, profits were sufficiently large to enable almost complete implementation of the working conditions demanded in 1970 in the proposed collective agreement. This meant an average wage increase of 22% and a change in the method of payment which is

now based on a regular salary rather than on high piece rates. Also, the company has been able to introduce comprehensive insurance for all its workers. The company's profitability is reported to be the result of higher productivity (the workers are motivated and strikes have not occurred since the take-over) and here again a main reason for profitability is that Board members function without remuneration, whereas in the previous private company five directors received considerable salaries.

The aim of the G.W.U. in dealing with the Cargo Handling Company is to establish a kind of self-management system under union ownership. The company (and its eventual profits) belong to the G.W.U., not to the workers. But management lies in the hands of a company employee, while the supervision of management is carried out by a Board of Directors consisting in a majority of company workers. These workers are not directly elected by all employees, but represent the workers as elected union functionaries.

Development of the forms of participation

In Malta, participation in management came upon the country and even the trade unions as a sudden phenomenon, so much so that trade union officials who got involved in participative bodies later declared that they went into it with little or no knowledge of the implications, especially in the cases of the textile factory and the port company. The new forms of management were introduced more as an *ad hoc* response to particular situations than as a result of any clearly structured and premeditated policy, so that a 'blueprint' institutional pattern was absent. In many countries this is rather the opposite: legal regulations define the form of participative institutions, the rules for their composition, their areas of activities, the extent of their authority, etc., before participation is introduced in practice.

One consequence of the spontaneous introduction of participation in Malta is that the new institutions cover a wide range. In the Drydocks the Joint Consultative Council and the Joint Production Councils are consultative machineries rather similar to works councils; in the Drydocks and in the Cargo Handling Company there are forms of co-determination; in the textile factory one finds the labour director in a system of joint management and in the port a particular form of self-management under union ownership.

In all these cases participation has from the beginning meant more than mere consultation: the new institutions are not 'frameworks for discussion'[9] but frameworks for decision. It is evident that these institu-

[9] J.Y. Tabb and A. Goldfarb, *Workers' Participation in Management Expectations and Experience* (Oxford, Pergamon Press, 1970), p. 5.

tions are not instruments of workers' participation but rather of union participation. Representative organs of all employees do not exist; the union officials are not elected directly by the employees as their enterprise representatives but as their union representatives. Although the general impression is that these officials have the full support of the workers, the fact is that they are elected in a different capacity. This may have placed the G.W.U. in a very delicate position. Until recently it was involved in bargaining and did not bear managerial responsibility. Now it shares this responsibility. This dualism was not fully foreseen, and the situation now arises that not only the union as such, but also individual union officials have to combine the sharing of managerial responsibility with independent trade union activities. Although it has been shown that these functions can be combined,[10] this combination will be put to a difficult test in Malta.

Still, these and other problems of structure are certainly not insoluble since participation is being introduced and institutionalised in a very flexible fashion, in an attempt to find the appropriate structures for particular situations.

PART II

WORKERS' PERCEPTION OF PARTICIPATION

Participation in Malta was not introduced through a strong ideological orientation. But the very introduction of participation may have set in motion the development of an ideology which could at a further stage sustain the functioning of this new system of management and ownership. Participation has a direct bearing on the workers' situation at his workplace. As always when participation is introduced, this leads to a situation where 'authority loses some of its absolutism'.[11] Also, workers start to acquire managerial skills, as is shown in the cases of the textile factory and the port; opportunities for learning and personal development are increased. Information on the economic situation of the enterprise which was frequently unknown to the workers, is now disclosed and discussed at top level by worker representatives. These and many other new experiences will specify the expectations of the worker and may indeed eventually result in an 'ideology of participation' which

[10] As has been argued for West Germany and Israel by P. Blumberg: *Industrial Democracy; the Sociology of Participation* (London, Constable, 1968), p. 150 ff.
[11] K.F. Walker, 'Conceptual Framework and Scope of National Studies', in *International Institute for Labour Studies Bulletin*, V, 1968, p. 32.

could also have implications for other enterprises in Malta. In this connection it is not only of importance to know how the workers in the three participative enterprises feel about the functioning of participation and the resulting effects, but it is also important to know whether they are forming new opinions on related phenomena such as ownership, the role of trade unions, work relations in the enterprise, income distribution, etc.

It is highly relevant to have factual information on the experiences and opinions of workers since their 'prospensity to participate' is a crucial variable for the eventual success of participation. It was, therefore, decided in our present research to have a number of interviews with a sample of workers, to be followed by a sample survey.

The interviewing has been completed and the results provide the material for this part of the report. It should be useful to provide concise information about the interviews so that the results are out in their proper (i.e. limited) perspective. In total, 15 individual interviews and 4 group interviews were conducted. Most interviews were held with employees of the Drydocks: with a foreman, a pipe worker, two machinists, a fitter, a study engineer, a store keeper; and a group interview was held with three labourers. We interviewed three operators and one foreman of the textile factory and had a group interview with four operators. At the Cargo Handling Company interviews were held with three port labourers and one clerk. Among the interviewed employees were also union officials: shop stewards and delegates. The interviews were mostly conducted at the workplace, but also in union offices and in some cases at the homes of workers.

The interviews were mostly of one or one and a half hour duration; some group interviews lasted three hours. About half of the interviews were conducted in Maltese, the others in English. Besides interviews with employees of the three participative enterprises, two group interviews were conducted at labour party clubs with workers employed in non-participative enterprises. The interviews were conducted in November 1972.

This very limited number of interviews can of course never be the basis of generalisations or conclusions. Besides, there may be all sorts of unknown biases in our small sample. The value of the interviews lays in the insight it gives into the various dimensions of the workers' perception of participation. The pilot study was an exploration of what kind of opinions and attitudes towards participation were existing; in the survey which will follow the pilot study it will be tried to establish how widespread these opinions and attitudes are and how possible variations in opinions and attitudes can be explained. In other words, in reading this

part of the article one has to keep in mind that it is indeed only a report of an exploration of the 'frame of reference' of the workers.

Definitions of participation

It is well known that both in theory and in practice 'participation' is a concept which covers a wide range of phenomena. In our interviews we first of all tried to find out what workers would understand by 'participation'. A number of them saw participation mainly as an instrument in the hands of the union to conduct better collective bargaining or, more generally, better industrial relations – on the basis of more realistic information and through access to decision making bodies. This was exemplified most clearly by the answer of one: 'participation is that (for instance) if we ask for a wage increase, we know that this will be discussed on the board where our union representatives can judge whether it is indeed financially possible or not.' Others saw it mainly as a case of joint management and joint ownership and consequently as joint responsibility for the running of the enterprise. This interpretation was given most frequently and was regularly followed by further comments about the effects of it: 'Participation is that when you do something, you do it for yourself', 'it is good for the enterprise and good for oneself', 'it is a contribution to greater productivity'. 'Participation is coownership, this is right: if you co-own you will give more care, everybody has to work'. Also, 'participation means sacrifice', 'it means working harder'. In general, the interviewed workers had a fair knowledge of the participative bodies: the Board of Directors at the Drydocks and the Ports, the particular set up of the Textile factory worker, the Consultative and Productivity Committees at the Drydocks and the group committees of union representatives in each of the three enterprises. The workers appeared to be aware of the existence of these bodies, but frequently not of the exact structure, of the positions and persons occupying these positions, nor of the precise competence of each of the bodies. However, the main underlying principle of the representative bodies was known: 'it is a fifty-fifty representation', 'the union is certainly well represented.'

The functioning of workers' participation

There were many comments on the institutional structure of participation. In all three companies it was argued that there was a gap between the participative bodies and the shop floor. Also at the Drydocks, where the joint productivity committees are operating at division level, this was felt. Here some suggested that there should be a committee in each department made up of some workers, a chargeman and the foreman. One felt that if participation is to be a success – it would have to start at

the lowest level, in the smallest group. Here 'the workers should take upon themselves the responsibility for the production, they should discuss amongst themselves wastage in manpower and in material. If this control over each others behaviour would exist things would be much better.'

There were also suggestions to change the institutions at the top; somebody at the Drydocks again proposed to institute a committee (or a person) who could see to it that decisions taken by the Board of Directors were implemented without delay; a kind of workers' supervision over top management.

A rather general feeling was that there were certainly not too many committees. One would appreciate if more could be instituted, that means, at the shop floor level. 'The more directly people can talk with each other, the better one would understand each other; there should be more meetings and in smaller groups, everybody should be involved'. 'Now, if there is an important decision of the JCC or the JPC, there is a notice on the Notice Board; although this is a big improvement this is not enough.' It was stated by a foreman that this indirect communication may even be harmful: 'whatever decisions are made in the JPC, soon afterwards many people know about what went on in the meeting; our organisation has become rumour mad; these institutions function satisfactorily on paper only.'

Workers who were not serving as a representative on one of the committees or boards, were asked what they knew of the decisions taken in the last months in the participative bodies, and also what they thought should be discussed in these bodies. One knew very little or nothing about what was discussed during the last months.

However, many of the workers had formed an opinion on the areas that might or should be covered by participation of workers, and they also had formed opinions on what the extent of participation should be: information, consultation, co-decision or dull decision by workers. Three workers of the textile factory about this:

> 'I think it should be right if the workers would be consulted on a number of decisions. For instance, if there is a dismissal, the workers should have the right to ask for the reasons. The decision itself should remain for the manager to take. On financial matters workers need not be informed. If there are plans for the future it is up to management to execute them. The main discussion between workers and management should be about conditions of work. Things like wages, method of payment, piece rates, etc. can be negotaited, but here also the decision should be with the manager.'

'The only thing on which the workers should have the right to co-decide, should be on the hours of work. Not the amount of hours but the beginning and finishing time of the work and intervals.'

'The workers should be involved in everything regarding their company – everything should be made known to them, excr pt, perhaps, certain confidential information. Consultation, too, should take place, since the managers are not always fully informed about certain specific matters, and so they should consult the workers, the foremen and the supervisors to discuss matters with them. Meetings should take place every week – there should be friendly discussions between the Managers and the Workers, and the union too. All the workers should be involved in this.'

These statements reflect an attitude to participation in general and not necessarily a direct evaluation of the experience in one's own enterprise. As far as this general opinion was concerned the feeling of most of the interviewed workers was that only consultation should take place and that workers should not have a decision making right. It was felt that management should consult the workers, not only as a matter of principle, but also to improve the efficiency of the undertaking: 'we know what we need; we know everything about machines and if for instance management would like to buy new machinery they should consult the workers about it.' And he continues: 'but it should be management who decides,' and as somebody else put it: 'we should not enforce on the superior our decisions, at best we should only give our opinion and leave it to the superiors to make use of that information as they consider all right.' Frequently, opinion on this issue was expressed in the stereotype statement 'there should not be too many captains on the ship.'

It can be observed that the workers did not have aspirations to co-decide, but they expressed clearly that they wanted to be consulted and informed. Workers suggested that more efforts could be made in this respect. For some the lack of information was felt as the 'greatest grievance'. As could be expected, workers in the textile factory were most pronounced in this. Here, as has been described, workers were informed at frequent general meetings about the situation at the enterprise, but after some time these meetings became less frequent and eventually stopped to take place altogether. One of the girls working here:

'I think it is a pity that the meetings which were held after the take-over one year ago, are not held anymore. The meetings then were held every week. It was explained what the economic situation was, that consequently we would have to work hard, and have to bear, and we

were promised that after a period of restraints increases in salary would be possible. But these meetings discontinued six months ago, and morale went down afterwards. Sometimes one feels that people have forgotten all about it.'

Not only in the textile factory but also in the other two companies, workers expressed that there should be meetings with workers to inform them about what was happening in the enterprise as a whole, in their own department or section. Newspapers or communication boards were not considered adequate forms of communication in this respect. Information should be given through direct contact. 'There should be a specified time when management and unions should come together and inform the workers and answer questions. Once a month or when the need arises.' 'This could, for instance, be done during lunch time and even after if necessary', 'this is not a waste of time'.

ABOUT WORKER REPRESENTATIVES

It was stressed by several that their observations on the lack of adequate information was not a criticism on their representatives. Whenever the issue of representation was brought up people expressed themselves in terms of satisfaction and many times the remark was made that one was glad that trade union functionaries (shop stewards, delegates etc.) were exercising the representative jobs.

'They are the best representatives of the workers.' 'The main thing is that union leaders can talk with management in a good way and they know what we want because they have worked themselves... through them I feel closer to management.' 'Since the union representatives have worked – or are still working now – as workers, they know the feelings and the facts of the workers'. 'The manner through which unionists were elected is democratic. We need no separate elections for workers to represent us. The unionists are all workers. They are our real representatives.'

Similar remarks were made rather frequently and almost all interviewed workers rejected the idea that worker representatives should be elected separately and should not necessarily be unionists. There were only some exceptions, an operator and a part time worker in the textile factory said they could not accept the union official as her representative since specific claims cannot now be channeled through the union 'since the union is identifying with management, and also with government'.

'At the present moment workers cannot press to change their working conditions. They are not in a favourable position to oppose manage-

ment. They know that the previous management was bad, but the workers are not aware of all the financial implications. At the moment they are glad to have employment continued, but to improve their working conditions, especially their salaries, they would still rather fight it out with management. For this they need a union, so, the union cannot be the owner.'

However, not many had trouble with the dual role of the union representatives, and, again, were exactly expressing their satisfaction:

'If there is a claim of the workers, this should be handled by the section secretary who should take action and negotiate with management, even if management is union. The union as an owner must give everything the union asks, and if they do not they must give an explanation. The union can be trusted. They have all the information and this makes a great difference. The silly strikes which were so common for the ports have now finally stopped. There is a better understanding.'

Whereas the workers were rather unanimously satisfied with their representatives, this was not always felt by the representatives themselves. Their feelings are expressed by the 'worker-director' in the ports. Here are some of his observations:

'Being a director is not always pleasant when you work amongst the workers. You have to decide also against the workers' wish. The shop-floor worker does not care very much whether you are taking the responsibility or not. All he wants is what he asks. If there is a decision against their wish, they will regard you as somebody who is not defending their interests as you used to do, but as someone who is now taking the side of the management.' 'There are two sides to the coin of participation. There is the great satisfaction of controlling the agenda of the enterprise and the great dissatisfaction of standing up to unjustified criticism.'

Are workers competent enough to take decisions or to be consulted? If they sit on committees, are they really influential or just rubber stamping figures? What do workers think about this?

'A worker has a job and that means experience. He has problems and grievances, and he can bring them up at the very top of the organisation. From the point of view of the Board members, it is their duty to explain themselves. The competence of workers does not matter, it is very simple: he asks a question and he should get an answer.' 'It is only wise for managers to have workers on their boards or committees'.

'Perhaps there are small things of which the manager or union official is not aware. All workers together always know more than management, that is why we should also have more discussions.'

CHANGING MANAGEMENT – WORKER RELATIONS

When defining workers' participation the interviewees mostly expressed the definition in terms of the effects. One of the effects of participation which was reported frequently was the changed atmosphere of day to day relations between workers and managers. To some, this change seemed to be basic:

'Previously, I always looked at my employer as somebody who hated me and who was doing his best to destroy me and who was out to make me do sacrifices for his own private benefit. Maybe the greatest satisfaction of participation is that this is no longer happening.' The worker director says: 'Being a director you see the work suddenly from a different place. You mould together the shopfloor and the manager's point of view. Previously, we had doubts about the manager and he had doubts about us. This principle of conflict is now excluded. We meet every day and we discuss everything which is going on.'

Thus an atmosphere of mutual trust may be developing, based on more frequent communication and face-to-face confrontation between managers and workers, and on the experiences of workers performing managerial roles. An important reason for the changed atmosphere in the Cargo Handling Company is that the union is now owner. One of the employees here said that previously the problem of communication was that one could not say freely and openly whatever was on one's mind since this could endanger even one's very employment. There always was communication, but grievances about arbitrary decisions could not be expressed. An extensive quotation of the perception of a clerk in the Cargo Handling Company throws light on this point:

'The presence of workers at the highest levels of decision making is a very useful thing since it will avoid that decisions are made which are unfair. For instance, if the management wants to employ an outsider just because he is a family relation, under private ownership this is just possible, although it creates bad taste among the workers. They can at the most grumble about it. Looking back on the previous situation of private enterprise, it was wrong that a group of friends of the private employer could take 100% of the decisions away from all control. Of course negotiations were possible, and there was communication, but it was always limited. I frequently indicated to management

that certain decisions would meet with antagonism and it has happened a number of times that management revised its decision. But it has also happened that management just did what it wanted and then I would not open my mouth, afraid of losing my job. It was the employees' fear of unemployment which facilitated the managers' running the place as they liked. Negotiations or industrial action can make important improvements, but participation is a much better tool and under union ownership you all belong on equal terms to the enterprise and you can say what you want.'

Changing industrial relations through participation

Workers also observed that negotiations and in fact the whole range of decision making in their enterprises may now be conducted more realistically since 'the books have been opened'. It was reported in many interviews that this new situation has meant an important change on the industrial relations scene.

Participation has also widened the scope of industrial relation. Previously, these used to concentrate on wages, hours of work, holiday schemes, and other extrinsic rewards for work. There had been other grievances (environmental work conditions, absence of welfare schemes, etc.) which were not attended to, but these are now discussed in the framework of participation. On the other hand certain elements of industrial relations have become more difficult because of participation. The dual role of the union officials poses problems to demands for pay increases, bonus schemes and so on. The identification with and actual responsibility for the continuation and effective running of the enterprise – both in the short and in the long run – has implied that union officials in their role of manager have tried to convince the worker that self denial at this stage was necessary and was in the long term interest of the company and the nation. As already reported this is not accepted by all interviewed workers.

Perceived effects on the running of the enterprise

The different framework of management and ownership was frequently mentioned by workers as a positive motivation to put in more into their work. A typical expression was 'Before I took things easy but now I am working for my own good'. A foreman in the textile factory observes:

'It is clear in the enterprise that workers are giving more. There is a clear change amongst the rank and file workers. In general, Maltese workers do not know what it is to know a job and to give all they can, it does not mean to them reaching an aim. And this is exactly what has changed; if we now have an order which is due for delivery the end of

week then everybody knows this and works to complete the job in time. In the new situation there is more discipline, which is due to more trust and better management. Management and workers continuously sound each other out. There are no more leaks in the organisation. If something goes wrong the workers report to me or to management what is happening.'

Also others showed a high identification with the company's aims and a willingness to put in more effort into their work. But some were not at all positive on this point. One said 'participation is not a miracle, somebody who was lazy two years ago is still lazy today'. Some workers (and this especially at the Drydocks) were clearly disappointed. They had expected a positive effect but according to them it did not happen. 'There are only some people who work, but also people who do not, but they are paid the same salary'. Somebody else (also at the Drycocks) mentioned that fellow workers did not respond to the challenge of participation and that he was very disappointed that discipline in fact had not improved.

Another important effect mentioned frequently was that participation had positive effects on the organisation of work in the enterprise. Reportedly, this was due to better and more regular communication: 'management continuously feels the pulse of the worker'.

'For many years we have not got cutter's tools. But now suddenly discussing production, we bring forward our problems, and get the tools'... 'In other words, we finally have opportunities to discuss work, not only with the chargeman but also with the departmental manager. Some time ago he called us to the office and asked us whether we had any claim. Then also the cutter's tools were discussed. We are now working more happily. The departmental manager also discussed matters of discipline. He asked us to begin work immediately when the bells are ringing. Until recently we thought very badly about this manager, but now that he has asked whether we have complaints, we look differently at him.'

Discussions on the work organisation were appreciated by the workers; there was a clear aspiration to have organised forms of discussions at the lowest level. A port labourer who attended a meeting on new machinery and spare parts, where the general manager was present, said that there should be regular discussions on technical matters.

Another important effect may be higher work flexibility; some workers reported they are now ready to accept work which they had previously refused. At the Drydocks, where because of a structural shortage of work there had been many problems with work flexibility, this is a special is-

sue, since the union itself reportedly had been in the past a hindrance in this respect. One worker of the Drydocks expressed that work flexibility was to be the test and main aim of the whole participation exercise: 'everybody has to work, that will mean participation. Fitters should do other work if this is desired. A foreman should do manual work if the situation demands it. Participation should first of all mean sharing work hand in hand'. According to several respondents this sort of 'reorganisation' is yet far from being realised.

Ownership as an issue

Participation in Malta had not only meant participation in decision making at various levels, but also participation in ownership. In the ports the union became owner and in the Drydocks the perspective is workers' ownership. How do the workers – so far used to private or government ownership, perceive this change?

One thing which comes out clearly in every interview was that foreign private ownership or management of expatriates was denounced.

In the textile factory (where the ownership is 'frozen', see page 9) foreign ownership is condemned. An explicit comparison was made between the previous position in the enterprise and the present. Looking back on what happened one said one now realized that it was wrong that the running of the enterprise was in the hands of expatriates, who besides were 'earning fantastic salaries'. (.....) 'These managers were not looking at the interest of the workers of the textile factory, nor at the interest of the Maltese society but just at their own. This is shown clearest by the fact that they were supposed to teach Maltese staff to take over managerial positions. This never occurred, but at present the factory is doing very well under Maltese management, so it is possible.' However, according to some female workers, it would not be necessarily bad if the factory were privately owned as long as it was by a Maltese.

Also other workers accepted and justified private ownership; 'there should be somebody who decides', 'private ownership is justified because it is a necessity for every human being to acquire things; a private owner does take risks and this means that he sometimes may make high profits.' A worker at the textile factory saw the matter of ownership as follows:

> 'The information given in the meetings with the union after the takeover were interesting, but now the situation is back to normal. How the problem of ownership is going to be solved is not important. Even if the previous owner came back and could offer better work conditions, I would be immediately prepared to work for him.'

Other interviewed workers said they would never again accept full, unlimited private ownership and they think that this should be a general principle for Malta. At least, they say, there should be some possibility of control. 'As long as private employers make their profits and the workers get their demands it is all right.' But if it appears that there is 'bad management,' 'we must come in'. Most went further than this and opinioned that there should always be some form of control over a private employer either by the worker, the union or the government. All sorts of arguments were used, apparently based on the experiences in the respective enterprises. 'Under private ownership it is always possible that one is cheated.' 'All the private employer does – even when the company is in debt – is to help himself on to profits.' 'This is why I am against private ownership, nobody has any control over them.' 'In future, the government should intervene by controlling the managers, in order to safeguard the workers against such situations.'

There were all sorts of opinions on how control on private enterprises should be exercised. Some argued that control over them should be exercised by the union, others that government should do it 'because in all the places where the government intervened, the situation got better.' 'The government should control managers in order to safeguard workers against situations as existed in the textile factory'.

A few workers were convinced that some degree of control was not sufficient and that there should be full ownership of the workers or the union.

> 'Work organizations should be in the hands of the workers themselves and the managers should be those who would be elected by the workers to look after what should be common property of all people working in an enterprise. So, industries should be directed by workers.'

Changing value orientations

One of the main consequences which could be expected from the introduction of workers participation was that it would change the orientation to work relations in the broadest sense.

One element of the new value orientation is the re-evaluation of industrial relations. What workers appeared to appreciate in participation was that it 'brought people closer together', that it led to industrial peace ('the previous troubles of strikes and industrial unrest have now fortunately disappeared') and that in general it had led to a better understanding between the workers and managers. 'Decisions of management are under control; we can always arrange to speak with them, and we will know what is on their minds and they will know what is on ours'. This

could mean that, in general, a norm is emerging that management should sound the opinion of the workers.

Often reference was made to the positive contribution the participative system of organisation would make to increased production, which 'would be better for all'. Here, the motivational value of shared ownership or profit sharing was brought forward. One worker reminded us of a Maltese saying: 'if you work for yourself you do two men's work and if you work for somebody else you do one man's work.' Someone else made this comparison:

> 'Your work is like a house. You either rent it or own it. Owning is better. In the beginning you will have to sacrifice, but in the end you will get the dividends and that will be better. Let's see whether participation works. It is an experiment and if it works, there is no reason why not all the workers of Malta should have it. After all, it is fairer.'

Also other workers emphasised that the fact that one will gain from it, is an important aspect of participation. 'If there is no participation people are careless.'

Although participation was first of all perceived as a practical solution to labour-management problems, it was argued that experience had shown that it is very important to be respected as a human being in one's own work. During the interviews it emerged that people felt more respected as a person.

> 'I am glad that the improvements which are now made are the efforts of the workers themselves'; 'through participation individuals are regarded as intelligent human beings', 'we are now having an identity'; 'it is a good thing because all the workers are given greater importance within the company'; 'I am working more happily'; 'I feel more secure, I am more myself.'

In connection with this, information was often mentioned. 'Before the introduction of participation', some said, 'we were left in doubt, we had to guess, but now the real facts of the enterprise are known.' 'We now know what is going on and why'.

Perception of the future

If there are positive values attached to participation, do the workers want to continue with their own experiment, and also, do they like to see the idea expanded to other enterprises as well? As to the continuation of the present situation, some workers were rather sceptical. A female operator:

'Participation is just something practical, but should not be chased on principle. Workers are not in a condition to control production themselves. There would not be a stable organization, we need people to guide us. Participation should also not mean trying to get all information. One should not probe into the affairs of management. It is interesting to look behind the scenes, as one was suddenly able to do in this enterprise. But such a situation can probably not continue.'

Most workers, however, felt the situation should continue even if there were problems. 'If one is not optimistic it will fail from the beginning'.

'This experiment stands for better chance in Malta than in any other country. In other countries, if you are dissatisfied, you change your job. Here you have to stay and you must improve the situation in your own enterprise, there is no other place to go to. I think it will work in Malta, we are in a difficult time, but if we can overcome these troubles things will be much better once the company is improved.'

'In the long run, people who are now going to school will be able to manage and to create conditions for themselves. It is the older people who do not want to do much, but the young people will be many and they will prosper and participate in management. If there is no participation, people are careless. Workers are clever enough themselves. Everyone has a different grade in his work, but all the workers are of the same status. So they have to run the place jointly. The idea of a private owner is only to make a private profit and his problem is not how to share the profit with the workers. He will never offer this. Ideally, participation should be introduced everywhere. But is a matter of money. If the workers had their own money they could invest it themselves, buy their own factories and manage them. Now they are dependent on private people. As long as they get paid, they do not think about it. But if there is a crisis, it is too late. There must be fair information, so that people know where they stand.'

Information ('opening the books') was what most workers expressed they would at least require, and they felt that this should be a general principle: all private employers should open their books to the workers. One of the interviewees elaborated on this and said that if the private employer would not be prepared to open the books (and this is what he expected) the government should force him by introducing legislation to this effect. This because 'workers have the right to know what they are up to'.

Just as there were wide ranging ideas on whether and to what extent participation should be introduced in more enterprises, there was dis-

agreement about the strategy to be followed. Some said they should only like to see participation introduced in enterprises – in – crisis, as a temporary cure: once things are going all right again, the situation should go 'back to normal private ownership'. But others thought that intervention in crisis situations should only be a starting point, leading eventually to union ownership.

On the future role of the union, again, there were different opinions. The minority of the interviewed workers thought the union should concentrate on its traditional function and its first job should be to act as negotiators and not to interfere with the policy decisions of the enterprise. Many workers, however, thought that the union could continue in their traditional function also in the framework of participation. Again the point of information was mentioned as crucially important.

> 'The role of the trade union is to fight for acceptable wages for the workers and for wage increases, as long as the company can afford it. As long as the union has no trustworthy information bad relations between management and the workers will continue to exist, and that is another reason why it should be better for both to share all information.'

Even though there was strong agreement that the union should have all necessary information, there was strong disagreement about how the union should participate otherwise. Some said that the union should not interfere in the affairs of the private owners, and should only be playing a consultative role, on the basis of adequate information. But this was opposed by others who would not mind if the unions go much further and would try to get completely involved (meaning taking part in all aspects of decision making).

Some concluding observations

The main aim of the second part of this article was to give an anthology of workers' opinions and workers' attitudes regarding participation. It cannot be stressed enough that since the sample of interviewees was very restricted and possibly biased, there are no grounds for any generalisations. It should be mentioned again that in this part we reported opinions and attitudes, in other words, perceptions of reality. These perceptions by themselves are also (social) reality and therefore highly relevant, whether 'objectively' true or not. It should be important to take another warning to the note of the time dimension: the interviews were conducted in November 1972, and are incidental observations at that point of time. Later developments may have affected workers' opinions.

Through the interviews it was possible to throw some light on the workers' frame of reference regarding participation. It seems clear that a

process of 'changing one's mind' is going on through the experience with various forms of participation in management and ownership. Not only within the more restricted sphere of the enterprise proper, but also as regards the acceptance or rejection of certain general values (like private ownership). An interesting process is taking place where workers are forming their attitudes towards participation on the basis of their actual experience with it. The absence of a uniform ideology of participation means that the workers are not measuring their experiences against an 'official' set of values. In almost all other countries this 'prior' ideology is present and undoubtedly 'shapes' the perception of the workers; unfortunately no research has been done into the effects of this. In Malta, the workers are sociologically speaking more free to make up their own minds, that is why Malta offers a unique opportunity to evaluate participation almost void of ideology. There is what could be called an uncommittal commitment: one wants to try to make it work but if it does not, nobody would lose face heavily.

At the same time, however, values and norms regarding participation are being created and could at a certain point be consolidated. The explorations carried out show that in any case no common ideology is developing. The value orientation appears to be rather diffuse. It is interesting to observe that the perspectives of the workers we interviewed were covering a very wide range. Walker has summarised a number of studies on participation and then puts together nine different perspectives[12] which are almost all relevant to the Maltese workers: defence and promotion of workers' interests, democracy within the enterprise, reduction of alienation and promotion of personal fulfilment, effective utilisation of human resources of the enterprise, encouragement of cooperative attitudes and reduction of industrial conflict, intrusion upon managerial prerogatives, contribution to certain social problems within the enterprise and in the community (e.g. nation building, 'Maltanization'!) and social responsibilities of the enterprise. Within such a broad framework of perspectives the development of expectations, values and norms of the Maltese workers is placed. The interviews reported in this article are an indication of this development. Further research is being undertaken to study these experiments in workers' participation in Malta.

[12] K. Walker, *Workers' Participation in Management: concepts and reality*, Mimeographed report, Geneva, 1970. pp. 6-12.