

DEMOCRACY IN THE WORKPLACE  
THE REGULATION OF SEMI-AUTONOMOUS WORK GROUPS  
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There has been a world-wide movement toward management via semi-autonomous, self-managing groups as a more stable, productive system than managing via the boss system, the master-servant relation.

With last month's policy decision by the ACTU in favour of the introduction of such systems, and the phasing out of the master-servant relation, the debate in Australia has reached a level of maturity. We can forget about playing politics about a matter which did never lend itself to politics. We can, instead, focus on the practical problems of making the transition less painful.

To whom on their staff can management turn for advice and help with making this transition? In large companies they can usually find someone in personnel or can second a senior manager with proven competence in dealing with people. In the medium-sized manufacturing company they can usually find a production engineer who knows something about the inter-face of the machinery and the people, and can ensure that practical solutions are arrived at. However, in companies of all sizes one can find people who have some grounding in accountancy; some grasp of accounting skills; and some exposure to the professional orientation of an accountant. I am going to suggest that these skills and this professional orientation are valuable resources for a manager who has decided that his company is going to take the plunge into a self-managing kind of organization.

Before I spell out my suggestions, let me confront 'the myth of the soul-less accountant'. For most people outside of your profession, it is laughable to even think of accountants playing a significant role in the re-humanising of work. People only ask accountants for figures and when all they get is what they ask for, they assume that accountants are no more than figure generators. Some ten years ago we had to confront a similar self-perpetuating myth with a national conference of work study and production engineers in Norway. The gloomy forecast from people who were intimately associated with these professions was that the participants would be both incapable and unwilling to discuss the role of human beings in production. The forecast was wrong. The message we got from those professionals was simply that if no one asks us about the humans in the system, how can we advise on such matters as concern humans. It is my feeling that the same applies to those who practice accountancy.

I suggest that there are three areas where accountants can usefully aid management in the transition to semi-autonomous group working:-

- a) in the development of a system of management by objectives
- b) in devising fair systems for the sharing of increased productivity
- c) in preparing periodical statements of accounts at plant or company level which enable employees to understand what is happening.

Regarding the first suggestion, some of you might already have had some heart-breaking experiences with trying to introduce management by objectives. Hubble has accepted, in an interview with Rydges, that it only takes on in about twenty-five percent of cases. He suggested that it is a non-starter unless there is commitment. The very essence of the semi-autonomous mode of working is to create a commitment to getting a job done. So, I am asking now that you consider a situation where commitment can practically be taken for granted but, if the objectives of the groups, at all levels, are not properly geared together, the resulting frustration will erode that commitment.

The productivity arising from these changes is usually quite outside the scale with which we are accustomed to deal. To aggravate the problem we usually find that the data is regularly collected has precious little relation to system performance at the level of the groups, the level at which the work is actually done, where wastage and errors can be reduced, where work practices can be improved, and where sensible suggestions for plant modification can be made. The employees are at this level where they know when they have made real contributions to productivity. They tend to get angry when management produce figures that ignore or slight their contribution, (I say this with some feeling because when the Tavistock Institute moved over to this way of working, we persisted for some years with our traditional accounting system. It was acceptable to our auditors, but it failed to give our project teams the knowledge needed to manage themselves about achieving agreed objectives and it gave little or no indication of where increases in productivity were occurring).

My third suggestion is not radical. The Victorian Employers Association are pressing it. It is, nonetheless, worth pressing again. The trade union officials who have to negotiate the transition to self-managing groups on their members' behalf can hardly be expected to feel easy signing any agreement unless they are more fully informed about the state of the company.