Shaping work and technology: West German[1] trade unions, the quality of work and industrial relations

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Does co-determination matter?

Looking comparatively at the present situation of trade unions in Western countries, there is no doubt that the West German system of legally regulated industrial relations at plant and enterprise level (commonly called 'co-determination') 'braced' West German unions in times of rapid structural change. Thus, from any point of view that takes the existence, functioning and the effectiveness of organised labour as an indispensable ingredient of a democratic, humane, dynamic and just society, co-determination appears beneficial.

It is also uncontested that co-determination serves as an important element of labour market regulation and social security by putting constraints on management's hiring and firing policies and by securing some financial compensation for those who have lost their jobs as a result of structural changes. Insofar as job security and works councils give workers a 'voice' (that is, allows them to 'walk upright', in German trade union rhetoric) co-determination has helped to cultivate the exceptionally democratic quality of German working life.

But does co-determination make any difference as to work itself? Does it have any impact on tangible working conditions? Is it relevant to the actual content and structure of jobs? Is there any evidence that it is possible to influence the way technology is implemented through co-determination? And does co-determination—a system principally based on delegation and representation—foster or discourage personal participation of individual workers and, through it, the quality of work in Germany?

This essay argues that the institutional framework of representation at plant level—co-determination—is critical to the way West German Trade Unions perceive technical and organisational changes in the workplace and the possibilities for shaping them.

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[1]This article was finished before the German unification. The devastating 'structural crash' East Germany is experiencing in the wake of the economic, monetary and social union and the challenge it poses to trade union policy making has tended to reduce the attention given to the issues dealt with here.

A best practice example

Imagine a firm engaged in reorganising part of the work process and introducing a complex new software system. The organisation and informational problems that must be solved are unique and complex. Thus, standardised turn-key solutions will not suffice. Some degree of individual tailoring is necessary.

This firm is not a newcomer to the field of computers. It already has first-hand experience in failure. Some years ago, management made costly investments in an information system that failed to achieve the computer dealer's promises; it turned out to be ill-suited to the firm's needs. One thing the system did do, however, was to monitor users' performance. Consequently, employees had little assurance that computer-collected data would not be used against their interests. After a long and heated debate over this feature of the system at a trade union training course, the works council demanded the system be shut down.[1] At first, management denied the legality of this request. But when the matter went before an arbitration board[2] the works council's legal position turned out to be strong.

Meanwhile, even in management's own terms, the poor performance of the computer system had become obvious. Without risking a formal decision by the arbitration board, management consented to abandon the system. Moreover, the owners of the firm were informed that this regrettable loss of investment was the fault of an unreasonable works council, the deplorable over-regulation of German industrial relations and labour judges virtually ignorant of modern technology. The old systems organiser, who had always refused to share information with the works council, quietly left the firm and the remaining managers determined never to repeat their mistakes.

As a result, management initiated a second attempt to introduce computer technology by drafting a skeleton agreement in concert with the union and a professional consultant. In this plant agreement,[3] signed by management and the works council, both sides placed limits upon the ways in which the other could handle computer-aided data processing and communication matters. Its preamble declared that management, the works council and the workforce were to be equally responsible for and involved in designing the implementation of computer technology in such a way as to serve the benefit of both the enterprise and its employees. Concretely:

— the decision and design process concerning such technologies must be shaped in such a way as to give the works council and the workers concerned an opportunity for constructive and qualified participation;
— the hazards and negative consequences of technological innovation to the workers must be prohibited;
— systems must be designed according to the principle that they serve as instruments for people, and not *vice versa*;

[1] The legal constraints associated with this practice are discussed in further detail below.
[2] See footnote on next page for an explanation of this procedure.
[3] A plant agreement is a contract between the works council and the employer. It is legally binding and can be enforced by appealing to a labour court. The following is a summary of the plant agreement documented by Blume 1989A, p. 57–61.

— the constitutional right of privacy must be observed (i.e., systems do not control or monitor human behaviour or the use of data relating to workers' behaviour is restricted in such a way as to exclude the evaluation of individual performance).

Moreover, workforce benefits should be realised by raising average job qualifications and encouraging 'holistic' (enriched) tasks, transparency of decisions and higher job satisfaction. Benefits to the enterprise as a whole should be conceived in terms of ongoing economic viability, a qualified workforce and the capacity to respond flexibly to changing market requirements.

The skeleton agreement also mandated that the works council be informed of plans for new systems before serious talks with computer vendors begin. If at any time employees are concerned with a particular aspect of computer use, the works council may form a project group composed of no more than six workers and a works council member. This group will be allotted two hours of paid time per week during regular working hours. Further, in an extension of the Works Constitution Act's provision for expert consulting at the employer's expense, the skeleton agreement made expert services available to project groups as well.

Management and works council then delegate two members each to a 'computer systems committee'. This committee discusses relevant plans and sanctions all final systems decisions. All decisions, made by consensus, are then added to the initial skeleton agreement. If accepted by management and the works council, these agreements eventually form a network of rules governing all computer-aided aspects of work.

In addition, all specific project groups have the right to make suggestions and file appeals to the computer systems committee. Such initiatives may be taken not only in response to management plans, but also to systems currently in use. Furthermore, the committee must hold at least two meetings in a sincere effort to reach an agreement on proposals initiated by management, the works council or a project group. If group members fail to agree unanimously to a proposal or an alternative of their own, the original plan is rejected. If the initial authors of such a suggestion still want to go ahead with their plan in spite of the committee decision, they may resort to the standard Works Constitution machinery by calling an arbitration board.[1] But this, of course, would disrupt the trust relationship which underpinned the skeleton agreement in the first place. Thus the committee is forced *de facto* to reach consensus by constructive means.

[1] An arbitration board (*Einigungsstelle*) is a special body usually formed *ad hoc* by management and the works council. Such a board is composed of equal numbers of delegates from management and the works council and chaired by an additional person who both sides have agreed to. If they fail to agree upon a chairman one will be appointed by a labour court. In the vast majority of cases, arbitration board chairmen will be labour judges, although the boards are not a part of labour jurisdiction but an autonomous procedure within the framework of the Works Constitution Act.

With the chairman as mediator, the arbitration board will attempt to arrive at a consensus between the representatives of management and the works council. If this turns out to be impossible, the board passes a final and binding decision by majority vote. Usually the majority is produced by the chairman in alliance with either party. In the course of negotiations before this final vote, hints of the chairman as to his eventual voting preference serve as a powerful instrument of diplomacy, making either party or both more inclined to move towards a compromise rather than running the risk of losing in a majority vote. Therefore, decisions passed by majority vote are the exception. In most cases the arbitration procedure will result in an agreement. (Knuth, Büttner and Schank, 1984; Oechsler and Schönfeld, 1989).

To sum up, this is *co-determination* in the genuine sense of the word. Taking the agreement literally, one might as well speak of joint plant governance in all matters concerning computer systems and computer-aided work processes, and there are few aspects of modern business that do not eventually relate to computer systems.

If the reader has difficulty understanding how management would give up its final say on such crucial matters, it should be borne in mind that both sides entered this agreement voluntarily and can revoke it with three months notice. Consequently, from a legal point of view, the agreement does not diminish management's ultimate prerogatives beyond the restrictions already imposed by law; nor does it preclude the works council from resorting to a more traditional approach of reactive control should direct participation turn out to be too costly in resources and/or legitimation.

The deal that was struck in the case at hand implies that the works council will refrain from making obstructive use of its legal powers in the field of computer-related technology; in return, management, by allotting paid time for project groups, allows the council to act as an organ of direct worker participation. Though interested in results, management leaves the role of moderator to the works council, thereby refraining from using participation to bypass the co-determination rights of the works council in favour of direct communication with employees.

From the trade union perspective, the political concept underlying such an arrangement (as seen by the consultant originally involved) was to initiate creative competition between workers and management. By the terms of the skeleton agreement both have an incentive to seek creative solutions, which fit the needs of workers and the enterprise as a whole (Blume, 1989B).

The legal framework and its bargaining logic: 'rights to privacy' as a lever for influencing modern technology

The case above—though unique in its particular procedures—exemplifies the characteristic mechanism by which works councils gain legal leverage on questions of work, technology, and participation concerning information technology.

— The Works Constitution Act grants enforceable co-determination[1] primarily on traditional issues like shop discipline, health and safety rules, organisation of working time, holiday schedules, piece rates, and so on. By contrast, the law provides no mechanism by which a works council can *directly* negotiate work organisation or the design of technical systems.[2] Provisions concerning the role of individual workers remain very weak.

— In this computer age, however, employees have gained an edge from a clause subjecting the introduction and use of any technical devices with a potential for

[1] A co-determination right will be considered 'enforceable' if the works council has full veto power as well as the right of initiative. These rights are backed up by the ability to take the issue to an arbitration board if management and the works council fail to reach consensus. Either side may initiate an appeal. The arbitration board will be formed on the specific occasion, and its decision is final with very limited chances for suspension by a labour court.

[2] The only theoretical exception where the WCA bears directly on the organisation of the work process is when the work system is altered in a way that is 'in obvious contradiction to the established knowledge about the humanisation of work and results in exceptional strain on the side of the workers'—a clause that proved impracticable because of the impossibility of proof. Thus, this clause has merely a moral bearing at best (Knuth, Büttner and Schank,1984, p. 100).

supervising worker performance to full co-determination. The long-term impact of this clause (originally aimed at mechanical productographs) was probably not anticipated by its authors in 1972. But, since production-related databases contain information about plant operations that can be traced back to individual workers and since computer operating systems necessarily record user actions, this clause (explicated later in Supreme Labour Court decisions) has become the main gateway through which works councils effect modern technology.[1]

— Nonetheless, taken at face value, even this clause gives little more to works councils than a platform to curb capricious use of personal data. Most works councils have been content to negotiate verbal agreements in this regard. Some required complicated and costly changes in hardware and software intended to diminish chances for management abuse and to give the works council control over compliance.[2]

In some cases (like the one above), management and the works council realised that since information technology had become so pervasive, they faced a crossroads in industrial relations. A new game, with the following rules, had emerged.

Now a self-confident, competent and clever works council, relying on the support of the workforce and external legal and technical expertise, can obstruct and alter the introduction and use of computer systems. But legal weapons used in this way only serve to protect workers by frustrating management; alone they cannot promise substantial gain for workers in areas that really matter to them. Besides, no sensible works council is interested in harming the viability of the firm—this is only a last resort, used to force management to co-operate. 'You don't slaughter the cow you want to milk' is a standard principle of German industrial relations.

On the other side, some enlightened managers learned from previous bitter experience that workforce co-operation is necessary when introducing advanced computer systems. But if the works council truly represents the employees, management will also realise it cannot expect co-operation if it is at loggerheads with that body.

The logical (but still rare) outcome when parties anticipate a zero-sum obstruction game is to pool their potential for sanctions and form a productive coalition around computer-related organisational development. The threat of 'unrest on the shop floor' and legal trouble may serve as a substitute for an industrial action, from which works councils are prohibited. In this way, bargains may be struck outside the boundaries of the law, for example, regulations mandating employee participation above the legal standard. Thus, legally regulated co-determination, seen as an alternative to plant bargaining in orthodox labour doctrine, may be transformed into a relatively free bargaining situation. However, such delicate bargains will only be sustained when both parties master the difficult balance between distance and

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[1] The sensibility of the German public in matters of the protection of privacy in the face of pervasive data collection has greatly been sharpened in the 1980's by conflicts around an intended census and a subsequent Federal Constitutional Court decision that ruled the original census scheme unconstitutional. As a result, the principle of informational self-determination was established as an emanation of general personality rights.

[2] There is a host of literature on these problems. The 'protection of privacy' approach was carried to extremes by Effertz *et al.* (1989) who analysed the standard IBM host operating system. The report clearly shows that under the 'technical supervision device' clause any computer system will be subject to co-determination and demonstrates equally that technically and legally watertight solutions would be so complex as to exceed the works councils' competence and resources.

closeness. It is a precarious equilibrium in which either side poses tacit threats while at the same time they build trust relations with one another.

Trade unions, works councils and technology

One element of the West German industrial relations system that makes it so adaptable is the division of labour between industrial unions and works councils.[1] Works councils, though usually dominated by members of DGB unions, are autonomous in policy making and negotiating plant agreements as long as the latter do not conflict with industry-wide agreements. The respective union may criticise a specific works council policy but it cannot be held legally or politically responsible for works council behaviour. In collective bargaining, a union can augment the role of the works council by securing new rights or standards that must be adapted and implemented in plant agreements. When works councils fail to seize such opportunities, however, union officers are left with only the powers of training and persuasion.

Because of this strong but elastic relationship between trade union policy in industry and works council in the plant, the latter's activities cannot be explained by mere extrapolation from trade union strategy. Nonetheless, some attention to the development of trade union thinking about the relationship between work, technology and participation is necessary.

Until the mid-1960s, technological and organisational change were perceived as 'natural' and inalterable processes. Once it became evident that the 'miracle' of post-war economic growth had limits, however, unions pressed for protective legislation and labour market reforms. (To be sure, these included provision for retraining, not merely job preservation.) But attempts to open reform to a broader discussion of employee participation in the late 1960s were thwarted by influential works council members in key strongholds within the big industrial unions. These trade unionists feared an erosion of their representative power if employers struck bargains directly with individual groups of workers.

As a result, a participatory workplace paradigm remains underdeveloped within trade unions to this day (though there are prospects for change). By contrast, a related paradigm—namely, work 'humanization'—gained rapid ground in the early 1970s, and was sustained by a 1974 federal research and development program, which cultivated considerable union participation. Humanisation, it appears, was perceived as less risky than 'participation'—hence a project more in keeping with traditional patterns of trade union politics in that it could be implemented 'for' instead of 'with' workers. Consequently (and in accordance with the academic debate of the time), repetitive jobs in mass production industries were targeted as the primary 'quality of work' problem. This approach was innovative in so far as the very content of work became an issue for the first time. Nonetheless it conserved the traditional 'reactive-protective' approach to trade union politics[2]: now workers were not only

[1] The 'classic' explication of this relationship was given by Streeck (1979).

[2] Some exceptions should be acknowledged in the 1973 Wage Framework Agreement of Nordwürttemberg/Nordbaden. This agreement not only stipulated that existing repetitive work cycles were not to be divided any further ('reactive-protective') but also that cycles in newly designed systems should be no less than 90 seconds. This second clause may be seen as an attempt to actively 'roll back' some excesses of Taylorism.

protected against job loss but also against downgrading of the content and value (financial as well as 'moral') of their jobs. Consequently, a great deal of money and research went to 'repair' the excesses of Taylorism. But work restructuring projects of a wider scope, such as group work, made little progress against the conservative attitudes of management, the works councils and the unions.

Meanwhile, the 'participative' paradigm remained an intellectual admonition not seriously discussed by trade unions until the early 1980s when 'quality circles' were imported from the US and Japan. At this point, the unions discovered that employers could successfully exploit worker desires for involvement, thereby challenging the trust relationship with the works councils (Knuth, 1983). Moreover, opinion polls invariably began to show that 'co-determination at the workplace' was the most popular participative demand among workers.

Participation made further inroads in a 1982 co-determination campaign aimed primarily at coal and steel industries. The union's goal was to preserve these industries by liberating them from their sectoral insulation[1] and universalising co-determination in all big companies. However, DGB intellectuals managed to persuade the executive committee that the demand for 'qualified co-determination at enterprise level' alone, would not mobilise workers. Though intended as window dressing for popular consumption, in 1984 the DGB executive committee approved 'co-determination at the workplace' in its final programmatic document of the campaign (Deutscher Gewerkschaftsbund, 1984).

The key participatory provision in this document called for working parties or project groups to be initiated by works and staff councils. It had no immediate practical impact, though, because only individual industrial unions, not the DGB, could advise works councils in these matters. However, official recognition of this document helped researchers sympathetic to trade unions to gain legitimacy for participative approaches and experiments. As a result, the DGB's research foundation initiated a project which successfully tested the concept (Kiefer and Schönland, 1988). Like the skeleton agreement on computerisation and participation cited above, project groups and paid working time emerged successfully from these experiments.

The paradigm of Gestaltung
The 1980s saw a paradigm shift from the 'humanisation of work' to the 'shaping of technology' among trade unions, Social Democratic state governments and labour researchers. There was likely no more central cause of this transformation than the influx of computer systems and electronic data processing into virtually all aspects of work. From discussion and, at times, violent struggle over atomic energy, biotechnology, arms technology and the environment, technology was reconceived

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[1] The original model of 'qualified' co-determination on the basis of equal representation of labour and capital on the supervisory boards of enterprises in mining, iron and steel had been under pressure from its very beginning due to the shrinking of these industries as well as processes of concentration and diversification. Mergers and acquisitions within these industries reduced the number of co-determined supervisory boards, whereas diversification reduced the percentage of production in the industries to which the respective law pertains, thus threatening to liberate certain companies from its coverage altogether. Repeated legislative compromises expanding the applicability of the law in order to keep potentially evading companies under its coverage invariably entailed changes of voting and representative mechanisms that weakened the role of the unions in supervisory boards.

as a societal artifact open to political influence. And even though trade unions tended to be laggards in this debate, they were not left untouched; on the whole labour developed a more critical attitude towards technology.

Still, within labour's ranks a fissure opened between those who still regarded technological change as a prerequisite for rising productivity, welfare and social progress, and those who warned of job-killing, psychological deformation, and the Orwellian nightmare of all-pervasive control. While sharing a critical perspective, a third faction worried that unions would acquire a negative image by continually predicting disastrous results from new technology—consequences which, in fact, did not square with the majority of workers' experience. To the contrary, this faction pointed out that many jobs were upgraded by new technology and those workers were learning new things and gaining new responsibilities. Instead of the doomsday scenario, positive and pro-active concepts were needed to distinguish more carefully the winners from the losers of technological change. A 1985 DGB conference (Bleicher, 1987) marked the turning point in trade union thinking: since then the idea that work and technology should be 'shaped' to fit human needs, the common societal good, and the protection of the environment has become conventional trade union wisdom.

Even though the trade union focus on 'good' work has remained essentially the same, the change of approach from humanising to shaping work and technology signals a genuine shift in paradigm. On the former, Taylorist job design was held responsible for inhumane working conditions. Hence, trade unions were obligated to rectify the worst of labour situations. On the latter, unions reasoned that if new jobs, created by computerisation were open to shaping influence, labour must act *before* these were poorly designed. A reactive approach had been displaced by a pro-active one. No longer were work situations conceived as mere technical questions. Public discourse had internalised the view long held by scholars of socio-technical systems—namely, that the place of data collection and distribution in work organisation was much more 'plastic' than often thought.

As an action programme, *Gestaltung*—the 'shaping of technology'—supplements the older concept of 'protection' which only addresses the losers of technological change and therefore may be labelled a 'defensive-reactive approach'. *Gestaltung*, in contrast, is a pro-active concept, which attempts to combine self-confident mastery over new technology by the winners with identification of alternative organisational and technological choices that reduce the number of losers or the impact of job loss.

Does the approach of Gestaltung *have any basis in workers' attitudes?*
In an 1985/86 sample survey of a representative working population, the statement: 'New technology may only be implemented when, through workers involvement, it is ensured that those affected will suffer no negative effects'[1] was strongly endorsed by 50% and moderately favoured by another 39% of respondents. (Trade union membership made little difference.) The percentage of those believing in protection and participation was significantly higher than the percentage of those having concrete apprehensions about new technology such as the fear of a net loss of jobs

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[1] 'Neue Technik darf nur dann eingesetzt werden, wenn durch Mitsprache sichergestellt ist, daß die Betroffenen weder Schaden noch Nachteile erleiden'.

(29% to 40%), excessive and uncontrollable power on the part of experts (23% to 42%), or the loss of privacy (37% to 42%) (Feist *et al.*, 1989, pp. 47–52; Fröhlich *et al.*, 1989, pp. 49–66).

Critical attitudes about technology-related issues are in fact widespread throughout the Federal Republic. For example, only a tiny minority, 9%, agree with none of the three statements above concerning the risks of new technology (Bertl *et al.*, 1989, p. 40). On the other hand, this does not mean that there is hostility to technological development. A vast majority of 94% (and 90% of those with concrete apprehensions) agree that technological development is necessary for the international competitiveness of the German economy (Bertl *et al.*, 1989, p. 42). As to expectations regarding the impact of technological innovation on people's personal work situations, regional and sectoral studies have found a wide range of responses. But in most regions (with the marked exception of the unemployment-stricken city of Bremen), the majority sees either advantages or no change as a result of new technology (Bertl *et al.*, 1989, p. 41).

The authors of these studies interpret West German attitudes toward technology as 'ambivalent'. But there might well be some rationale behind this pattern: If international competition makes rapid technological change inevitable, and if change bears the sort of risks that were discussed in West Germany throughout the 1980s, then it is only logical that people would demand some control or regulation over change. Perhaps survey results indicate that a 'co-determination' or 'participative' culture has begun to take root in West Germany, through which the idea of having a say in the introduction of new technology has become more and more accepted. In the same survey, only 19% agreed with the fatalistic statement that technology 'follows its own laws—you can't change its course'.

Expert counsel: a new actor in the field
The relationship between trade union organisations and works councils, as it evolved in the 1960s and 70s, may be characterised as a mixture of guidance and service (Kotthoff, 1979), wherein small and weak councils tend toward guidance and strong works councils in large enterprises tend toward service. In order to become a works council member one only needs the backing of a local constituency; but in order to solve problems once in office, councillors must rely on services of the organisation at local and, for more powerful works councils, regional or even national levels. And the more complicated the everyday duties of works councillors have become, the more important such services become. Unions give works councils legal advice, help with the interpretation of collective agreements (especially in fields like job classification and contingent compensation), publish information on health and safety, and offer training on all these topics and more. There has been a long-standing agreement between works councils and the union by which collective bargaining achievements and considerable information and 'moral' resources were traded for assistance with organising new members and the implementation of trade union strategies on the shop floor and in plant agreements. In our survey of 1980 this agreement still seemed to work satisfactorily: the vast majority of works councils affirmed their need for assistance from the trade union organisation; a somewhat smaller majority indicated satisfaction with the assistance they got (Knuth, Büttner and Schank, 1984, p. 388).

In the late 1970s and early 80s, both trade unions and works councils were caught off-guard by the influx of computers and information technology. The latter, traditionally dominated by skilled blue-collar workers, suddenly needed much more support and advice. Their traditional strength *vis-à-vis* the management—namely, their knowledge of materials, processes, and the concrete operation of the organisation (as opposed to management's theory about these operations)—was rendered useless by the technical language of computer specialists and the abstract perspectives of systems analysis.

But the unions had little to offer to fill this void. Whereas in the 1960s and 70s trade union headquarters had followed the general trend of specialisation by forming legal, work study, health and safety, vocational training and other departments, by and large they failed to respond to computerisation in the same way.[1] Furthermore, since organisational change and introduction of new technology in trade union offices lagged far behind society-at-large, even the sort of common sense computer literacy that has become part of the general work culture in modern society was (and remains) lacking among most trade union officials. Some works council offices used personal computers before their local union branch did.

When needs are not met organisationally, they will generally be met by the market—assuming sufficient financial resources. It turned out that the works councils did have those resources. One of the legislative innovations of the WCA of 1972 had been a provision through which works councils may call in external experts at the expense of the employer, if necessary to justly discharge its duties. In addition, according to co-determination rights broadened at the same time, the number of issues upon which arbitration boards could be called was considerably expanded. In the event of failure to agree, both sides must consent to the number of delegates each will send to the arbitration board, but they are free to pick individual representatives. If these happen to be outside experts, the works council can simply bill the employer.

In 1979, seven years after this amendment to the WCA, works councils had rarely chosen expert consultants to sit on arbitration boards (Knuth, Büttner and Schank, 1985, pp. 214, 278). Weak works councils would not dare to foist extra costs on to their employers and strong works councils did not need expert assistance (or at least so they thought).

Today, however, a number of individuals and small institutes make their living through a combination of publicly funded research and works councils consulting paid for by employers. Similar services are offered by non-profit, publicly funded,

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[1] An exemption must be made concerning the metal workers union which has an 'automation' department.

There are several reasons for the slow reaction of unions toward computerisation:

(1) In the early 1980s, there was a financial squeeze due to stagnation or even temporary decline of membership, a growing proportion of part-time work among the membership and vast losses in the trade union-owned enterprises.

(2) Computer specialists on the market would receive salaries that did not well fit into the trade union pay structure. Self-educated people coming from the shop floor without a formal qualification (who had filled the specialist departments of union headquarters in the 1960s) were not (yet?) available in this field.

(3) Trade union leaders simply did not see the challenge because the computer age was beyond their personal working experience.

trade union-controlled information centres set up by several of the federal states. This structure is especially elaborate in Northrhine-Westfalia, where there are now six such regional branch offices (Angermaier, 1987). Because they are state-funded, these institutions do not charge employers for their services to works councils. As a result, they are more easily accessible to the councils in smaller firms, which lack the leverage to demand subsidies from their employers.[1]

Worker consultants offer works councils not merely expertise and information. Initially, council members expect experts to translate 'computerese' and to advise as to how they should proceed on management proposals. Invariably, however, they end up discussing the entire work organisation. Often the council lacks the capacity to engage in creative discussion about organisational restructuring, or to think strategically about problem solving. Although at first works council members hoped to get rid of such problems by delegating them to experts, consultation only served to make them painfully aware of problems they had happily ignored in the past. When works councils are self-confident and open-minded enough to accept this, expert consultation can become a learning process. In successful, intensive and lasting counselling relationships the works council undergoes permanent organisational change.

But this reliance on outside experts has not gone without criticism. Consultants themselves decry the passive attitude of works councils, who seem to think they can 'delegate away' problems to outside experts. Others believe that a reliance upon outside experts prevents works councils from searching for the creativity and expertise from within their own ranks thereby distancing themselves further from the workforce (Bahnmüller, 1989).[2] Expert advice can become like a drug, draining critical self-reliance from the works councils. So far, many consultants seem to have recognised this problem and, by political commitment, have tried not to let this happen. Moreover, as long as the demand for consulting services far exceeds supply, there is no economic motive for consultants to make themselves indispensable.

Even more disturbing are the implications of the growth in consultancy for the relationship between works councils and the unions. Consultant services may become more valuable to some works councils than those offered by trade union officials. In such cases, the role of the local union official can become one of simply supplying consultant phone numbers. If it is true (as claimed above) that the works council–union relationship is essentially an exchange of services, then the entrance of a third party will severely alter the terms of trade to the detriment of the union.

Perceiving such dangers, officials at union headquarters were initially suspicious of the growth in consultancy. But, lacking an alternative, they had little choice but to accept it grudgingly. The most far-reaching alternative in practise is the one mentioned above, wherein consultants act through the 'Trade Union Confederation's Information Centre' and the state foots the bill. But where consultants operate

[1] At the other end of the spectrum we find works councils of very large units, especially in the automobile industry, employing experts as their permanent staff paid by the employer. Some of these experts have become known to be elected 'ordinary' works council members later on.

[2] Despite the favourable results of the polls quoted above concerning the satisfaction of employees with their representation, it is a topical criticism of industrial relations researchers that works councils are much too aloof to their constituency. Intensive case studies—as opposed to opinion polls—tend to confirm this criticism. (As an example see Diefenbacher *et al.*, 1984.)

from makes little difference for the relationship between works councils and their individual industrial unions, which in any case are not given credit for what the consultant does.

Changes in the industrial relations balance?

The role of works councils and direct shop-floor involvement in shaping work and the implementation of technology is part of a more general dilemma facing West German trade unions. Similar problems have arisen in related fields, such as the intensification of life-long training, the design of new payment systems (Knuth and Howaldt, 1991), the tailoring of time schedules and other work-related issues. The trade union's dilemma may be stated as follows:

— In order to remain attractive to the 'modern' worker (including white-collar workers), whose basic material needs are relatively well satisfied at the moment,[1] trade unions have to move beyond traditional bread and butter issues.
— By their very nature, however, the new issues do not easily lend themselves to industry-wide regulations. This is inevitable once regulatory endeavours proceed beyond the questions that can be measured in money, time, manning levels, age, years of seniority and other quantitative dimensions. At an industry level, qualitative issues can only be treated by proclaiming general goals and prescribing certain procedures. How these goals are best achieved in concrete industrial settings, however, must be decided at the plant level or even among specific groups of workers and their types of workplaces.
— In the framework of the German industrial relations system, with direct trade union representation and negotiating power lacking at the plant level, the transformation of general goals into concrete regulations has to be done by autonomous works councils. Therefore, the trade union at industry level is reduced to negotiating skeleton agreements that give works councils the legal leverage to negotiate plant-specific 'flesh' to be put on the skeleton. Whether and how they really do this is largely out of the control of the union. Nevertheless, plant-specific solutions arrived at in large and important enterprises will set the stage for the next round of industry bargaining.

In a somewhat mechanistic view, the dilemma just described might be summed up as a power shift from the industry to the plant level, or from the trade union organisation to works councils. The matter becomes more complex, however, if we remember that works councils themselves are increasingly unable to deal with the new work-related questions by relying on their own resources and therefore need outside experts. The relationship between trade union officials and the works councils is no longer as exclusive as it was in the 1950s and 60s. The role of experts is no longer restricted to services to individual works councils. Qualified and influential works council representatives are becoming part of a network of workshops, conferences and publications in which they act as experts themselves.

[1] The situation has become even more complicated with the German unification and the necessity to represent workers in the East whose basic material needs—job security and pay—are far from being secured.

Trade unions can, and in part, do play an important role in organising and moderating the dialogue between works councils, researchers, consultants, and, increasingly, even experts from companies. But the more open this scene becomes, the less trade unions control it.

Finally, in discussing the hypothetical shift of power towards the works councils, attention must be drawn to the fact that no matter how influential a works council in a particular plant may be, its influence is limited by the scope of management's discretion. And there is evidence that the latter is growing rather than diminishing. For example:

— Managers of subsidiaries are often tied into company strategies of increasingly global nature.
— Formally independent firms have become enmeshed in productive and informational networks which increasingly determine operating hours, quality standards, software standards and even the organisation of production itself (Knuth and Latniak,1991).
— The basic trends of technological development are largely beyond the influence of an individual user firm. In so far as national markets with intensive interrelations of producers and users are still of relative importance, national work culture may have an impact on technological development. This, for example, is the case in the German machine tool industry. But in global technology markets, dominated from abroad, the German market is of too little weight to influence general trends of, say, software engineering.

With these limitations in mind, it is clear that any expectations that the *Gestaltung* approach will result in a fundamentally alternative trajectory of organisational and technological development is unrealistic. How much difference it truly makes can only be determined through internationally comparative studies, and even in those it will be hard to differentiate the concrete results of trade union and works council interventions in company decision making from general underlying influences of skill structures and the work culture.

Even so, it seems remarkable enough

— that trade unions *would* adopt such an attitude:
— that they do have a voice in debates about the industrial future of the country;
— that works councils *do* claim to have a say and to possess competence in matters traditionally regarded as managerial prerogatives;
— that such endeavours grow out of the allegedly rigid regulatory system of German industrial relations;
— and that this approach at least bears a potential for more active employee involvement on a 'contractual', i.e. a collectively negotiated base, rather than in the form of benign grants from the management.

If the trends implied in the *Gestaltung* paradigm are to persist, West German trade unions will have to continue to develop beyond their role as bargaining machines into networks of information, ideas and experience for employees and representatives from very different backgrounds but united by their determination to get involved in the shaping of Germany's industrial future.

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