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**`THE MANAGEMENT OF QUALITY' : NEW ZEALAND
JOINS A GLOBAL DISCOURSE FOR
CONTROLLING WORK(ERS)**

**A thesis submitted in partial fulfilment
of requirements for the
degree of Doctor of Philosophy
at the University of Waikato**

by

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ABSTRACT

The introduction to New Zealand of Japanese Management Practices and their later variations, here, collectively named 'the management of quality', is examined in this thesis. 'The management of quality' is seen as the most recent phase of a long transformation of the process of work control. 'Work', 'workers' and 'managers', regarded in this thesis as instances of social fabrication, are examined in their transformation from 'serfs' to 'labour' during early industrialization, and then to their contemporary re-shaping for future forms of global capitalism. While employees and ordinary citizens have had a measure of influence on the nature of these fabrications, it is argued that theorizers and designated experts have provided techniques which give employers significantly more impact.

The thesis is divided into four parts. In Part One I draw on Foucault's method of archaeology to examine the way in which capitalist practices came to be routinized in western countries, particular England and America. Part Two examines the Japanese transition to the predominance of capitalist practices and argues that a number of key features of their form of capitalism differ from those developed in the west. In particular, post World War Two Japanese developments in management techniques are examined as these were liberally drawn on in the effort to convert New Zealand workers and managers to new ways of organising work. This effort of conversion is the focus of Part Three. The introduction of 'the management of quality' was achieved through the skilled use of rhetoric that, to varying degrees, involved employers, managers and workers. I conclude in Part Four, that global capitalists, in their pursuit of ever decreasing costs and their desire to increase their mobility, benefit from the achievement of global standardization of work, workers and managers. 'The management of quality' has been used to advance greater control over apparently self-managing employees.

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PART ONE: INTRODUCTION AND METHODOLOGY

Introduction to Part One

In the construction of what comes to be experienced as social reality, human beings fabricate material and metaphysical objects. This thesis is concerned with the construction of a number of the objects which collectively make up contemporary social experiences of 'employment'. To draw attention to their origin in the human imagination, such objects are called 'fabrications' in this thesis. Attempts to achieve any social order entail the manifestation of such fabrications into routine practice. To ensure people act with regard to them, or to rouse the population to their defence, these fabrications must be treated as real entities. Such fabrications must be integrated into resilient 'frameworks' or 'systems'. Much of this work of integration, I argue, is carried out through the use of metaphor and myth in the skilful construction of rhetorics. 'The management of quality' is postulated as just such a fabrication in the making.

Rhetoric, in the sense it is used in this thesis, denotes acts of creating and using "warrantable beliefs and improving those beliefs in shared discourse" (McCloskey 1986:xiv). I focus on the combined efforts of experts and ordinary citizens in the establishment of work place practices, through the analysis of what Michel Foucault (1972:22) would class as their 'discourse'.

Part One of this thesis opens with an introductory chapter in which I set out the general direction and hypotheses of this thesis. In the second chapter, I draw on the methods of analysis recommended by Foucault (1972) to show how social fabrications are made the 'objects' of discourse, how authority for their use is allocated, and how such 'authorities' further develop their status and power through them. The term 'discourse' is now commonly associated with the analytical approaches of the post-modernists. In this thesis I more closely follow its use by Michel Foucault in The Order of Things (1970) and

The Archaeology of Knowledge (1972). The term includes the use of symbols, words and actions which delineate a universe of sense-making, of ordering or organizing human activity. Discourse is a way of

constituting knowledge, together with social practices, forms of subjectivity and power relations which inhere in such discourses and the relations between them. (Weedon 1987:108)

Discursive practices are the actual practices particular to a discourse. Emphasis is on what has been done or said (Burrell 1988:229).

Building on the work of Peter Berger and Thomas Luckmann (1966), in chapter three, I examine the relative contribution of theorizers and ordinary citizens as authors of such objects in the promotion of specific social out-comes. In chapter four, I examine how 'objects' as metaphors may be woven into myths as part of a complicated process of 'truth building'. The manifestation of such myths as 'stories to live by' (or organizing principles) is achieved through the skilled use of rhetoric. This is discussed in chapter five. In chapter six the origins of a number of employment related fabrications are traced to emphasise the ephemeral nature of these entities. There were pockets of resistance to the manifestation of some of these entities - but by and large the new entities became part of the everyday vocabulary of possibilities with which we still formulate policies and practices in workplaces, homes and communities. The chapter concludes that the establishment of the 'unencumbered individual' deemed so essential to developing capitalism was achieved. In New Zealand, many of these fabrications have become so well embedded in social conduct, that their modification does not jeopardise their seeming stability as entities.

Chapter 1: Introduction

The achievement of control over the processes of production has been a perennial matter of concern for employers in western capitalist enterprises. The minimum condition for this control is the achievement of employee compliance with managerially defined routines. A more productive relationship is anticipated from the achievement of employee loyalty and commitment to the goals of the employer. This thesis examines the attempt to achieve such loyalty and commitment through promised employee participation and empowerment in the processes of production.

The promise of participation and empowerment of workers was to be fulfilled through the implementation of a number of management techniques popularised in New Zealand in the late 1980s and early 1990s. These techniques were designed as aspects of an all-encompassing philosophy of work organization. In this thesis, the collection of these techniques is called 'the management of quality'. I have coined this phrase not only for convenience, but to emphasise that together these techniques constitute yet another social fabrication in the discourse of control over employment.¹

In New Zealand, 'the management of quality' may have been introduced to non-specialists and employees generally as 'Quality Control', 'Quality Management', 'Quality Assurance', 'Total Quality Control', 'Total Quality Improvement' (TQI), or 'Total Quality Management'

1) Throughout this thesis I have embedded certain words or groups of words in single quotation marks. I have done so in order to draw attention to the fabricated nature of the entity under discussion.

(TQM). For the specialists, these labels refer to quite specific phases in the development of an all encompassing quality management philosophy. 'The management of quality' changed the focus from an end-of-line product check to a continuous concern with the quality of the product not only in each phase of the process, but also with the process itself. 'Quality' was to become a "continuous activity" (Williams 1991:19). Although for many managers these techniques promise to address immediate work-place problems of required productivity increases, I argue that they were used in New Zealand, by a particular group of policy makers and educators, to introduce workers to different ways of thinking about themselves, their work and their co-workers.

In this thesis I argue that the integration of 'the management of quality' into the general discourse of employment was achieved through the skilful association of a specific group of technical interventions with a promise of an improved social and economic outcome for all New Zealanders. It was promoted as 'a solution' to 'an economic crisis'. Through the combination of a comprehensive programme of conversion and re-training, a change in employment routine was implemented by employers, successive governments and some unions. The associated techniques found their way into academic texts, training manuals and so forth. Subsequent generations of workers and managers would not need conversion. From the start of their careers they would take for granted a set of ideas and mechanisms different in some ways to those of their predecessors.

One hypothesis of this thesis is that 'the management of quality' was given impetus from the coincidence of two distinct developments. On the one hand, technical experts in New Zealand and abroad had long been engaged in studying the relationship between 'quality' and 'productivity'. Of this group, a number were interested in the Japanese understanding of this relationship. On the other hand, a group of political and economic experts with a strong commitment to the manifestation of liberal economic theory was moving into positions

of power. For some of them, 'the management of quality' provided opportunities both to promote increased flexibility in employment and to change the relationship between employers and unions. Thus 'the management of quality' received wide-ranging support, though not always for the same reasons.

The new production processes required groups of co-operating workers (teams) who were committed to the productivity concerns of their employers. Ironically, while people were required to consider themselves as collective entities in the conduct of their employment, national economic policies required them to be increasingly individualistic in their economic and social concerns. Increasingly, access to health, education, and general welfare is dependent on individual ability to pay² and its concomitant access to employment. The need to achieve or retain an income in a period when unemployment was consistently high enabled employers to enlarge jobs, reduce the influence of unions and increase productivity while fully expecting the value of wages to fall. Those with jobs were often reminded that their commitment to 'productivity' was their contribution to the recovering economy. There was a shift in the balance of power between New Zealand employers and employees during the late 1980s and early 1990s. I suggest that this shift was enhanced through the use of 'the management of quality'.

The second and major hypothesis developed in this thesis is that, with the direction of all eyes on the prize of 'economic productivity', with the instigation of individual concern about possible unemployment, with unions drawn into enterprise arrangements or otherwise seriously diminished in influence, New Zealanders

2) 'User pays' as a method of distributing social services is a marked change in the tradition of a generalised allocation of social welfare.

experienced a re-arrangement of 'work', 'workers', and 'managers' which under the guise of 'employee empowerment and participation' promised employers greater employee compliance. The empowered, multi-skilled, differently organized workers and managers were to be people with a new co-operative attitude and a pride in their work and the products or services they produced. Their processes of production could be certified to meet international standards and were expected to be more compatible with the globalising of the New Zealand economy. This type of 'work', 'worker' and 'managers' is also more controllable from distant geographic regions.

This thesis documents a number of changes in the management of work in New Zealand during the 1980s and early 1990s. To point to this change, I have used a distinction provided by Clegg (1992) between 'modern' and 'post-modern' organizations. It is not my intention to analyse the post-modernist thesis or postmodernity itself. Rather, the distinction is taken up as an already identified way of distinguishing two differing managerial trends. With this distinction it is possible to label as 'modern' those organizations characterized by such unambiguous phenomena as the relationship between 'formal organization structure' and 'economic efficiency'. These terms and the relationship between them are continually represented, in the modernist paradigm, with a boundedness and palpable reality which is "breathtakingly secure, even when unutterably unrealistic in its assumptions" (Clegg 1992:31). Weber's bureaucratized, mechanistic and rational images of organizations have been associated with 'modern' organizations (Clegg 1992:34). Taylorist and Fordist processes would be the epitome of such ways of organizing work and people. In the 'modern' organization, manual and mental work are clearly differentiated, tasks are 'specialised' and demarcated and workers are supervised by superiors. The pace and process of work is not controlled by those doing the tasks.

Organizing in a 'post-modern' way is claimed to allow room for "doubt about representational practices; more doubt about the reality of

things ever being captured in dominant categories of understanding" and a "suspicion of the essentialism of these categories..." (Clegg 1992:31). Among the distinguishing features of the post-modern organization is a work-force which is de-differentiated, de-demarcated and multi-skilled (Clegg 1992:36). I argue that 'the management of quality' was used to achieve aspects of the 'post-modern' but I argue also that to a significant extent the promise of the post-modern will not be fulfilled. Changed representational practices enslave the employee in new ways. These ways appeared new, appeared empowering, but are argued merely to have seemed so during a period of work-place recalibration to the demands of global capitalism.

A number of authors refer to the new management techniques as being a new paradigm; one which follows older ones. Their representations imply a progressive and orderly time sequence. My interest is not to prove whether such approaches are new or not, but rather, in how the attribution of 'newness' was used in the promotion of the discourse of 'the management of quality'. Implicit historical, evolutionary metaphors were used to contrast 'the old' with 'the new', 'the modern' with 'the post-modern, and thus, 'the undesirable' with 'the desirable'. (Appendix 1 provides tables which set out the defining characteristics of each.) Despite these distinctions associated with historical evolution, aspects of both ways of organizing work, both types of enterprises, can be identified at the present time, although it is unclear whether either will co-exist in a pure form in the future. The distinction is used in this thesis to refer to two different ways of managing employees. Although the techniques promoted as 'the management of quality' appear to be consistent with the characteristics of post-modern organizational fabrications, they still have much in common with the dominating regimes of modernism.

The way in which the discourse of 'the management of quality' was adopted and adapted by various (sometimes contesting) interest parties, is examined in this thesis. Within the space of a decade it became a discourse which 'made sense' to increasing numbers of people. Its regularization made it possible for a particular language of 'participation' and 'co-operation' to become common. Examples of the

purposeful use of aspects of this discourse to affect the employment conditions of many New Zealanders during the 1980s and early 1990s are given as evidence of successful myth establishment.

This thesis is divided into four parts. In Part One I set out the analytical process employed in this thesis. I provide some historical information about the origins of the social fabrications which help or hinder the achievement of contemporary social order. In chapter two I draw on the method of archaeology outlined by Michel Foucault (1970). While I find it useful to use aspects of Foucault's analytical approach, I depart from his tendencies to avoid naming authors of actions or fabrications, of devaluing questions of "who possesses power and with what right, of who profits or suffers from it" (McCarthy 1990:445). These are questions which I do not wish to avoid. Theorizers, in the form of academics and technical experts, are argued to have a significant impact on what comes to be known as the parameters of order and reasonableness.

Attempts to change an existing social order involve a struggle for control over the discourse pertaining to that order. Berger and Luckmann (1966) argue that "He who has the bigger stick has the better chance of imposing his definition of reality" (1966:127). Thus, "discourse of any kind...is a site of struggle" (Van Dijk 1985:44). Examples of such struggle for control over aspects of social life are given throughout Part One. They are chosen partly because of their apparent remoteness from, yet intimate connection with, the present. I have examined some of the fabrications attributed to feudal Europeans and their reconstruction into a different, post feudal order. The transformation of people organized as rural, feudal workers is set off against forms of organizing people associated with early industrialization. This new form of production required the creation of 'free (unencumbered) individuals' who were re-conceived as 'labour' to be legitimately secured in large scale factories. I elaborate upon the formulation of 'scientific management' in Britain and the United States, together with the influence of the Human Relations School of

Thought on the development of these work-related fabrications. The establishment of the 'scientific' management of work is an achievement fulfilling the condition which, building on the work of Foucault, not only made the discourse coherent and true in some contexts, but gave it value and practical application (Foucault 1970:xiv).

The specific examples I have used in Part One are not construed as the total, or even the most telling examples, of social ordering between the fourteenth and the twentieth centuries. I have paid particular attention to the articulation of the social fabrications used to formulate and manifest relations of power and privilege. Several social fabrications significant to the maintenance of particular historical epochs are discussed in chapters four, six and seven. They were selected to provide a general background for the key fabrications and technical experts discussed in Part Three. In chapter five, I argue that social fabrications are established as facts through the skilful use of rhetoric. Each of the historical segments could well have been elaborated into theses in their own right. The historical information is provided to offer a sense of the incremental changes that were made by so many people in so many places in order for the discourse of 'the management of quality' to seem good sense in the particular ways it did to many New Zealanders in the 1980s.

In chapter six, I focus particularly on employment-related entities such as 'work', 'workers', 'managers', 'firms' and 'labour'. I do so not to attempt to reconstruct the past, but to show how particular formulations of social organization come to be recorded, described and elaborated into concepts (Foucault 1972:166-167). These concepts become framed into systems and experienced as a taken for granted social reality through which meaning is given to specific events. The interconnectedness of systems of discourses, practices and institutions are what Foucault calls "regimes of truth" (Rabinow 1984:73) and it is these which, for Foucault, give sense to individual actions.

In Part Two I argue that the Japanese also fabricated new entities to assist their transformation from feudal forms of social organization to those more compatible with the interests of capitalist entrepreneurs. Their fabrications, however, differed in significant ways from those developed in 'the west'. As early as the seventeenth century, many Japanese had worked to introduce a more western style of social and economic organization. It was in the period immediately after World War Two that many western ideas associated with 'democracy' were integrated into the Japanese economic, political and social discourse by the largely American occupation forces and those Japanese who saw an opportunity in their support. I discuss this Japanese experience because selected versions of this experience and aspects of Japanese fabrications were pivotal in the early promotion of 'the management of quality' in New Zealand.

Part Three examines some key voices in the discourse of 'the management of quality' as it was introduced to New Zealand from the early 1980s in a context of high unemployment and personal insecurity for many workers and managers. New Zealand's economic conditions at this time were represented as 'in crisis'. This crisis was used to liken New Zealanders to the post war Japanese. 'The management of quality' was promoted as the solution.

"Subjects (people) are gradually and progressively, really and materially constituted" (McCarthy 1990:448). The fabrication of 'the (appropriate) worker' was achieved through the skilful manipulation of selectively used co-operative, rather than adversarial, metaphors by some employers and some unions. However, exhortations from politicians and employers for workers to become more 'flexible' were increasingly accompanied by a condemnation of union pursuit of self interest. The promotion of managers and workers as people with a 'common interest' and the invitations to workers to participate and collaborate with employers were promised to provide 'economic and social well-being for all'. The use of W. Edwards Deming's work to these ends is elaborated

in this section. Ironically, at the same time, the promotion of an already conceived fabrication - 'the economy' as 'level playing field' in which atomized individuals must compete for scarce jobs and contract with employers - was avidly promoted as the most appropriate economic and social organizing principle.

Each chapter in Part Three examines the contributions of various parties to the establishment, modification and integration of the new discourse. The cited examples of the discourse in progress illustrate the extent to which the new discourse had been propelled into common, public, everyday consideration. For this reason, many of the supporting quotations come from publicly available documents. The very discussion of the discourse in industry, in government, in unions, in education and in public forums ensured the increasing concreteness of the new ideas.

In Part Four I argue that, rather than the self-managed worker outlined by Clegg (1992) in his image of the post-modern organization, workers are enmeshed in, and controlled through, 'the management of quality'. Such workers are under increasingly sophisticated forms of surveillance. Although apparently invited to 'participate' in the management of organizations, their scope of influence is minor; the parameters of their influence have been pre-set. There is no choice but to tolerate the new techniques designed to reduce jobs, to enlarge remaining jobs, and to reduce employee skills and power. The 'new' techniques coerce workers to submit to this surveillance because they have no choice. This surveillance is conducted not only at the level of the secured core workers of the new global economy, but also at the level of those who work from the insecure periphery, disciplined and policed by their voluntary submission to certification and regular audit in matters related to 'the management of quality'. Submission to such surveillance is expected to become "the natural attitude" (Berger and Luckmann 1966:36) the new common sense, the new taken for granted reality, a condition of the contract.

I conclude that the introduction of 'the management of quality' was achieved in New Zealand through the rhetoric of worker participation, the commonality (or unity) of interests, and through exhortations to increase productivity for the well-being of all.³ At the same time, New Zealanders were becoming convinced that the survival of the New Zealand economy was dependent entirely on their ability to survive in the global economy. A number of economic, political, business and union authorities argued that the way to achieve this was through forced and rapid economic liberalization. The development of the discourses of 'the management of quality' and 'liberal economics' entailed the establishment of some contrasting fabrications. I argue that those who promoted the rapid economic liberalization were able to coopt and adapt a number of the fabrications central to the discourse of 'the management of quality'. I conclude that to persuade the workers of a nation to follow a course of action in which their participation could best be described as acquiescent, rather than consenting, is to question the integrity of the democratic principles invoked.

JOHN W. H. WILSON
1991

The analysis contained in this thesis is promoted not to undermine faith and hope in democracy as a viable fabrication for organizing social lives. Rather, I seek to encourage vigorous reconsideration of what democracy, participation and empowerment might come to mean:

Democracy is a critical, incomplete, tension-filled motive/motif, a fiction that compels

3) Such exhortations were not particularly foreign or new to the vocabulary of employment. They were consistent with historical western efforts to establish the social (and employment) democracy promised to accompany freedom from feudalism.

against the reality of privilege. The task of each age is to understand the privileges and dominations of its time and to broaden the reaches of participation. (Deetz 1992:4)

Through this thesis, I hope to contribute to the understanding of the vulnerability of the democratic motive. I draw attention to the ease with which a nation was persuaded to tolerate conditions of high unemployment by trusting that technical experts, politicians and employers were correct in their association of increased productivity with economic salvation for all.

Chapter 2: A Method for Analysing Social Fabrications

The discussion of employment relations as they occurred in New Zealand during the 1980s and early 1990s was made possible through the imputation of meanings to specific social fabrications and the proper expectation that a community would share or tolerate those meanings. Some of those fabrications have their origins in distant times and places. The remoteness of their origins, and the forgotten tensions around their construction, contribute to their contemporary versatility. To restore these tensions to mind I have drawn on aspects of the works of Michel Foucault, Peter Berger, Thomas Luckmann and others. The origins and tensions of these fabrications are explored in some detail because they affect the strategic usability of these fabrications during the period under discussion.

Identifying participation in the contemporary tasks of 'making meaning' is difficult to discern. The difficulty lies partly in the incremental nature of such tasks and in the reliance on much that is already taken for granted. Thus, to identify the contemporary activities in relation to creating the meanings now associated with employment, I begin by examining a variety of distant social fabrications.

That certain groups of fabrications, rather than others, can be made meaningful to communities is a presupposition of this thesis. For Foucault, a passage by Jorge Luis Borges about a Chinese form of classifying animals in categories such as "fabulous", "embalmed", "innumerable", "having just broken the water pitcher" and "drawn with a very fine camel-hair brush" brought about

...the laughter that shattered...all the
familiar landmarks of my thought - our thought

[and]⁴ the stark impossibility of [us]
thinking that...(Foucault 1970:xv)

Groupings of expressions, such as the categories of animals above (or those of history, of art, of politics or of organizational formation for example), may be used to distinguish subject matter which might be considered as quite distinct forms of discourse. Foucault notes that forms of discourse in particular subject matter may vary across geographic locations as well as across historical periods. For example, the discourses of science, of literature, or of politics of the seventeenth and eighteenth centuries, were not articulated in the same way as in the nineteenth century. The divisions in the discourse

whether our own, or those contemporary with the discourse under examination - are always themselves reflexive categories, principles of classification, normative rules, institutionalised types: they, in turn, are facts of discourse [social fabrications] that deserve to be analysed... (Foucault 1972:22)

Foucault's concern, particularly in The Order of Things, is to locate "structures of knowledge" which he then believed to be located in human unconsciousness: as systems of thought. Through drawing attention to the startling Chinese categorization of animals Foucault drew my attention to the possibility that much of what now appears so logical and legitimate in my social world is not universally shared. This raises the possibility that what I have always known to be true might be open to challenge. Foucault uses an archaeological metaphor to 'unearth' the rules (or laws) which he suggests are the conditions for 'objects' of thought. In this phase of his work he argued that "the rules of formation [of objects] are the condition of [their] existence" (Foucault 1972:38). This search for rules of formation (or the validation of questionable evidence of their existence) is not the purpose of this thesis and indeed was later dismissed as a meaningless task by Foucault. In The Order of Things, Foucault, however, does

4) Square brackets [], when appearing in quotations, are used throughout this thesis to indicate my parentheses.

frame a question also explored in this thesis:

What conditions did Linnaeus... [indeed, any authority] have to fulfill, not to make his discourse coherent and true in general, but to give it, at the time when it was written and accepted, value and practical application as scientific discourse? (Foucault 1970:xiv)

Foucault's question is reconsidered because I suggest that the conditions for the construction of 'entities' and the likelihood of their integration into 'common sense' vary across time and geographic locations. In New Zealand in the 1980s the promoted conditions of 'crisis' increased the likelihood that employers would support the introduction of the new techniques associated with 'the management of quality' and that workers would at least comply. The strike at the Nissan factory in Wiri is discussed in section 13.3 to illustrate the potential resistance to the changing of established social fabrications.

Aspects of Foucault's 'archaeology' as a method of analysis are borrowed in this thesis. This method provides "a possible line of attack for the analysis of verbal performances" (Foucault 1972:206). It involves

- 1) analysis of the degree and forms of permeability of a discourse
- 2) analysis of the principle of the articulation of a discourse over a chain of successive events
- 3) definition of the operators by which events are transcribed into statements. (Foucault 1972:167)

This method is not intended to provide a detailed description of events typically framed as evolutionary chains (Foucault 1972:166) but is useful "to show how a succession of events may become the object of discourse, be recorded, described, explained, and elaborated into concepts...". The method allows us to "locate traces of the present in the past" not in order to reconstruct the past, but "with a deep commitment to understand the present" (Burrell 1988:225).

With Foucault, I argue that the achievement of change can rarely be culminated at a single point in time and is scarcely the work of a single person: nor ought it be attributed to "the genius of an individual, or a new collective spirit, or even the fecundity of a single discovery" (Foucault 1970:xii). I understand change to be the result of the activities of numbers of people, some with more power to influence than others, affected by an array of social, economic and historical circumstances. It is indeed tempting to seek direct causal links between the acts of particular individuals and events at specific historical moments. Such an analysis would diminish the complex influences on an event of previous individuals, places, accidents and times. However particular people, in the context of their circumstances, do make a contribution to what comes to be known as 'truth'. Foucault illustrated this point in his study of the birth of the psychiatric clinic as the new 'right' way to treat those who were deemed to be 'psychiatrically ill'. Foucault's book The Birth of the Clinic (1973) is "about a self-constituted class of experts who, through their talk, can establish truth or falsehood" (Burrell 1988:223). The work of such 'experts' may be used to establish what may be taken for granted, believed as true at a particular point in time. I take up Foucault's analysis to illustrate this point by examining the use of the work of W. Edwards Deming in particular, but in conjunction with the work of many other people in the promotion of 'the management of quality' in New Zealand.

In Foucault's method of archaeology, the researcher is encouraged to explore what has ruled the existence of objects of discourse; to map the surfaces of their emergence; to describe the authorities who delimit the discourse (Foucault 1972:41). The method involves the uncovering of "the archive" (ibid:10) - the practices in which a multiplicity of statements emerge as so many [seemingly] regular events and reveal the rules of a practice that enable statements to survive and undergo regular modification (ibid 129-130). It involves

describing discursive formations, analysis of positivities ⁵ and the mapping of enunciative fields (Foucault 1972:131).

In one sense, therefore, it is to weigh the 'value' of statements. A value that is not defined by their (sic) truth...but which characterizes their place, their capacity for circulation and exchange, their possibility of transformation...in the administration of scarce resources. (Foucault 1972:120)

The method therefore questions the 'already-said' at the level of its existence (Foucault 1972:131). The intention is to maintain the discourse in all its irregularities (ibid:156). The method provides a degree of choice about which elements are to be examined and how, and the delimitation of groups and sub-groups that articulate the material under study (ibid:10-11). The method is useful not because it might allow us "to sketch out in advance the face we will have in the future" (ibid:131) but because it establishes without doubt human diversity rather than the homogeneity sought by evolutionists (ibid) - "...that difference...is this dispersion that we are and make" (ibid).

Discursive relations, in Foucault's work, are

in a sense, at the limits of discourse: they offer it objects of which it can speak, or rather (for this image of offering presupposes that objects are formed independently of discourse), they determine the group of relations that discourse must establish in order to speak of this or that object, in order to deal with them, explain them etc. These relations characterize not the language

5) A "positivity" is the term Foucault uses for an "incomplete, fragmented figure"; that which characterises a group of statements; "...the tangled mass that [he] was trying to unravel" (1972:125).

(langue) used by discourse, nor the circumstances in which it is deployed, but discourse itself as a practice. (Foucault 1972:46)

Foucault's method of archaeology encourages the researcher to question who is authorised to use a particular discourse, who is qualified to do so, who derives their status from using it, and who validates this discourse as 'true'. The answer to these questions requires the description of the institutional sites from which the operators of the discourse make their assertions and from which "the discourse derives its legitimate source and point of application" (Foucault 1972:50-51). Operators may express themselves through different aspects of the discourse; as teachers or trainers, through written or oral communication, as

emitter and receiver of observations, case histories, statistical data, general theoretical propositions, projects and decisions. (Foucault 1972:52)

With the discursive relations are established

new systems of registration, notation, description, classification, integration in numerical series and in statistics, with the introduction of new forms of teaching, the circulation of information, relation with other theoretical domains... and with other institutions (whether administrative, political, or economic). (Foucault 1972:53)

Foucault reserves authorship for a very select group of people whom he calls "founders of discursivity". Karl Marx and Sigmund Freud are cited as examples. Such authors provide

a paradigmatic set of terms, images and concepts which organize thinking and experience about the past, present and future of society, doing so in a way which enigmatically surpasses the specific claims they put forth. (Rabinow 1984:25)

'Objects' of any discourse do not come into existence except as a result of human authorship - no matter how rare such creative acts might be. However, such objects do not exist as independent entities unless so maintained by human practice - a much more common and observable matter. Such objects are 'given life' by their operators. They exist only until, some time in the future, they are replaced with other objects, other lives, other ways of organizing our humanity. Thus 'operators' and authors may not be the same people, though both do important work in the creation and maintenance of a particular social order.

Berger and Luckmann find it important to seek out authors of perceived social realities:

Reality is socially defined. But the definitions are always embodied, that is, concrete individuals and groups of individuals serve as definers of reality....Put a little crudely, it is essential to keep pushing questions about the historical available conceptualizations of reality from the abstract 'What?' to the sociologically concrete 'Says who?' (Berger and Luckmann 1966:134)

Thus, Foucault's archaeological approach enables me to pursue a method of analysis sensitive to the "constraints and impositions that figure in any social order, any rational practice, any socialization process" (McCarthy 1990:445-446). However, encouraged by the work of Berger and Luckmann to pursue the activities of authors and operators more closely, I hope to avoid the obfuscating effects of the reifications regularly produced by Foucault and the later post-modernists. Such obfuscation draws the attention of the analyst away from, rather than towards, human activity. For example, such obfuscation is demonstrated in Foucault's reification of 'power':

power produces reality, it produces domains of objects and rituals of truth. (Foucault 1977:114)

This reification of 'power', and the obfuscation of the actors who wield this power, are what I hope to avoid in this thesis by persistently looking for authors of actions. And because people act purposefully, one might add the question 'and what is in it for them?'.

Foucault recommends that the tranquility with which apparent continuities are accepted must be disturbed (Foucault 1972:25). To do this is to examine objects in their particular context. This thesis follows Foucault's method of unsettling tranquilities; I do so by examining the 'objects' which (in subtly modified 'forms') together constitute the discourse of 'the management of quality'. Their establishment in the discourse of employment in New Zealand has made possible a range of bargaining positions which would not have been easily achievable with a different set of 'objects'.

Chapter 3: Fabricating Social Reality

Foucault's (1970) observation that transient fabrications are taken as 'real things' is illustrated in his analysis of 'man'. He postulates that 'man' is a recent creation (p.308); a recent invention associated with sixteenth century European culture; an "effect of a fundamental change in the arrangement of knowledge" (p.387)... who may disappear "like a face drawn in sand at the edge of the sea" (ibid) should the specific arrangement of knowledge in which he exists crumble. 'Man', in this context, is in an ambiguous position as both the object of knowledge and the subject that knows (p.312). 'Man' is an "enslaved sovereign, an observed spectator..." (ibid). Foucault represents 'man' as an object (knowable to 'man' the subjective 'knower') but determined outside of man (as an object of knowledge), trapped in the system of thought that allows and prevents specific possibilities (p.xv). 'Subjects' are deemed the "effects of power" (McCarthy 1990:445). Foucault believes that his approach may properly destroy the sovereignty of man (p.348) - because the context in which this sovereignty was constructed may be about to topple (p.386). With Foucault I argue that human possibilities are enhanced and constrained by their social context. In contrast to Foucault I do not believe that language, knowledge or social arrangements can be established nor crumble without the direct influence of human individuals. I am interested by the opportunities individuals or groups have to determine their very social context.

Despite my rejection of the depiction of human beings as merely "docile bodies", "cultural dopes" (McCarthy 1990:449), or "the effects of power" (ibid p.445), populations have been and continue to be disciplined and shaped in ways we can observe. The extent to which individuals have been actively involved in, or passively receptive of, definition and re-definition is observable. Since industrialization,

'man' has been made an object of interest in managerial discourse. This 'man' is at times designated a nature of self interest, independence and competitiveness, and at others a nature of interdependence, shared interest and cooperation. Contemporary, post-industrial 'man', has been made an object in which has been vested rights, responsibilities and a duty to survive, primarily through the equally transient fabricated market mechanisms.

In this chapter I examine the fabrication of a number of 'objects' for the construction of 'social realities'. I argue that the particular imputation of 'power' or 'life' into these 'objects' provides the parameters for what human beings come to know or experience as 'real'. The process, wherever it occurs, entails the work of theorizers, experts, politicians and ordinary citizens. It sometimes involves the work of police, the army or other groups authorized to use violence for social control.

3.1) Social Reality as a Fabricated Reality

In their attempt to redefine the approach required of the sociologist of knowledge, Berger and Luckmann (1966) draw the attention of sociologists to the influence of ordinary citizens in the process of 'reality' construction by suggesting that 'knowledge' is much 'larger' than the aspects of 'it' with which theorists concern themselves. They stress the importance of being concerned

with everything that passes for knowledge in
society. (Berger and Luckmann 1966:15)

Such an approach, they believe, obliges them to discern differences in the organizational nature of 'knowledge' - to distinguish ideas, ideology or weltanschauungen from the gossip of daily chatter; from the knowledge generated by ordinary people in their ordinary, "pre-theoretical lives" (Berger and Luckmann 1966:27).

I apprehend the reality of everyday life as an
ordered reality. Its phenomena are prearranged
in patterns that seem to be independent of my

apprehension of them and that impose themselves upon the latter. The reality of everyday life appears already objectified, that is, constituted by an order of objects that have been designated as objects before my appearance on the scene. (Berger and Luckmann 1966:35)

The acceptance of an ordered reality is considered by Berger and Luckmann (1966) to be the "natural attitude" (p.36). It is the world in which people are able to take for granted the tools we employ, the geographic location we call our country (ibid) and the "secretary typing in the next office" (ibid). They suggest that participating in everyday knowledge, and doing so everyday, is the process whereby members of a distinguishable group of people come to generate and maintain their 'reality'. This is the 'common-sense knowledge' generated through their own daily activities and through their interactions with others. It is a world into which they are born and which they do not often question. It is a world which is bounded and almost palpable - even "breathtakingly secure" (Clegg 1992:31).

Berger and Luckmann recommend that sociologists of knowledge must concern themselves

with the processes by which any body of 'knowledge' comes to be socially established as 'reality' to understand the processes by which this is done in such a way that a taken for granted 'reality' congeals for the man in the street. (Berger and Luckmann 1966:15)

Sociologists should proceed by concerning themselves with

what people 'know' as 'reality' in their everyday, non, or pre- theoretical lives It is precisely this 'knowledge' that constitutes the fabric of meanings without which no society could exist. (Berger and Luckmann 1966:27)

The distinction among ideas, ideology, weltanschauungen and chatter are useful to the extent that the first three, when successfully integrated into "chatter" (Berger and Luckmann 1966:27), lose their

vulnerability.

The most important vehicle of reality maintenance is conversation....Conversation means mainly, of course that people speak with one another. This does not deny the rich aura of non-verbal communication that surrounds speech. Nevertheless, speech retains a privileged position in the total conversational apparatus. It is important to stress, however, that the greater part of reality maintenance in conversation is implicit, not explicit. Most conversation does not in so many words define the nature of the world. Rather, it takes place against the background of a world that is silently taken for granted....The loss of casualness signals a break in the routine and, at least potentially, a threat to the taken for granted reality. Thus one may imagine the effect on casualness of an exchange like this: 'Well, it's time for me to get to the station'. 'Fine, darling, don't forget to take along your gun'. (Berger and Luckmann 1966:172-173)

Berger and Luckmann's focus in this passage, however, is on the maintenance of knowledge, not its construction. The 'reality' has already become taken for granted in order for ordinary citizens to use 'it'.

I am dissatisfied with Berger and Luckmann's distinction between the work of theorizers and that of 'the man in the street' in their representation of the process of reality construction and maintenance. Berger and Luckmann begin their book The Social Construction of Reality by claiming that their concern is with "a clarification of that reality as it is available to the common sense of the ordinary members of society" (1966:33); the contribution of "intellectuals and other merchants of ideas is a further question" (ibid) and not addressed till much later in their work. In my observations of the social construction of both religious and economic organization, theorizers contribute much to both the construction of new ways of thinking about, or acting with and toward, fellow human beings. More importantly, their work of theory constructing, the systemization and

legitimation of ideas and actions, and the preparation of these for general consumption through their models, their teaching and their writing, is central to what becomes known as legitimate and therefore usable 'fact'. In support of this position, the centrality of theorists to the construction of various social order is examined in each part of this thesis.

Thus, I do not share Berger and Luckmann's preference for the de-emphasis of the contribution of the theorizer in order to draw attention to the contribution of ordinary citizens in the work of constructing specific social realities. I do not dispute that ordinary citizens do make a contribution to what comes to be taken for granted as 'knowledge'. Indeed, in subsequent chapters, I will give specific examples of such contributions at various times in history. I do, however, restore to central attention, the need to examine and understand the influence of theorists on 'knowledge production'. The theorizer, in my view, provides a pivotal service in the creative and maintenance work of reality construction - sometimes through invention, but most frequently through the systemization of 'objects' and the improvement of those systems to enable (or curtail) future human endeavours.

Theorizers sometimes create and frequently order, integrate and disseminate the information used by ordinary citizens as 'knowledge' - whether they are aware of this or not:

Your self styled 'practical' man [sic] is apt to deride theory. This usually means simply that he has never been required to examine the curious jackdaw's nest of unrelated assumptions, generalizations and hypotheses (i.e. theory) upon which his behaviour is based. Keynes, the economist, made a characteristically waspish comment on the subject. "Practical men, who believe themselves to be quite exempt from any intellectual influences, are usually the slave of some defunct economist". (Fox 1966:366)

Despite my dissatisfaction with the prominence given to the influence of ordinary citizens in the work of 'reality' construction, Berger and Luckmann's distinction between 'common sense' and 'theoretical knowledge' usefully draws the attention of sociologists to the way in which ordinary people make sense of and order their social world. They argue that people are contained within a 'body of knowledge' which is maintained through their unquestioned, 'ritual' participation in it.

To hunt and to be a hunter imply existence in a social world defined and controlled by this body of knowledge. Mutatis Mutandis, the same applies to any area of institutionalised conduct. (Berger and Luckmann 1966:85)

3.2) Testing the Theory

Berger and Luckmann's analysis of the social world as a seemingly closed world is usefully tested when, with the modifications discussed above, I apply it to aspects of my own life which I have taken for granted for many years. As a woman of Dutch, working class origins, responsibility for clean washing (together with a life time commitment to a clean house and clean children) was in part imbibed through the observation of the world around me. Many Dutch housewives will recognise the harsh judgement of their peers by the discussions not only of the 'whiteness of their whites' but also the way in which the washing was pegged to the lines and later folded into typically regimented stacks, on starched, be-laced, cotton covered shelves in spotless linen cupboards.

In my home and the homes of all those I knew, the catholic vocation of wife and mother was taught through ritual, custom and formal (catholic) education. This internalization of an externally defined self was not a perceptible process to me. It was taken for granted as reality. Potential re-considerations of alternatives were discouraged by both ideological means (threat of divine punishment alleviated only through atonement) and by the external conditions of my life (a woman's material security was firmly linked to her ability to remain attached to a male income earner - be that her father or her husband).

In my reality, the woman who knows to separate white from coloured items in the washing, knows that this will protect the white items from possible damage caused by excessive dirt or unset dye from the coloured items. This woman knows that, in maintaining the cleanliness of all the garments of all those allocated to her care, she is fulfilling her proper function in life. Having been brought up to believe white must be brilliantly white, the sorting of washing was a taken for granted principle in my life. In discussion with other people who wash clothes, separation of the total washing into 'whites' and 'coloured' items seems a sensible approach, even though it is also common knowledge that not all coloured articles of clothing will leak dye. The risks of a mistake, however, would be too high. The mistake could indicate to all the community that this washer-woman is careless. And in communities in which items of clothing cannot easily be replaced because of their cost, the item (no longer white - but too necessary to be discarded) lives on as 'evidence' of that carelessness. The feelings of shame and embarrassment were real. Thus, even 'feelings' may be generated from and contribute to the maintenance of a particular reality.

Common-sense knowledge, by definition, is shared by many others. In the case of principles of good washing this knowledge was common, but largely restricted to the women who surrounded me. All my female relatives shared this knowledge. We were reassured of its commonality through "the self-evident routines of everyday life" (Berger and Luckmann 1966:37). No matter whose home I visited in my childhood, it seemed to me that only women did the washing and all of them separated coloured items from white ones. Male relatives were not expected to undertake this responsibility. Even in the times of a housewife's illness it would be preferable to call in a female relative or friend to do the washing. Men could not do it right. Their long periods of constraint to physically hard and often dirty work to support their families added legitimacy to this division of labour. It seemed natural. It seemed fair. It felt just.

Thus, through reflection on my experience, I concur with Berger and Luckmann that taken for granted or common sense knowledge is inherited and maintained by ordinary people in their everyday lives. It is knowledge common to and generally unchallenged by members of the group who share in this knowledge. Berger and Luckmann use the term 'recipe knowledge' to express those ideas and practices we unquestioningly take for granted. This knowledge is essential to achieve action (Berger and Luckmann 1966:5). Indeed, daily re-consideration of who should do the many routine tasks and how each should be conducted would create a certain chaos in my home! Everyone in my household knows their tasks and the acceptable way of doing them. They also know the penalty for not doing them.

The primary knowledge about the institutional order is knowledge on the pre-theoretical level. It is the sum total of 'what everybody knows' about the social world, an assemblage of maxims, morals, proverbial nuggets of wisdom, values and beliefs, myths, and so forth, the theoretical integration of which requires considerable intellectual fortitude in itself....On the pre-theoretical level, however, every institution has a body of transmitted recipe knowledge, that is knowledge that supplies the institutionally appropriate rules of conduct. (Berger and Luckmann 1966:83)

But the distinction between ordinary citizens operating recipe knowledge and theorising is not entirely clear cut. Recipe knowledge is taken for granted unless one is provoked to question it. The principles of good washing have been passed on to me by just such a process as Berger and Luckmann describe. Such principles are challenged when careless teenagers or less finickety friends hurl all things together into the washing machine, apparently with no ill effect. This apparent challenge to established facts may provoke their reconsideration. Although an ordinary citizen, my reflection on the process of washing may be construed as theorizing: "Has the nature of dye or washing or fabric changed in some way that my concerns are now outdated"? Reflection on my experiences and observations confirms that which I always knew: "No, from time to time my teenagers and friends

spoil precious items of clothing through careless washing". This process of theorizing and observation of my world re-affirms my knowledge of washing. To this extent, theorizing is not the sole domain of designated theorists. It must be that Berger and Luckmann had a specific kind of theorizer in mind.

In my view, the work of experts, theorizers and/or intellectuals of any epoch is intimately linked with what ordinary citizens come to 'know' as the range of their possibilities. Foucault provides the notion of the 'specific intellectual' as a contrast to a 'universal intellectual'. He makes this distinction to separate those intellectuals "whose task was to speak truth to power" (Rabinow 1984:23) from those "who must speak to us from their laboratories" (ibid). The voices of such 'specific intellectuals', the laboratory truths, are given authority because their work and human fate are intertwined. They have at their disposal powers which may benefit or irrevocably destroy life (ibid).

The allocation of the responsibility for the cleanliness of the family washing may theoretically be linked to the separation of domestic work from paid work during early industrialization and an allocation of such work to women:

With the patriarchal family and still more with the single monogamous family, a change came. Household management lost its public character. It no longer concerned society. It became a private service; the wife became the head servant, excluded from all participation in social production. Not until the coming of modern large-scale industry was the road to social production opened to her again - and then only to the proletarian wife. But it was opened in such a manner that, if she carries out her duties in the private service of her family, she remains excluded from public production and unable to earn; and if she wants to take part in public production and earn independently, she cannot carry out her family duties. (Engels 1940:79)

Drawing attention to the origins of this type of labour division, theorizers may raise for individual women some questions about the seeming naturalness of their tasks and encourage them to speculate about how their lives might otherwise be. Indeed, theorising washing beyond the seeming failure of given facts, into questions about my duty to maintain the washer-woman routine, lead to the complete unsettling of the world view I, and those whose washing I did, had taken for granted as normal, as reality.

The allocation of only domestic responsibility to women, as discussed by Friedrich Engels, was not a reality for the many female factory workers, seamstresses, prostitutes and washer women of early western capitalist democracies. Many were required to manage both their paid employment and their domestic responsibilities. The domestic image of women may be construed as an ideal, an image to aspire to, and thus be imposed upon ordinary citizens as a form of (self) discipline. The fabrication was manifest in policy such as taxation and wage legislation and in custom which assumed the availability of women for the care of the young, the sick and the elderly, and the availability of men for paid employment, unencumbered by these responsibilities. The ideal or image was manifest and reinforced in most western cultures, through schooling in domestic science for girls and trade training for boys, and the moral indoctrination of girls through religious and other movements such as, in New Zealand, the National Council of Women and the Women's Christian Temperance Society (Tennant 1977:142). The origin of my world in the theorizing of such social constructors was not immediately apparent to me as an aspiring young housewife of the early 1970s. That I might wish to resist such circumscription of my life lay in the realms of the then unknown; "the stark impossibility of thinking that" (Foucault 1970:xv). The possibility of thinking differently about the potential of my life was brought slowly to my consciousness through reflection on my personal dissatisfaction with life. Sometimes I found these unworded feelings to be expressed in new, unfamiliar words by novelists, theorists or other outsiders; words which were meaningless or even ridiculous to those of my female relatives who found security and stability in that traditional division of labour.

Thus the existence of recipe knowledge is evidence of the successful negotiation of a particular social order. To the extent that this negotiation has become accepted and integrated into what comes to be taken for granted, it is largely invisible. Theorizing which challenges a taken for granted principle brings into question the certainty upon which the maintenance of this principle is dependent. When aspects of a social order become problematic, the negotiations become more visible. Once unsettled the social order may be re-settled by means of appeal to higher authorities in the form of the law, nature, the divine or rationality. All of these appeals have been made to counteract challenges to the allocation of domestic responsibility to women.

Challenges to any aspect of 'knowledge' or 'reality' may lead to uncertainty and confusion. Successful challenges to such knowledge require a re-organization, a re-ordering of what we know. Although in the commonly unchallenged division of labour in my community clothes-washing was a task exclusively done by women, I now know that men too can learn the principles of good washing. This new insight has had an impact on how I view the distribution of domestic labour. This is not a mere technical or theoretical observation. Emotions are involved. I am aware that I still wince when I see a black sock in the white washing. I feel frustrated when I see that the challenges to the traditional division of labour between men and women have encouraged women to take up more responsibilities in paid employment but have left the domestic responsibility, by and large, to them (Oakley 1974; Myrdal & Klein 1968). I feel rebuked when a mother-in-law comments on the stress my paid employment must place on her son.

The knowledge I have of washing and my previous acceptance of the division of labour which allocated washing as the proper task of women, was learned in my childhood, reinforced by all those around me. This truth was challenged, rather late in life, in the practices of others (mostly women) who did not separate white from coloured washing and lived to tell the story. Questioning the belief that only women

can have this knowledge and therefore should do this work has contributed to a major shift in my stock of taken for granted knowledge. This shift was facilitated by my observation of people who did not share my views (I do know some men who are meticulous about washing). I paid attention to the "chatter" amongst other women as we talked ["Did you see...?" "Do you think...?" "Shall I try....?" "Do you think he could...?"], and read and reflected on the work of writers such as Anne Oakley (1974) and others who have addressed the politics of housework. And then, as I ventured wider afield, I found more and more women who did not appear to give a damn about white washing! It seemed that they had time to enjoy their gardens, their children or their jobs. On closer inspection, however, the circumscription of my life by the tyranny of cleanliness sometimes turned out to be paralleled in their lives by the rules of 'good gardeners', 'good mothers', 'successful achievers in paid careers', the 'treadmill of poverty', or a combination of some or all of these.

Thus, a reflection on my experience confirms for me the contribution and limitations of the academic work on the social construction of reality. Indeed, human beings appear to be born into customs and habits which are often perpetuated unthinkingly. Unless challenged they appear real and immutable. Yet they are social fabrications - fabrications which upon analysis reveal a variety of vested interests in their being just as they are. To challenge any aspect of this reality is to unsettle it; to risk the wrath of those who find it to their liking. As 'washer-woman' are to 'the ideal family', 'workers' and 'managers' are to 'the economy'. I draw attention to these and their concomitant fabrications to draw attention to inconsistencies between these and the concurrently aspired to ideal of 'social democracy'.

I wish to make one further elaboration on the work of Berger and Luckmann. The "chatter" of people about their daily lives (Berger and Luckmann 1966:27) may constitute for them that which theoretical discourse does for the specialist and academic community of theorists. Such chatter consists of an uninterrupted, dialectical,

process of idea and practice, experienced as 'knowledge', framed within 'a system of thought' (Foucault 1970:xv, Major-Poetzl 1983:150) in which the same person may be both theorizer and ordinary citizen. In the ordering of human affairs, abstract thought and past experiential knowledge comprise the means by which we decide what we will do or how we shall live. Those solutions which appear to work are those which are successfully integrated into the stock of common sense. Over time, they become part of the world which may be taken for granted. Interruption to this process occurs when any aspect of the common sense is challenged. For the housewife, this may involve devolution of domestic responsibilities and the taking up of paid employment. For the scientist this may involve moving from a scientific principle long taken for granted, embedded in the discourse of the discipline, rewarded by prestige and promotion and exhibited in the chatter recorded in journals, books and staff-rooms - to a new, uncertain, unpopular formulation. The success of this risk, taken by the scientist or the housewife, will depend on the eventual integration of this new formulation into the stock of knowledge of the 'knowing' community. It will depend on the possibility that a community of 'knowers' will be willing to know something different.

Thus, I concur with Foucault and with Berger and Luckmann that what people come to take for granted as 'knowledge' or as 'reality' is socially constructed. This reality in various formulations is created by the construction of a common sense, of 'facts' which may generally be relied on for day-to-day decision making; a pragmatic 'truth'. We can observe the construction and maintenance of such knowledge by analysing particular historical epochs or personal circumstances. But the process goes beyond that. Not only do people create the objects for discourse, but such objects may also be 'empowered' and 'put to work' in achieving specific interests. Creative acts and the anthropomorphic investing of power or life into fabrications point to a cosmology more complex than that of the social scientist operating within a naturalistic paradigm which both enables and obscures the human actors at their work of fabricating social reality.

In the next section of this chapter I examine more closely the way in which fabrications, once established and taken for granted, may be imputed with what seems to be a life of their own.

3.3) Giving Life to Entities

Karl Marx observed that people impute into the material items they make such independent life that the items appear to have a life of their own. He argued that what appear to be simple objects become [are turned into] bundles of social relationships which abound "in metaphysical subtleties and theological niceties" (Marx 1912, Pt 1, Ch 1, Sec 4:41). The term 'fetish', as Marx suggested in respect to commodities, has long since been accepted to describe "an object in which a spirit is embodied, to which it is attached or through which it conveys magical influence" (The Fontana Dictionary of Modern Thought 1977:232). A 'flag' for example, is not just a piece of cloth. Rather, it is a compilation of symbolic shapes which may elicit emotions of respect or fear. A flag is imputed with the values and meaning which it is given to represent. It is an object commanding respect. Burning a flag is not the same thing as burning a piece of cloth. A Maori marae (meeting house) is not just a building, it may be a material expression of an ancestor (tupuna). The carved head (koruru) is the head of the ancestor, the rafters (heke) are the ribs. 'Mothers', 'uncles', 'the economy', 'the organization', 'the market' and 'the free individual' are just some examples of fabrications which, in their everyday use have been categorised, given a particular meaning and detailed rights, obligations and responsibilities.

Marx's particular interest was with the 'objects of production'. Such objects, produced in numerous stages by a variety of workers, become 'commodities' to be sold on a market by the capitalist owner.

Commodities are alienated products of the labour of man, crystallized manifestations, which in Frankenstein fashion now dominate their creators. (Coser 1977:52)

In order to find an analogy of this, says Marx, we must enter

into the misty realm of religion. There the products of the human brain appear as autonomous figures, endowed with a life of their own, which enter into relations, both with each other and with the human race. (Marx 1976:165)

A word, a picture or an object may be used not only to stand for that fabrication but to empower it towards serving specific interests. For example, prior to the 1930s, the word 'economy' had the sense now conveyed by the adjective 'economical'. It was used to express

a state of affairs achieved by rational people in the various spheres of their lives, be they private citizens, business people or politicians. (Emmison 1983:146)

From the 1930s until the immediate post war period Emmison argues that the dominant use changed. 'The economy' became something which has things done to it or is 'shaped by other forces'. Among Emmison's examples of 'the economy' in its later form appears this: "it is increasingly clear that our economy is taking its shape from the war..." (Economist, 27 July, 1940).

'The economy' is a good example of a metaphor being elaborated and empowered. Emmison observed:

In the post war period, however, there begins to appear a further change in the metaphor. The change is not abrupt, nor is it total, but it is certainly there and is one which has clearly accelerated in recent years. It results in a move from a passive conception of 'the economy' which has things done to it - into an active conception - an economy which has the capacity to act by itself, has needs of its own. (Emmison 1983:149-150)

Emmison offers examples of the changes in the concept:

The economy was working at such high pressure... (Time, January 10, 1944)

The economy can employ more people. (Minister for Employment and Youth Affairs, Mr Viner, ABC Radio, November 20, 1979)

The economy urgently needs tax reductions. (Queensland Premier, J. Bjelke-Petersen, ABC Radio, January 4, 1980)

'The economy' has now been given independent abilities to work and to employ. 'It' has needs that require fulfillment.

The production, reproduction and/or modification of fabrications (like the process of material production) may be monopolised by some people to obtain various privileges over others. Such fabrications become the 'vehicle' through which some people are able to secure their preferences, be they economic, religious or political. Emmison writes

at the mundane level the language, the icons and structures of economic discourse must be theorised as hegemonic, in that they serve not merely to describe but to legitimate the capitalist economic order. (Emmison 1983:140)

While Marx drew our attention to the apparent existence of life-like entities in the social order, Foucault (1972) asks how it can be that a particular grouping of 'objects' comes into use - as opposed to other, perhaps yet unthought of groups of 'objects'. The exercise in establishing how particular 'objects' came into being "is not to return to the linguistic analysis of meaning" (Foucault 1972:48), but to illustrate that through the establishment of particular meanings (imputed into words or assumed in particular practices) human beings construct what becomes uniquely experienced as their social world or reality.

Foucault's initial interest was in the creation of the 'objects' of psychopathology. To understand the emergence of these 'objects',

Foucault recommends that we "map the first surfaces of their emergence" (Foucault 1972:41). Foucault illustrates the process of naming the now taken for granted 'terrain' of psychiatry in which certain patterns of human behaviour can sensibly be defined as motor disturbances, hallucinations and so forth. Once identified (or defined) these patterns of behaviour could be named as 'diseases' or forms of criminality (Foucault 1972:40) and 'treatments' or 'punishments' could be designed. Having been named, the patterns become 'objects' of observation, description and analysis. The 'objects' can be used to provide for the developing 'psychiatric discourse', (itself a newly created entity) the limitation

of its domain, of defining what it is talking about, of giving it the status of an object - and therefore of making it manifest, nameable, and describable. (Foucault 1972:41)

The work of theorizers in the regularizing of such categories with the now firmly established science of psychiatry continues in law courts, laboratories, universities and policy making bodies the world over. The task of making such a discourse 'real' or 'true' involves all citizens who purport to distinguish 'bad' from 'mad'; who, in an emergency, know whether to call the doctor, the police, a tohunga or a psychiatrist. When we know that 'the economy is depressed' it follows in common logic that some of us will need to 'tighten our belts'! Just who negotiated this 'depressed economy' and who has the power to decide which groups must 'tighten their belts' is obscured by a metaphysical way of reasoning. Economic routines are given an anthropomorphic quality. They come to resemble natural processes quite contrary to their actual origin in collective reasoning and decision. Foucault's method of archaeology draws the attention of researchers to the futile nature of research which attempts to locate such nebulous entities. Indeed, no sooner does it look as if we have delineated an entity, than it disappears (Foucault 1970:xx111). By tracing the various shapings and re-shapings of 'appropriate workers', the appearances and disappearances of 'objects' can be seen to occur deliberately and purposefully as the result of human activity.

The delimiting, designating, naming and establishment of madness as an object was, according to Foucault, the work of 'the authorities' (in this case the 'medical profession') who were recognised by public opinion, the law and government. These authorities were supported by penal reform, religious authority, literary and art critics and so on. But 'the object'

presented as their correlative by medical statements of the seventeenth or eighteenth century is not identical with the object that emerges in legal sentences or police action; similarly all the objects of psychological discourses were modified from Pinel or Esquirol to Bleuler: it is not the same illnesses that are at issue in each of these cases, we are not dealing with the same madmen. (Foucault 1972:32)

In the construction of the 'science' of psychiatry, a form of discourse was devised by which all those who entered the discussion would understand what they ought to believe about 'madmen'. Through analysis of the 'objects' of the developing discourse concerning 'madness' to this present day, we obtain insight into (and at the same time maintain or adapt) that which is known as psychiatry, madness and mental health.

The replacement of common and established patterns of economic activity with others is no small achievement. It requires the construction of an entirely different set of fabrications to those previously taken for granted.

The fundamental codes of a culture - those governing its language, its schemas of perception, its exchanges, its techniques, its values, the hierarchy of its practices - establish for every man...the empirical orders with which he will be dealing and within which he will be at home. (Foucault 1970:xx)

For instance, the 'free individual' essential for the contractual

arrangements preferred under contemporary capitalist forms of social order could not be conceived of under traditional feudal social arrangements.

Initiated in Europe, economic activity loosely categorised as 'feudal' was increasingly replaced by 'capitalist' ways of organizing the production and distribution of resources and wealth. As the fabrications associated with the construction of the capitalist enterprise became established in practice - 'markets', 'inflation', 'employment', 'commodities' and 'prices' - they became 'objects' for discussion, examination and measurement. The price mechanism became the basis for the table of equivalents which ensured economic exchanges. The rationality of the entrepreneur became defined as an adaptation to price movements in the search for maximum profit. For Foucault, through the very examination of these words, we come to know of an 'institutional universe' within which these entities have specific meaning; an 'institutional universe' which presupposes some previously inconceivable entities:

It is within this institutional universe that the industrial revolution based on merchant capitalism, merchant techniques and free labour manifests its full effectiveness in the accumulation of the wealth of nations; it is achieved fully with the 'technical revolution' (Daumas, 1962) in the middle of the nineteenth century and with economic liberalism...the market is an original historical creation; never before had work and nature been considered exclusively as goods, never had the economic been excluded from the political, never had the individual been assigned the behaviour of homo-economicus. (Karpik 1977:43 cited in Clegg and Dunkerley 1980:47)

But, only after establishing the primacy of 'the individual' can the entity be further developed into 'homo-economicus'. Only when such fabrications as 'the individual', 'the organization', and 'the economy' become unproblematically established in everyday speech and action, can the users create and maintain the further entities with

which our contemporary discussions of what is possible, what is good and what is undesirable, abound.

When established fabrications no longer suit those who have the power to make or change policy and practice, they will attempt to change them or ensure their disappearance. The judgements and decisions of ordinary citizens will be delineated by the fabricated 'climate' as 'the condition' of their thoughts (Foucault 1970:xiv). In pondering on how to achieve a change in the direction of 'the economy', for example, policy writers in the New Zealand Treasury suggest that one of the greatest difficulties lies

in creating a climate of views and attitudes
which is favourable to the use of policies
which benefit the country as a whole.
(Treasury Report 1984:110)

The importance of achieving this 'climate' illustrates that the

essential feature of the economy is the web of
interdependencies underlying the aggregate
statistics which summarise countless decisions
taken in people's daily lives. (Treasury
Report 1984:111)

Marx's 'independent shapes' and Foucault's 'objects' are included in what I call 'fabrications' to emphasise their origin in human creation and their transient character in time and space. Fabrications are the uniquely human constructions or entities which we can use to re-construct, destroy, change or explain that which becomes experienced by human beings as that 'which we know' and 'the way in which things are done'. These fabrications may appear so real that they seem natural, unproblematic, taken for granted and thereby not needing analytical attention. These fabrications may delineate that which becomes possible or not possible. For example, 'the economy' may now be subjected to

the 'independent' discipline of external laws
of the market before which capitalists are as
unfree as labourers. (O'Neill 1986:46)

Social analysts are persistently confronted by the ease with which social constructs such as 'the church', 'the marae', 'tapu', 'production' or 'the company' can be conveyed to and understood by specific groups of people as real 'entities'. While for the social analyst there may be some ambiguity about the nature of these 'entities', many writers, readers and ordinary citizens appear to be less bothered by such possible ambiguities. Max Weber, a century ago, argued that corporate actors (or the collective construct commonly called 'the corporation')

must be treated as solely the resultants and modes of organization of the particular acts of individual persons, since these alone can be treated as agents in the course of subjectively understandable action. (Weber 1978:13)

Accordingly, such entities cannot be said to have intentions of 'their own'. In more recent times, however, Barry Hindess (1989) offers a counter position. Hindess argues that although not 'natural actors' in the sense that their actions may ultimately be reducible to the actions of individual people, corporate entities such as capitalist enterprises, churches, political parties, state agencies and trade unions are social actors, actors in the sense that they have been given the means of reaching decisions and acting on some of them (Hindess 1989:160). Hindess supports this proposition with the work of Coleman (1973, 1982) who

provides a striking contrast to reductionist treatments of social actors. Coleman argues that there are two kinds of persons; natural and corporate. In his view the importance of corporate actors in the modern world indicates the emergence of a fundamentally new kind of society characterized precisely by what he calls asymmetric relationships. Relationships between natural and corporate persons are asymmetric partly because they are different in kind, but also because of differences in power, resources and interests. This new kind of society is asymmetric because relations between natural persons have been displaced

first by relations between corporate and natural persons and secondly by relations between natural persons in their capacities as occupants of roles within corporate persons. (Hindess 1989:162-163)

The actions of these entities are legally recognised (Hindess 1989:158). Hindess points out that an entity such as the 'joint-stock company' is considered a

legal person separate from its stock-holders or employees - and it is perhaps the most common example of a capitalist employer who is not a human individual. (Hindess 1989:157)

Although such entities were constructed before the middle of the nineteenth century, since then their numbers and significance have increased and their character changed. Hindess suggests that arguments such as those put forward by Weber do not deny his own claim that social actors also exist.

Hindess argues that an analysis of modern social life which admits only human individuals as effective actors is seriously incomplete. For Hindess, corporations, unions and churches should be considered as social actors in the sense that they, like individuals, have been granted a limited ability to make decisions and to act upon them. Hindess defends his claim on the grounds that such actions are not reducible to the acts of individual executives or representatives of the organization but on the social relationship between those individuals (Hindess 1989:161). If it can be argued that human beings have constructed such complex entities as 'gods', 'individuals', 'workers' and 'managers' with complex rights and responsibilities, it certainly seems consistent to argue that we also construct corporate entities such as 'companies', 'markets' and 'economies', and give to them complex rights and responsibilities. Certainly contemporary discourse about human organizational actions are replete with examples which assume that organizations have a material existence and that they have needs and goals and cultures not unlike living creatures. Every day, millions of students in business schools learn about such needs of organizations and how to satisfy them.

The fabrication of metaphysical entities and their imputation with meaning, life and power are of interest to this thesis. It is their establishment and treatment as real things which gives them a sense of concreteness. Fabrication of such entities rarely needs to begin from nothing. New meanings and responsibilities and rights can be imputed in fabrications long taken for granted as real. The following chapter argues that these fabrications may be constructed as a specific type of metaphor and woven together in a myth which, like the fabrications themselves, become experienced as reality, as the parameters of what is known and what can be taken for granted.

Chapter 4: Metaphors and Myths as Knowledge

The successful use of social fabrications depends on the achievement of popular belief in their existence as real things. I will argue in this chapter that social fabrications are particular types of metaphors. Metaphors are fabrications composed of complex associations with past 'known truths'; each with an incumbent set of implications and expectations. Such metaphors are used to explain, justify or organize human activities. The configurations of these metaphors are used to form powerful explanatory and organizing myths. Not everyone has the same amount of influence in the establishment of such fabrications, metaphors and myths. When a few people are able to establish and maintain a social order by which the many are required to live, when the many have no significant influence in this process, hegemonic control by the few over the many is ensured. The purpose of this chapter is to analyse the use of metaphor in the process of enhancing the certainty with which people move from 'belief' to 'knowledge'.

George Lakoff and Mark Johnson argue that metaphor has been considered of peripheral interest in the field of western philosophy and linguistics. They propose that metaphor should be

a matter of central concern, perhaps the key
to giving an adequate account of
understanding. (Lakoff and Johnson 1980:ix)

Hayakawa (1972) suggests that metaphors are useful to make the world in which we live intelligible and manageable. They are often passed into regular language so that their metaphoric origins are forgotten.

Richard Brown draws on the work of Nietzsche, Coleridge and Croce to argue that metaphors may be used as a

way of experiencing facts and, by making them
objects of experience, giving life or reality
to them. (Brown 1977:79)

In Brown's work, metaphors themselves are given a metaphoric existence:

Metaphor drives its points home on a two way
street (Brown 1977:81)

Of course metaphors cannot, of their own volition, do anything. They are not the kind of entities that can have intentions.

Brown's work is a useful beginning for the examination of the way in which metaphors are used. Brown suggests that metaphor may be used to

create a new amalgam in our understanding. New metaphors, especially when elaborated into models and theories, are not merely new ways of looking at the facts, nor are they a revelation of what the facts really are. Instead, the metaphor in a fundamental way creates the facts and provides a definition of what the essential qualities of an experience must be. And for this new reality to be entered into and comprehended - from the inside as it were - the metaphor must be taken as if it literally were the case. (Brown 1977:85)

But not all metaphors are used in the same way. Three ways in which metaphors may be used are identified by Brown as illustrative metaphors, models or theories, and root metaphors. These are explained below. In Part Three I argue that a number of employment related metaphors are being modified. Although these now familiar metaphors were often painfully contested by previous generations, they now exist as facts. Their origins as social fabrications with vested interests are long forgotten. They can be adapted to change the parameters of what is deemed possible or sensible, of 'knowing' what we 'know' (Foucault 1970:xv).

4.1) Metaphors for the Construction of Knowledge

Of Brown's three types of metaphors, 'illustrative metaphors' are the most readily recognised. They are used to convey a likeness between one type of entity and another. Illustrative metaphors may be used to express social relationships by drawing on something familiar, or respected. A new idea can be introduced already containing a

particular set of implications and values by suggesting that one thing is like another, that these two things share particular characteristics. These metaphors may be used to draw attention towards certain features while at the same time, drawing attention away from others. A home may be likened to a haven, an organization to a machine, a person to a saint or devil.

Brown's second use for metaphors is through what we come to call 'models'. Brown's examples here include Durkheim's model of Arunta religion as "the ritual enactment of society" (cited in Brown 1977:78). The 'Arunta religion' is the 'ritual enactment of society'. Rather than merely likening one thing to another, the two become one and the same. Thus one can investigate the way in which order is maintained by seeking links in Arunta practice to the supposed guiding principles of Arunta religion. For traditional Catholic mothers, the Virgin Mary is the model wife and mother and provides a guide as to how good Christian women should live. Among the guiding principles associated with feudal Japanese was the 'ie'⁶ and for Maori the 'waka',⁷

The concepts of waka and ie and the terms they subsume are taken to be primary in social organization. (Cleave 1991:199)

Such guiding principles are established to co-ordinate human activities. Principles are shaped into models and the models may be used to shape the definition and recognition of relationships; the allocation of rights and responsibilities is implied. The model becomes the value; the model and the value are one. The illustrative function of the metaphor is lost and a more concrete existence is

6) The 'ie' is a Japanese organizing metaphor loosely defined as a particular 'social grouping'. This concept will be examined further in Part Two of this thesis.

7) The 'waka' (or arriving canoe) may also be conceived of as an organizing principle; a way of establishing social connections, responsibilities and privilege.

established. The analogy made by some sociologists between society and a biological organism was already being used in the work of Herbert Spencer during the nineteenth century. In subsequent representations of social change as social evolution (a metaphor of Brown's second type) it became possible to think of societies

not only undergoing successive phases of growth and development, but also in some sense as competing with each other for support in differing environments, with the more successful social adaptations persisting. Spencer was to develop this view most fully, and in so doing articulated an ideology which found considerable support in the boardrooms of organizations engaged in a vigorous capitalism. (Clegg and Dunkerley 1980:17)

The transformation of 'likeness' into 'realness' is illustrated by the differing usages of the word 'economy' and 'organization'. The likeness of 'the economy' to a sentient being is carried into contemporary economic discourse not as a metaphor, but as a real and living thing. Emmison indicates general belief in the reality of this 'thing' and the 'things' now commonly associated with it expressed through ordinary language:

...increasingly since 1970...we are said to be fighting a war against 'the disease of inflation'. Units of currency too are endowed with health or sickness - 'the dollar is ailing', 'the yen is strong', 'the pound has had a bad day' and so on. (Emmison 1983:150)

Illustrative metaphors, such as those of Brown's first type, become perceived as more concrete when they are transformed into 'models'; more-over models which have been given a life of their own. When, for example, 'the economy' has a life, when 'organizations' are 'organic matter', seen as rather than like 'a tree', the metaphor is no longer merely illustrative but is perceived as a real thing. The un-shared characteristics between 'the organization' and 'the tree', which were merely obscured in the illustrative metaphor, are now lost. If the

organization is now a tree branches and 'dead wood' can mercifully be cut off. If 'the dollar is ailing', it requires a cure.

'Root metaphor' is Brown's third category. In this section I pay special attention to this category because it may be used to explain how various fabrications came to be woven into widely accepted explanations of 'reality'. These explanations are often purported to be descriptive of 'the real world' and in being accepted as such, serve to maintain whole sets of social fabrications as real. The explanations, themselves 'framed' into 'models' are subsequently seen as valid. Debates about how to act are limited to the understanding of the parameters of the root metaphor - perceived as reality - within which particular actions may or may not be taken.

Brown's 'root metaphors' are metaphors used to form or represent a

fundamental image of the world from which
[further] models and illustrative metaphors
may be derived. (Brown 1977:78)

Brown's use of this term 'root metaphor' is a heuristic device to convey his belief that knowledge is generated from a set of assumptions, in the way Thomas Kuhn devised his 'paradigm', Paul Diesing his 'implicit ontology', and Wilhelm Dilthey his 'weltaanschauung' (Brown 1977:125-126). Such root metaphors, paradigms, implicit ontologies or weltanschauungen are commonly used by sociologists, natural scientists, philosophers, theologians, mathematicians, engineers and also ordinary citizens.

Towards the end of the middle ages, the increasingly confident natural scientists challenged the predominance of religious metaphors of their epoch by proposing a different root metaphor. Working with the increasingly bold ideas of the empiricists, for example, Descartes constructed a mechanical root metaphor to provide a model of the whole universe:

I have described the earth and the whole
visible universe as if it were a machine,

having regard only to the shape and movement
of its parts. (Cited in Brown 1977:84)

In later years, Durkheim was able to appeal to the successful models of the natural scientists by using their metaphors to propose a social science. Durkheim's fabrications, his 'social forces', could be used to explain the 'social norms' as distinguishable from 'social deviance'. Durkheim's metaphors soon became fixed not only for the social scientist and the politician, but also for the ordinary citizen. Although ordinary citizens may never have heard of Durkheim, his 'social forces' have meaning for them. Many social, political or economic scientists and policy makers, for example, construct instruments based on the assumptions expressed through a naturalistic metaphor (whether it be mechanistic or evolutionary). They may quite properly assume that a raft of compatible notions will be unquestioningly taken aboard as 'fact' by their colleagues and the population generally. In everyday conversations (Berger and Luckmann 1966:172-173), implicit but shared ontological preferences are confirmed and perpetuated as reality - be they conversations amongst ordinary citizens about their ordinary lives, or conversations between technical experts about their ordinary, technical concerns. The collection of fabrications somehow seems to make a 'common sense', a believable explanation of circumstances upon which people make day to day decisions about how to act, how to feel and how to judge each other.

Material circumstances may be used to amplify or strengthen the impact of a metaphor in the making. For example, the metaphor 'Jew' as 'stranger' during the middle ages, was helped along by the Black Plague of the 14th century. Jews were defined as marginal by the more powerful Gentiles. While the plague itself did not cause the anti-Jew sentiments, its occurrence was used to galvanise the populace against them:

On charges that they were poisoning the wells,
with intent "to kill and destroy the whole of
Christendom and have lordship over all the

world" the lynchings [of the Jews] began in the spring of 1348 on the heels of the first [Black] plague deaths. The first attacks occurred in Narbonne and Carcassonne, where Jews were dragged from their houses and thrown onto bonfires. While Divine punishment was accepted as the plague's source, people in their misery still looked for a human agent upon whom to vent the hostility that could not be vented on God. The Jew, as the eternal stranger, was the most obvious target. He was the outsider who had separated himself by choice from the Christian world, whom Christians for centuries had been taught to hate, who was regarded as imbued with unsleeping malevolence against all Christians. Living in a distinct group of his own kind in a particular street or quarter, he was also the most feasible target, with property to loot as a further inducement. (Tuchman 1978:109)

Having established any set of fabrications and metaphors as an interrelated set of 'real things', there is a greater likelihood that people will come "to accept all that is real as necessary, all that exists as inevitable..." (Braverman 1974:16). The determinism implicit in this form of theorising draws attention away from the contributions of individuals in their choices and actions. In examining 'social reality' limited by a particular set of fabrications, or cast within a particular metaphor, certain questions become meaningful and others just cannot be asked. In their initial exploration of the use of metaphor within their own discipline, Lakhoff and Johnson found that within the predominant form of philosophical discourse of their peers, certain questions just could not be asked:

Within a week we discovered that certain assumptions of contemporary philosophy and linguistics that have been taken for granted within the Western tradition since the Greeks precluded us from even raising the kinds of issues we wanted to address. The problem was not one of attending to patching up some existing theory of meaning but of revising central assumptions in the Western philosophic tradition....In the process we have worked out

elements of an experientialist approach, not only to language, truth and understanding but to questions about the meaningfulness of our everyday experiences. (Lakhoff and Johnson 1980:ix-x)

Understanding about possibilities may become confined to a limited 'system of thought' (Major-Poetzl 1983:150).

Thus, when metaphors have become represented in everyday language as real entities, they are converted into what Brown and others refer to as myths (Brown 1977:83). Myth consists of explanatory stories or narratives which are used to integrate acceptable aspects of behaviour into a seemingly closed universe.

The creation of a narrative almost always entails the shaping of awkward materials into a smooth, closed structure. And this is the essence of myth. (Masterman 1985:183)

Thus, myths are created through the construction and elaboration of fabricated metaphors and their manifestation as fact. For Masterman a 'closed structure' appears possible. I argue that the very metaphysical nature of social fabrications always leaves open the possibility that some incompatible thought might gain a foothold, that some fabrication from some distant and different perspective may be heard. The ancient Chinese categorization of cats brought to the attention of Foucault by Jorge Louis Borges (Foucault 1970:xv) is one example. My surprised observation that some men do undertake the family washing is another. Hence, in this thesis, the 'almost closed' nature of the myths used to explain and maintain social realities is posited.

Once myths and metaphors have "congealed for the man in the street" (Berger and Luckmann 1966:15), they can be used to influence human affairs. They may be used to legitimate actions through the provision of evidence, proof, or the application of force. For example, having had no option but to join 'the economy' in the search for 'paid employment', workers may also be cast out by the decisions of others.

The long established naturalistic root metaphor already embedded in professional and ordinary consciousness can be used to elicit tolerance of personal sacrifices and loss of jobs and incomes in order that 'the economy' might 'live'. The root metaphor is used as the justification of human sacrifice to maintain 'the life' of fabrications which are pivotal to the root metaphor.

Despite the metaphysical origin of the entities with which any myth is populated, and thus the mythical nature of the myth itself, the myth appears concrete, real and reliable. This reliability is achieved through the elaborate and careful synthesis of disparate fabrications into 'patterns', or 'frames', or 'systems' which exclude any counter-productive, debilitating fabrications. In the next section I argue that these 'frames' or 'systems' are nothing other than Brown's second category of metaphors as models - models as metaphors. They are rarely recognised as such amongst the general population. Such generalised recognition would hinder their progress into 'fact'.

4.2) Systems as Frames and Frames as Metaphors

In the western transition from the predominance of religious to secular metaphors, particularly in economic and political discourse, the new empiricists

served to institutionalize the misleading contrast between things which really exist and things which are the product of human invention - particularly such symbolic products as narrative, rather than tangible things such as technology. (Peters and Rothenbuhler 1989:14)

Tangible things, of course, are known only through the senses. In this way, all 'things' are products of the mind. However, my focus here is upon the particular ways social fabrications are organized into systems or frames. The systems or frames of the new empiricists (like the categories or objects of discourse discussed in the previous chapter) have been objectified and given 'life' and 'power'. These systems and frames have become the limits of the thinking of

subsequent generations - their 'reality'. Established as fact, a system may be used as a root metaphor from which further theory construction may proceed.

Atkinson and Checkland have hypothesised a frame which 'contains' thought. They argue that rational thought is a cyclical process in which a set of ideas is ordered into a particular framework and is applied in practice.

Neither theory nor practice is prime; each helps create the other in a process which is groundless. In the process by which systems ideas are embodied in methodology and applied to various problem areas, a steady unexamined given, which amounts to an unexamined grounding of concept within the groundless process, is a particular version of the "system" metaphor, namely, that in which it takes the form of a whole entity which may survive in a changing environment. (Atkinson and Checkland 1988:710-711)

The cluster of ideas that combine in the metaphor 'system' usually includes notions of components or parts combining to make a whole, a hierarchical arrangement of those parts, interactions and emergent properties of those parts, and a recognition of boundaries between the system and the environment in which 'the system' is believed to exist (Atkinson and Checkland 1988:711). An important feature of this 'entity' ('the system') is that it is not recognised as ephemeral but that it is perceived of as a real thing characterised by "long-run stability" (Atkinson and Checkland 1988:713).

The categories of expertise commonly acknowledged as biology, psychology, theology and so forth, themselves are evidence of the 'systemization' of human 'knowledge'.

We have to have rules and rules of language, we must exist within a shared order. Certain ideas must be 'posited' and treated as if they were real and true and good. A problem arises when this fundamental act of 'positing'

(saying anything about the world) is solidified and turned into the 'ism' of 'positivism'. The words, theories, methods, laws of positivism are projected onto the world and become WORLD. (Duff 1988:4).

Categorising knowledge itself becomes substantive. But the framing of knowledge involves, in practical life, an element of choosing one frame, one possible common sense, over others. Challenges to any part of the frame jeopardise the world it defines. In my experience of a Christian community, for example, the views of all those not committed to that form of Christianity were treated depending on their ability to jeopardise 'the faith' and thus the foundation of the community. Questions were welcome. Explanations ranged from the simple to the complex. Continued doubt was treated with sympathy and prayer at first, disapproval and punishment if it persisted. Deviance from a given system 'threatens' the order and will be disciplined first through "therapy" but extend to "nihilation" (Berger and Luckmann 1966:130). As difficult as it was to question the fabrications of the religious myth, so too the fabrication of capitalism often appears immutable. Just as the religious metaphors provided for communities the rights and obligations of its members, so too capitalism is used to allocate rights and responsibilities which come to be largely taken for granted. The regularisation of the fabrications of capitalism, and the manifestation of power through them, are examined in the next section.

4.3) Category and System in a Regulating Context

The development of 'property rights' and the creation of the 'wage worker', 'the economy', 'the market' and 'democracy' are some of the successful constructions of that configuration of fabrications now known as 'capitalism'. The influence of capitalists from the eighteenth century onward was vastly increased by their ability to make use of such new constructions in their political and economic practices and theorizing. With Foucault I argue that in western society, over a period of time, the capitalist entrepreneur, with a raft of supporting theorizers, had a disproportionate impact on which fabrications became established.

Broadly speaking...it can be said that the political economy has a role in capitalist society, that it serves the interests of the bourgeois class, that it was made by and for that class, and that it bears the mark of its origins even in its concepts and logical architecture; but any more precise description of the relations between the epistemological structure of political economy and its ideological function must take into account the analysis of the discursive formation that gave rise to it and the group of objects, concepts, and theoretical choices that it had to develop and systemize...(Foucault 1972:186)

To the extent that the fabrications of capitalists have become common currency for most western people, even amongst those who were required to sacrifice their livelihood for the wellbeing of 'the economy', capitalist hegemony has been established and is being maintained in countless daily routines.

Antonio Gramsci, during his imprisonment under the Italian fascists, was especially concerned with the nature of cultural domination imposed by a ruling class over the remainder. His interests were to elucidate for the working class the means appropriate to the removal of what he called social hegemony as distinct from a political one. The multiple forms of constraint that Foucault identified include the detail of daily life and practice - in the workplace and outside it, where the practices which enhance capitalist opportunity have been legitimated as 'true'. In my understanding, it is the difference in relative power to manifest the ideas of a few into a taken for granted practice of the many that brings Gramsci and Foucault together.

The fabrication of objects, and their systemization are achieved by human actors through processes of negotiation, persuasion, coercion and/or force. They have been established as 'reality'. When they are accepted and routinely used in the practices of everyday life. Changes in social ordering certainly may be achieved through the threat or actual use of violence. Once changes have been enforced, the new order must be 'regularised' or 'routinized'. Although the possibility of violence remains, routine compliance becomes the normal method of

maintenance. Thus understanding the capacity to control the creation and manifestation of a 'reality' may be achieved through the examination of what has become established as the routine practices of everyday life (Clegg and Dunkerley 1980:495).

What are construed by social scientists as 'ideologies' are the use of previously established power arrangements with persuasive argument to elicit and build on sentiments, beliefs and past practices to manifest a particular course of action, and to render such desirable actions habitual and unproblematic. Such arguments in this thesis are represented as rhetoric. My particular approach to rhetoric is outlined in the next chapter.

Chapter 5: Rhetoric For Shaping Order

In any community attempts to change a given social order are aided or impeded by material circumstances and the ability to persuade sufficient people to take up and act on new meanings.

...the story of the emergence and transformation of a social norm is unequivocally a tale of persuasion. (Gross 1989:90)

Alan Gross argues that sociologists must not only identify the structural conditions which facilitate the changing of social norms but must also include an analysis of the associated rhetoric to make understanding complete:

...it is only through the interaction of social forces and rhetoric that "ideologies transform sentiment into significance and so make it socially available" (Geertz, 1973:207,212-213; see also Collins, 1975; Gieryn, 1983; Gilbert and Mulkay, 1984; Gusfield, 1976; Turner, 1978,1982; Woolgar, 1980). Working within rhetorical theory, Thomas Farrell describes the same process of transformation, one by which social consensus initially attributed by speakers to audiences produces social norms. (Gross 1989:89)

In this chapter I will argue that certain fabrications, metaphors and myths, have been achieved through a combination of material circumstances facilitated by the "rather magical ambience" of rhetoric (Farrell 1976:11).

The study of rhetoric involves the study of discourse. Discourse has been defined earlier in this thesis as the use of symbols, words and actions to delineate a universe of sense making, to order and organize human activity (Foucault 1970, 1972). Discourse was also noted as "the site of struggle" (Van Dijk 1985:44). It is a political activity in which power is exercised. Foucault's view is that

discourse is not simply that which translates struggles or systems of domination, but is the thing for which and by which there is

struggle, discourse is the power which is to be seized. (Rabinow 1984:110)

In this chapter I set out a working definition of 'rhetoric'. I outline a number of facets of rhetorical endeavours - be they conducted by individuals or by whole populations. I do this so that in Part Three I can identify the significant contribution of individuals and groups of people to the introduction of 'the management of quality' in New Zealand.

5.1) Rhetoric For Negotiating Social Order

In his introduction to Rhetoric in the Human Sciences, Herbert Simons argues that rhetoric is

the form that discourse takes when it goes public (Elshtain, 1984)...[It]is a pragmatic art; its functions are those of symbolic inducement (Fisher, 1987; Burke, 1969).... [It is] not just an individual practice: ...there are rhetorics of organizations, of social movements, of professions, and of scientific schools and disciplines. With but a bit of casuistic stretching, we might conceive of the products of the mass media, and even of entire cultures or cultural epochs, as collective rhetorics. (Simons 1989:2-3)

Plato in the Gorgias and Phaedrus dismisses the use of rhetoric as mere "knack" or "routine" (cited Vickers 1988:2). Aristotle in his opening paragraph of Rhetoric claims that rhetoric is concerned with

such things as come, more or less, within the general ken of all men and belong to no definite science....for to a certain extent all men attempt to discuss statements and to maintain them, to defend themselves and to attack others. Ordinary people do this either at random or through practice and from acquired habit. (cited Vickers 1988:2)

Both philosophers draw our attention to the importance of establishing routine use of discourse by people in the process of daily life. While not all talk is rhetoric, and persuasion may depend not only on rhetoric, the transmission of theories, ideas, or beliefs into common sense to congeal as reality is greatly enhanced when it is agreed that particular words will be used in particular ways. Following Vickers

(1988), I prefer to use the term 'rhetoric' to mean 'public debate'

a debate in which both sides of the case are heard and those qualified to vote come to a decision binding on all parties... (Vickers 1988:viii)

In my use of the term, such debate need not be limited in its conduct to only two parties and I suggest that voting need not be formal. The 'choice' of the 'voters' may merely be expressed as the willingness to comply with particular meanings. Rhetoric is not only an individual activity but an activity of entire cultures (Simons 1989:2-3). Participants may be ordinary citizens who are willing to experiment and discuss new activities, specialists who help in the training of new recruits, politicians who promote or contest the general reasons for the change, and theorizers who frame and integrate the new activities so that they are compatible with the overall values and beliefs of that community. Success in the conduct of rhetoric is the extent to which the theories, ideas or beliefs of some become established as taken-for-granted knowledge of many, even by some of those who are disadvantaged in such a social context.

In arguing that any social order is a negotiated order, to have the controlling or decisive voice in that negotiation is to hold a privileged position in that order. It is to have an influence on the establishment of a 'truth'. To exercise such influence is to exercise power. For Foucault, 'truth' is linked in a circular relation with systems of power which produce and sustain it, and to effects of power which it induces and which extend it (Grice 1993).

Truth isn't outside power, or lacking in power... Truth is a thing of this world: it is produced only by virtue of multiple forms of constraint. And it induces regular effects of power. Each society has its regime of truth, its 'general politics' of truth: that is, the types of discourse which it accepts and makes function as true; the mechanisms and instances which enable one to distinguish true and false

statements, the means by which each is sanctioned; the techniques and procedures accorded value in the acquisition of truth; the status of those who are charged with saying what counts as true. (Rabinow 1984:72-73)

The exercise of power is an ongoing process. 'Social reality' as a succession of negotiations, is never completed, never static. The skills associated with the use of rhetoric are never redundant.

5.2) Rules For Rhetoric

Students of rhetoric learn that a speech, narrative or discourse may be systematically constructed from certain components, each with a particular persuasive function. One such system, containing six components, is outlined by Vickers:

The Introduction is the beginning of the discourse, and by it the hearer's mind is prepared for attention. The Narration or Statement of Facts sets forth the events that have occurred or might have occurred. By means of the Division we make clear what matters are agreed upon and what contested, and announce what points we intend to take up. Proof is the presentation of our arguments, together with their corroboration. Refutation is the destruction of our adversaries' arguments. The Conclusion is the end of the discourse, framed in accordance with the principles of the art. (From the anonymous Rhetorica ad Herennium cited in Vickers 1988:68)

Such rules for constructing rhetoric are rarely identified in daily discourse let alone applied to the incremental development of long term ideologies. I wish to use these rules to examine the organization of large scale, global affairs and in directing activities of individual human beings.

The use of the rules provided in Rhetorica ad Herennium for analytical purposes can be illustrated in situations in which 'Jew-burning' was considered morally right. An almost uncontested view within medieval times was displayed in the rhetoric that facilitated Jew burning, that took for granted the Jews as 'outsiders'. Jews were defined as such in an attempt to preserve an established hegemony, a form of order with

vested interests. To protect that hegemony Jews were re-cast as

rapacious merciless monsters, symbols of the
new force of money that was changing old ways
and dissolving old ties. (Tuchman 1978:111)

The rules of rhetoric may be used to achieve and to examine the achievement of 'realities'. For example, during the middle ages the 'Introduction' to the possibility of burning a category of people named 'Jews' had long been achieved by the predominant anti-Jew expressions in medieval moral and economic discourse. The Narration of the anti-Jew 'facts' indicated that Jews were greedy heretics who poisoned wells in their attempt to capture the wealth of Christendom. The death of Christians as a result of the Black Plague provided the evidence (or 'Proof'). Killing the Jews was a retributive action taken by non-Jews. Such violence was taken for granted as the right, indeed as the only reasonable course of action, not merely by the theologians and clerics who provided the theory, but by all those for whom the medieval Christian root metaphor explained, indeed was, 'reality'.

During the middle ages, the burning of heretics, Jews, witches and other socially constructed deviants was tolerated by sufficient people to eventuate in legitimate violence carried out on whole classifications of human beings. Such violence

was official as well as individual. Torture was authorized by the Church and regularly used to uncover heresy by the Inquisition. The tortures and punishments of civil justice customarily cut off hands and ears, racked, burned, flayed and pulled apart people's bodies. In everyday life passersby saw some criminal flogged with a knotted rope or chained upright in an iron collar. They passed corpses hanging on the gibbet and decapitated heads and quartered bodies impaled on stakes on city walls. (Tuchman 1978:135)

Most ordinary (non-Jewish) citizens, if not physically engaged in the tortures, were required at least not to protest them. Without some form of Introduction, Narration and Proof, in the construction of

'Jews as burnable objects', such activities might not have been tolerated by the majority of ordinary citizens.

But what of voices of dissent? What about the contrary views in such a negotiation? For example, identification of Jews as 'burnable objects', in the Division, was unlikely to 'be agreed upon' by the Jews themselves. Yet, sufficient agreement existed for Jews to be endangered by the popular understandings of the day. The Refutation was absolute.

Tolerance of a situation or the acknowledgement of Facts may be enhanced by an event or a crisis in the way that the Black Plague could be used to blame Jews for Christian deaths. A less dramatic integration of the Facts may be achieved through the patronage of a theory by the influential, the wealthy or the powerful. Philip the Fair, for example, in his attempt to generate state funds, turned on the wealthy, tax exempt Templars. The wealth of the Templars had been accumulated through their activities as bankers for the Holy See. One night in 1307, Philip had every Templar in Paris arrested. He justified the confiscation of their property by proving their heresy based on supposed evidence of devil worship (Tuchman 1978:42).

Elements of witchcraft, magic and sorcery were taken for granted in medieval life, but Philip's use of them to prove heresy...gave them fearful currency. Thereafter charges of black arts became a common means to bring down an enemy and a favored method of the Inquisition in its pursuit of heretics, especially those with property worth confiscating. (Tuchman 1978:43)

Jew burning and Templar arrests were actions deemed sensible and just based on an appeal to the logic of Catholicism, the predominating myth or organizing frame of the era. However, the supremacy of Catholicism was challenged towards the end of the middle ages. New entrants into central debates of that era were the natural scientists.

Galileo and Newton were the empiricists' heroes; they showed how the unprejudiced observation of nature could advance the race farther than the squabbles and disputes that

seemed to prevail in the realm of culture. They sought to substitute observation for argument, sensations for symbols (as if the meaning of sensations did not depend on symbolization). (Peters and Rotherbuhler 1989:13)

Vickers (1988:293) argues that Galileo used epideictic [meant for display] rhetoric to promote his 'new' world system and, by implementation, to undermine the predominance of Aristotelian metaphors in his attempt to persuade the powerful (through support of the citizenry) to give his ideas some credibility. Galileo understood the potential danger but also the political value of integrating these Facts into the everyday lives of the citizenry. He ensured his insights were able to be understood and integrated into the daily lives of citizens, undermining their total security in the formal faith of the day. A believing Catholic, he knew full well the risk he was running through the promotion of Facts which challenged the centrality of religion in the existing social order. At the hands of the Inquisitor, Galileo was forced to feign recantation of his findings and to suffer the ridicule of his students (Brecht 1963).

The collusion with or tolerance of Jew-burning, and the later activities of the Luddites, the French Revolutionaries and numerous general strikes against employers, are evidence that ordinary citizens (often aided or provoked by the work of theorizers, authorities or experts) are actively engaged in the negotiation of social arrangements. But there are limits to how far ordinary citizens, within the confines of any specific discourse, can extend their influence. Ordinary citizens, it is argued, are able to be enlisted in the establishment, change or maintenance of social order to the extent to which they can be convinced of the reasonableness of that order. This conviction may be achieved through the skilful use of rhetoric. Those who can establish the most convincing Facts are most likely to 'win' support in the establishment of their preferred order. To be able to rally such Facts is itself a display of power and influence.

5.3) Rhetoric Rather Than Violence?

In the construction of social realities, force is recognised as unsophisticated and divisive of communities. It is only to be used as a last resort. Force and coercion only become dominant at times of crisis (Williams 1960:591). Where the use of force is deemed unwise or impracticable, negotiation becomes paramount. Persuasion becomes a significant component of this negotiation. Such persuasion may include pressure in the forms of rewards and/or punishments, but it is always to be framed in a reasoned argument.

The process of achieving some agreement or tolerance of a particular social arrangement is envisaged in my use of the term 'negotiation'; a negotiation conducted in the use of rhetoric as proposed by Vickers (1988). But, unlike all the other rules provided in Rhetorica ad Herennium, The Conclusion (Category 6) can only be partially applied because the discourse or narrative of social construction is never complete.

In the twentieth century, beliefs about the nature of humanity and about the legitimate ways of getting things done differ remarkably from those regarded as acceptable during feudal times. The modern story required change in the ontological nature of the human being. No longer was the human being a person created by God to fulfill a particular niche in His order. Less frequently do we protest our identity as evolved descendent of primates. More frequently, however, people are likened to mere cogs in an economic machine or a part of an economic organism. New authorities have come to redefine the world as a level playing field on which equal 'individuals' compete in a struggle for their existence. In seeking after their own self interest, such individuals would, as a matter of course, (as an inevitable, 'natural' outcome) benefit the well-being of the species as a whole. Weak individuals would not survive. Human beings, free to pursue their own interests will set about accumulating wealth, and, in the protection of the conditions to do so, they will ensure a stable and just order. Given such changes in the ontological conditions of humanity, the possibility of prescribing an almost endless array of

social orders - from Karl Marx to Adam Smith - is opened wide. The work of such theorizers may be used to construct rhetorics for religious or political interest groups, revolutionaries and/or counter revolutionaries because any statement is open to interpretation, negotiation and specific use. Foucault remarked:

Instead of being something said, once and for all - and lost in the past like the result of a battle, a geological catastrophe, or the death of a king - the statement, as it emerges in its materiality, appears with a status, enters various networks and various fields of use, is subjected to transferences or modifications, is integrated into operations and strategies in which its identity is maintained or effaced. Thus the statement circulates, is used, disappears, allows or prevents the realization of a desire, serves or resists various interests, participates in challenge and struggle, and becomes a theme of appropriation or rivalry. (Foucault 1972:104)

For the examination of the social constructs of 'reality', it is unnecessary to posit a Conclusion in the formal sense. The continuous reformulation of social reality remains a human responsibility.

5.4) Hegemonic Control Through Successful Myth Establishment

In section 4.3 Gramsci's notion of social hegemony was introduced and associated with Foucault's notion of multiple forms of constraint. For Marx and Gramsci, capitalists have the controlling voice in the contemporary social order. Thus, in a Marxist analysis capitalist fabrications have predominated and have been used to alienate the proletariat. When one interest group is able to establish self-serving fabrications or to attribute new meanings to established fabrications which exploit others, such fabrications may be termed 'vehicles' or 'tools' of oppression.

Any predominant discourse in a community may well be skilfully insulated from conflicting or competing discourses but I concur with Clegg and Dunkerley (1980:539) that total hegemony never exists. The ability to weaken or change any hegemony through the conversion of the public to new ways of thinking or acting may depend on the perceived

legitimacy of the change agents or the attractiveness of their promises.

Precisely because westerners emphasise (both in every-day speech and in the rhetorics of political organization) that people are able to choose to live differently than they presently do, is it possible to encourage them to choose to live one way rather than another.

It is exactly because human actions are [believed to be] free that power is exercised as a means of persuading others to use their freedom in a particular way. (Knights and Willmott 1989:552)

Obtaining the compliance of ordinary citizens to the ideology of our time remains as vital now as ever it has been. The skilled and powerful use of rhetoric in the discourse on organizational activities remains central to success.

In the search for what comes to pass as 'knowledge', social scientists must take note of the influence and contributions of ordinary citizens. What ordinary citizens 'know', however, even about the nature of themselves, finds its origins in the activities of the powerful (be their strength based on physical power, wealth or technical expertise). Theorizers and policy makers legitimate such knowledge, order and prepare 'it' for further use. Foucault's work on the submission of 'selves' to 'discourses' was found useful as a reminder that populations are actively engaged in their 're-shaping', but I have used other works of Foucault and the work of Gramsci and many illustrations to show that in the face of 'superior strength' (of what-ever form), ordinary citizens find themselves 're-defined'. Re-definition may be achieved through the threat or use of violence, but more often through the use of rhetoric. Select members of targeted groups may initially be more readily persuaded than others. They may be persuaded by reason and reward, or by fear of what might come to pass if compliance is not volunteered.

In the next chapter I will examine the fabrication and systemization of pivotal 'objects' of 'paid employment' in a capitalist context. I

do so by tracing the re-shaping of people and their access to the means of life over the period often called 'industrialization' (or the more value laden term - 'modernization'); a change from the predominantly feudal to capitalist forms of economic and social arrangements as they were achieved particularly in England and America. These 'objects' may be metaphorically described as 'social mechanisms' or 'bundles of assumptions and values' which

typically "favour the interest of this or that group vis-a-vis the rest of the population. The favoured group enjoys effective power....simply because things work in their way in any case" (Westergaard and Resler, 1976, pp. 142-3). No mystery surrounds these 'mechanisms or assumptions'. In a capitalist society, they are those, in the first instance, of private property and the market...which largely determine the living conditions of the people and the use of resources. (Clegg and Dunkerley 1980:495)

The persuasion of key actors to act differently in an attempt to generalise such behaviours is taken up in the next chapter by examining the re-formation of the general category of serfs into a general class of wage labour. This analysis is taken up again in Part Three in the examination of attempts to move labour relations in New Zealand from a postulated adversarial model to one of co-operation and collaboration between employers and employees.

By contrasting two commonly differentiated historical epochs, the construction of 'objects' and the exposition of their embedded assumptions are more readily visible. I provide this analysis in the following chapter so that in Part Two I can show that while conversion from feudalism to capitalism occurred also in Japan, the specific fabrications differed. These differences become important in Part Three where I examine the adaptations that were made to integrate key fabrications associated with discourse of 'the management of quality' into the New Zealand discourse of employment.

Chapter 6: The Discourse of Employment

'Work' is a social fabrication. It is a particularly pivotal fabrication in the maintenance of western, capitalist societies. What is recognised as work varies across and within different groups of people and across and within different historical times. The means to encourage or constrain people to work are similarly varied across time and geographic location. But always and everywhere, other than in the newly formed market economy originating in western Europe from the middle of the nineteenth century, the notions of work and economic enterprise are embedded in and subject to social relations. In other words, only in a market economy, are human social relations subordinated to a deregulated market (Polanyi 1944:69).

What Karl Polanyi called The Great Transformation - a transformation from a society in which economic activity is subject to wider institutional control, to one in which the wider society becomes subjected to economic activity - demanded "the ruthless abnegation of the social status of the human being" (Polanyi 1944:x). It also required the public acceptance of a host of new terms and new meanings to old terms. Work came to mean employment for wages, often in a large enterprise with mass production. 'Wages' became the price of 'labour' (Polanyi 195:71) - a cost to be minimised wherever possible. As new modes of production became technically feasible, workers and their co-ordination had also to be re-shaped.

In the early industrial years there began a process of encouraging workers out of small, often home based manufacturing clusters. The new ways of organizing work and the social lives within which it was conducted, came to be known as the factory system. The economic processes and social context in which these were 'framed' came to be known as 'industrial capitalism'. The fabrication and 'systemization' of 'work', 'workers' and the later 'managers', and the investment of various interests in them, are examined in this chapter. This is done in order to later draw attention to the significance of the

contemporary adaptation of those fabrications and the specific interests embedded in them.

The contemporary construal of 'work as employment' is questioned in this chapter. Alternative forms of work are discussed to highlight the ephemeral nature of social fabrications which allow the few to control the efforts of the many. I compare slavery and feudal fashions of work with developing capitalist preferences. This does ^{not} imply that there was a direct and linear transition from one fashion of work to another. The emergence of these various methods of harnessing work "was neither temporal nor spatially unilinear. They were both temporally and spatially disarticulate" (Clegg and Dunkerley 1980:49). In keeping with Foucault's method of archaeology, this is done not to establish some sort of testament to the past, rather as a precursor to understanding the present conditions of our existence and our part in the future we must make. Aspects of slavery and feudal forms of organization are still to be found. However, in this chapter I am concerned with the routinization of 'paid employment' in western societies and the opportunities that this has brought to the present day.

Thus, the central theme of this chapter is the transformation of human beings and their work into labour as a commodity to be subordinated to a self regulating market (Polanyi 1944:56-58). In Part Three the contemporary resilience of these ephemeral fabrications, are illustrated. They have proved malleable enough to take some modification, but rigid enough to be adapted without causing any real threat to the overall capitalist system. Part Three also illustrates the vested interests in the particular modifications to be encouraged and re-routinized.

6.1) 'Work'

The permeation of nineteenth century market-oriented notions of work and its attendant social arrangements can be illustrated through the examination of the uses of work related words in contemporary everyday conversations. Over generations the habitual (traditional) association

of 'work' with 'pay' has resulted in some remarkable inconsistencies which now often pass unnoticed in everyday speech. The question "Do you work?" when asked of a young western mother, for example, is often met with the answer: "No, I am a mother/housewife". Similarly, 'unemployed' has become synonymous with 'out of 'work'. Huge numbers of people in New Zealand today, are involved in unpaid activities in 'community service' projects or 'training schemes', because they cannot get paid work. Another large group of workers such as volunteers, superannuitants and those who look after homes, communities and so on, are performing tasks, but are not 'employed'. Their activities remain largely invisible to a market economy (Waring 1988). The unemployed and superannuitants are deemed an expense to society. In many cases nursing, cleaning, changing soiled linen for convalescents or dependents prematurely released from hospitals and other institutions is called, not work, but 'community care'. The association of pay with work, and vice versa, appears 'natural'. The expectation of pay for activities not deemed work is frowned upon.

This selective categorization of some people's activities as work has its critics. Waring tells the stories of Tendai (a young Zimbabwe girl), Cathy (a young middle class North American housewife), Ben (a highly trained member of the U.S. military), and Mario (a pimp and heroin addict in Rome). Tendai gets up at four o'clock each morning to get water from the well, an eleven kilometer walk. Her day is taken up with various domestic tasks and it finishes with another eleven kilometer walk for a final trip to the well. Her tasks fully occupy her till nine o'clock at night. Cathy spends her day from morning till night buying, preparing, cooking and serving meals, tidying the home, extending her children, dealing with service people and so on. Tendai and Cathy do not appear in their nations' records of productivity, the implication is that they do not work. Ben spends hours of his time in an underground facility waiting for an order to fire a nuclear missile. Ben is considered economically active; he contributes to the nation's growth, wealth and productivity. Although Mario's activities are not formally classified as work, they are considered part of

Italy's hidden economy, and his work will be recognised in the country's accounts.

Ben and Mario work. Cathy and Tendai do not. Those are the rules. I believe that women all over the world, with lives as diverse as those of Cathy and Tendai, are economically productive. You too may believe that these women work full days. But according to the theory, science, profession, practice and institutionalization of economics, we are wrong. (Waring 1988:14)

Waring is not alone in her challenge to the assumptions and values embedded in this object, work. These assumptions are commonly manifest in employment policies and in every-day practice. Such assumptions may be used to privilege or limit access to the means of survival. Thus, what comes to be viewed and rewarded as work, may be viewed as problematic by a number of authors:

Various writers, not only feminists, contend that some work is designated as more important by the rituals of employment - hours of compulsory attendance, centralized location of activity away from the home and the value placed on continuity of employment and commitment, for example. Pym (1980) suggests that these rituals all too often disguise that no "real" work (i.e. those activities that generate goods and services) is being done. More specifically, feminist analyses such as those of Novarra (1980) and Rose (1986) argue that work traditionally identified as "men's" is a largely contrived and artificial activity, in contrast with "women's work" which arises "from the bedrock of necessity - these things cannot be left undone if the human race is to survive and life is to be tolerable." Yet housework and caring tend not to be counted as work or to be attributed the (social) importance of being paid. (Marshall 1989:282)

Thus work, an ephemeral social fabrication has been delineated by the

range of activities to be considered, the location of their conduct, the time at which they are carried out, and by the category of people who perform those activities. The elderly wife or husband who struggles to meet the physical needs of an ailing spouse is 'caring', a nurse doing the same task is 'employed'.

6.2) Constraining Work

Once the tasks categorised as work have been allocated, and rights, duties and controls have been established, patterns of activity can generally be conducted unproblematically. Walking miles to a well is as much part of the daily routine for African village women such as Tendai, as 'clocking in' for a stint of 'button watching' is for the Bens of the nuclear industry. The establishment of these routines and the acceptance of responsibility for tasks by those who work, is a spectacular human achievement; it is an achievement of individual (or group) discipline and of social order.

This section examines three types of organized work; slavery, feudal bondage and early industrial capitalism. It examines the means by which some people came to be motivated, enticed or forced to adapt themselves to such work. Such adaptation or compliance consolidated not only the social identity of the individuals engaged in the work, their compliance ensured the relatively long-run stability of the rights and responsibilities embedded in that system. The compliant 'slave' confirmed the 'master', and the 'loyal vassal' confirmed the 'lord'. Such classifications were further enhanced by the routine integration of these groups into larger communities of interests. The long term stability of these systems of classification ensured a 'common-sense' could be internalized to the extent that the identity and world view of the encumbent individuals was largely one of tolerance. It was achieved through moral training often reinforced by physical threats and by a lack of alternative livelihoods.

6.2.1) Slaves

Slavery denotes both the constraint of some people to work for others and the understanding of 'ownership' of some human beings by others.

Slavery has been common throughout known human history and is still practised today in a variety of forms. This form of human ownership may be achieved through conquest or barter (Marx and Engels 1964:33). Where slavery was an enduring form of work, the categories of slaves and of masters, and the routine practices associated with those categories, became widely recognised and legitimated as institutions both in law and in custom. Once habituated in customary practices, these positions no longer depended on control by capture, but were entrenched by the inheritance of the categories by subsequent generations.

Violence, the threat of violence and the implicit power to conduct such violence was a significant aspect of this form of organizing work. Control over slaves by means of direct and personal violence decreased as the fabrications of legislation and coercion were established and maintained through a legitimated discourse of oppression. Generations of masters and slaves maintained a discourse which explained and legitimated that fashion of work organization to the extent that to many people in such relationships, slavery was taken by many as the natural order of humanity. Once established as a legitimate social order, the practice of slavery was maintained, in part, through a form of discourse. Masters taught slaves the language of subservience, and taught their own children the language of the rightness of their superiority. Romans subjugated non citizens, whites subjugated blacks, tribal groups subjugated sections of their tribe or conquered and subjugated other tribes.

6.2.2) Serfs

The forms of social organization identified and categorised as prevalent in the middle ages have been commonly characterised as 'feudal' (Strayer 1965:11). These were distinguishable by a number of common characteristics. The form of feudalism most prominent in Britain during the middle ages was often obtained through conquests in which warriors captured land. Those people who had previously occupied that land and had obtained their livelihood from it, came under the

control of their victors. The chiefs among the victors became known as lords who set out the rights and obligations through which to control the occupied area and all that it contained. Their henchmen (clergymen and armed retainers) were ensured privileged positions. Those trapped in their territory, now known to us as serfs, were forcibly constrained to work the land. While this very simplistic representation does not depict the complexity of feudal social and political nuances, nor account for the many other ways a person could become 'a serf', "the point remains that serfs were juridicially constrained by the lord's 'justice' until their servile status was abolished" (Holton 1985:59).

As the control by conquest settled into a way of life, new fashions of work constraint were developed and routinized. As in slavery, the relationship between serf and lord was eventually made hereditary (Strayer 1965:12). A social order became established with a predominant form of discourse and was passed down through generations of serfs and lords. The discourse used to facilitate the fashion of work constraint under feudal conditions contained words and expressions, and rights and responsibilities, which would be meaningless in other fashions of work constraint. They are the Facts of that particular discourse, a set of fabrications constructed and systemized by human actors.

With the sanction of the church and the tolerance of the king, a period of ordered existence ensued. Lords, vassals, serfs, royalty and clergy were implicated in a social order common to all. Each had their routine tasks to perform. But, the theorizer, then as now, had specific responsibility to ensure the establishment and maintenance of that which could be taken for granted. In the feudal context, as

'men of learning', clergymen were able to promulgate a view of the world which was taken for granted by most of the population, a world view which included the notion that the

supremacy of the king, the privileges of the nobility and the lowly position of the serfs were all ordained by God. (Bilton et al 1981:51)

The systemization of fabrications in ways that did not threaten their task masters, parallels the tasks of those formally designated as theorizers everywhere. Part Three includes an examination of the contribution of contemporary theorizers to the shaping of employment through their systemization of the fabrications associated with 'the management of quality'.

6.2.3) Labour

The change from feudal to capitalist social arrangements was not sudden. It consisted of incremental adaptations to the way work could be conducted. Each form in this transition required the construction of compatible social relationships. For example, the

form of organization prior to the emergence of capitalist social relations of production, at least in the economic sphere, was the guild system. This had a long and quite successful history dating from its heyday in the thirteenth and fourteenth century up to recent times...Essentially the guild has always been seen as a kind of protective organization for all those individuals entitled to be employed in a particular skilled trade or craft. Traditionally, both employee and employer have been guild members - a point of distinction from the trade union. (Clegg and Dunkerley, 1980:43)

Work had not yet been commodified nor subjected to the fictitious market economy.

Under the gild [sic] system, as under every other economic system in previous history, the motives and circumstances of productive activities were embedded in the general organization of society. The relations of master, journeyman, and apprentice; the terms

of the craft; the number of apprentices; the wages of the workers were all regulated by the custom and the rule of the gild and the town. (Polanyi 1944:70)

While the guild was said to provide the protection for those belonging to the trade or craft, opportunities to move from apprentice to master were virtually impossible (Clegg and Dunkerley, 1980:44). It was experienced by many as almost caste like. Individual promotion was possible

but to move from journeyman to master was virtually impossible to achieve without the benefits of the right connection within the guild. The social conditions of this era were characterised by the exploitation of peasants by nobles which was achieved in part by such overt action as a "type of baronial gangsterism and plunder typified by the War of the Roses in England". (Clegg and Dunkerley, 1980:45)

The capture of skills within the guild allowed control of technological change. A monopoly over 'skills' and over 'pricing' meant tight price regulation (Clegg and Dunkerley, 1980:43). In time this 'monopoly' became 'an object' able to be used to undermine the stability of that 'system'.

Early merchant capitalists were able to offer an alternative to the control over work gained by guildsmen. The new merchants offered people an opportunity to 'manufacture' items from their own home. These 'manufacturers' were generally workers who owned their tools and directed their own work. Marglin suggests that the workers were largely specialised (meaning that tasks in the manufacture of an item were separated and that generally each cottage worker was responsible for the manufacture of only a part of an item) and that the 'putter outer' (the role of the capitalist) mediated between "the fragmented producers and the market, on the principle of divide and rule" (cited in Clegg and Dunkerley, 1980:53). Once established in their enterprise, the merchant capitalist bought the labour power of the worker. On the one hand the worker was guaranteed regular work, on the other, the merchant capitalist could depress wages "so that one

portion of the labour-time performed remained unpaid" (Marx 1964:1034).

Despite differences between 'the guild system' and 'the putting out system', such fashions of organizing and controlling work were significantly different from earlier feudal arrangements. The 'putting out system', in its turn, was also challenged. Both forms of organization compared unfavourably with the potential of the developing factory system, particularly with regard to control and discipline. Not only did the factory system provide greater control over the daily activities of employees, but the separation of home and work, of public and private domains, allowed the employer to restrict all conduct which was not deemed 'productive'. In particular, sexual activity, drinking and riotous behaviour generally were relegated to the private space of unpaid time (Burrell 1984:107-108). Collecting workers in a 'factory' addressed problems of waste and fraud found common in 'the putting out system' and allowed for the increasing use of technological inventions not accessible to home based workers.

The marked categorization and segregation of 'domestic' from 'productive' human activities set in place many more categories of humanity than just that of 'capitalist' and 'wage labourer'. Other social institutions were modified to ensure the support of these entities. For example, the 'ideal family' for this type of economic arrangement included a 'bread-earner' male supported by a domesticated female. The wage labourer was 'freed' from domestic or child-rearing responsibilities and thus was able to attend to the requirements of his employment. This ideal was promoted in education, health and religious discourse. Thus, the routine acceptance of a 'way of life' based first, on capitalists' desires to expand their wealth and secondly, on workers need for an income, found expression in all facets of social life.

Thus, 'work' and 'workers' have meant and continue to mean different things to different people at different times. Some of those meanings

become institutionalised, and observable in formalised policy and practice. The fashions of work which are predominant in any era may be ruthlessly imposed⁸ or may appear to be the outcome of individuals' 'rational' choices.⁹ The increasingly restrictive availability of alternatives, and the ability of policy makers to influence the choices of citizens is a central concern in this thesis. Such influences call into question a widely held faith in the ideals represented through the fabrication of 'social democracy'.

6.3) 'Modern Workers' for 'Modern Work'

Construing 'work', and thus the desirable shape of 'workers', is part of a broader achievement of any particular form of social order. Throughout history concurrent events influenced the very nature of the economic discourse of the time; of what it was possible to discuss (Foucault 1972:46). Poverty caused in part by forced removal of peasants from their lands (The Enclosures Acts), a religion connecting 'hard work' with 'spiritual salvation' (the protestant work ethic), public policy punishing those who were not deserving (the Poor Laws) were just some of the pre-fabricated social conditions which contributed to the opportunities of aspiring industrialists.

In the creation of unencumbered and mobile labour, the necessity to relax servile ties on peasants ensured that the relationship between

8) As, for example, in the institution of slavery.

9) As in the case of the Highlanders of Scotland who 'chose' to leave their Highlands for the coasts or the cities in search of 'wages', or the dislocated Maori who formed 'the urban drift' in the 1950s and 1960s in New Zealand (to provide the labour for the increasingly numerous manufacturing enterprises).

lord and serf became increasingly blurred.

On the one hand, it was the prevalence of ... market centres that rendered flight from serfdom a permanent possibility for discontented peasants....on the other hand the presence of these towns put constant pressure on the embattled nobles to realise their income in monetary form. The lords both needed cash, and, beyond a certain point, could not risk driving their peasants wholesale into vagrancy or urban employment. They therefore were compelled to accept a general relaxation of servile ties on the land. The result was a slow but steady commutation of dues into money rents in the west, and an increasing leasing-out of the demesne to peasant tenants. This process developed earliest and farthest in England. (Anderson, cited in Clegg and Dunkerley 1980:45)

Karl Polanyi's emphasis on the co-ordination of isolated markets into a market economy, and of integrating regulated markets into a self-regulating market (1944:57) as the crucial aspect of contemporary capitalism, illustrates the form of the new bondage to be offered the 'freed' worker.¹⁰ The element of compulsion to become a 'free labourer' included the closing off of alternative sources of livelihood (as during 'the enclosures') and the imposition of taxes or rents which were to be paid in cash. This forced members of groups or

10) The use of the word 'free' meant 'unencumbered'. The evocative use of 'free', in the increasingly dominating rhetoric of capitalism, attracted individuals away from the 'bondage' of serfhood or slavery into the 'freedom' of wage labour. It is used in the contemporary discourse, leading up to the establishment of the Employment Contracts Act 1991 (discussed in section 13.3), to 'free' workers from what were argued to be the unnecessarily restrictive conditions of work demanded by a highly unionised labour force and from a dependency on state benefits.

families to search out such 'employment' as would provide 'cash'.

The construction of an 'independent' (or 'atomised') human 'individual' made possible the practices of the entrepreneurs. Its justification and moral acceptance was established through the debates among religious and political thinkers, philosophers, moralists and the practices of employers and employees of early industrialization. As an unencumbered 'individual', the capitalist could move about in search of opportunities, resources, work or wealth. This individual could justify sovereignty over unlimited personal wealth and resources. The now unencumbered employee could be made to move wherever the capitalist found opportunity through closing options in one area and promising opportunities in others.

The independent voluntary status of the worker was slowly eroded in an attempt to increase the efficiency of exploitation, first by allowing the worker to get into debt and, second, by taking away the worker's ownership of his tools. These two factors opened the way for the emergence of a class of alienable wage-labourers dependent on the capitalist class for both a living and a livelihood. (Clegg and Dunkerley 1980:50)

The exchange of 'work' for 'pay' in the capitalists' fashions of production, rather than for 'keep', as in feudal forms of social organization, required a fundamental shift in the way people thought of themselves, of each other and of their rights and responsibilities. This change was not immediate, nor was there a tidy historical path from 'serf' to 'labourer'.

Construing work as paid activity required the establishment of a complex configuration of ideas. The 'fabrications' which ruptured the feudal discourse only appear as radical breaks from an historical distance, an imposition of an artificial boundary across an

uninterrupted flow of time and events. Some changes were undoubtedly forced by violence on ordinary citizens. No longer were they to be serfs. They were to be 'free citizens'. Many more changes were most likely the result of 'negotiations' or 'seductions'. For example, undesirable aspects of the guild system, for those 'trapped within it', provided opportunities for its eventual undoing. The 'trapped workers' could be relatively easily persuaded to become 'independent' cottagers by appeals to 'freedom', 'opportunity' and 'self control'. With the new freedoms would come new dependencies and new controls. These were not immediately apparent. The 'free individuals' who could move about (or be moved about) in search of the 'most rational' employment of their labour became the necessary (fictitious) commodities for a market economy of the future (Polanyi 1944:72). It is only historical distance which gives a semblance of radical departure, a schism between feudal and capitalist forms of organization.

John McGrath (1981) in The Cheviot, The Stag and The Black Black Oil illustrates that ordinary citizens were not always docile in their redefinition. In his dramatization of the manipulation of the Scottish Highlanders from the time of 'the enclosures' to the more recent 'corporate capture' of their North Sea Oil, McGrath dramatizes the continued resistance of the Highlanders to their redefinition - from crofters to 'dispossessed', from urban 'labour' to either 'rigger-workers' on oil rigs (with low pay and dangerous conditions) or to 'unemployed'. This process of often violent re-definition resulted in the Highlanders' inability to afford to live on their rural lands, and later, to live in their own cities.

While it is true that the more brutal methods of the past are no longer with us, it is a simple matter to collect the relevant figures to show that even now, 150 years after these terrible events began, the Western Highlands

and islands continue to be cleared.¹¹ No amount of statistics from the Highlands and Islands Development Board can hide the fact that the talents, the youth, the skills, the ambitions, those who are the life blood of scores of communities continue to [be] drain[ed] away. For those living in the western seaboard or in the isles figures are unnecessary, they can see with their own eyes. (McGrath 1981:75)

Historically, people who have few choices may be co-erced to work under conditions not acceptable to those for whom a range of opportunities are open. The enclosures freed workers from agricultural production and allowed them to be re-shaped as owners of saleable labour power:

In proportion as the bourgeoisie, i.e., capital, is developed, in the same proportion is the proletariat, the modern working class, developed, as a class of labourers, who live only so long as they find work, and who find work only so long as their work increases capital. These labourers who must sell themselves piecemeal, are a commodity, like every other article of commerce, and are consequently exposed to all the vicissitudes of competition, to all the fluctuations of the market. (Marx 1964:13)

11) A contemporary example: In their discussion about the future of the European Common Market, I witnessed Eurocrats at an address to the Management and Society Conference, Brussels, June 1992, discussing the ways and means by which the Greek rural population in particular could be moved off their lands. Their small-holdings were desired for inclusion in larger, corporate-style agribusiness; the dislocated farmers would provide cheap and itinerant labour for European or even global industries. At that event, there was no discussion as to the quality of lives these people might expect; no thorough-going plan for their education and training to provide opportunities of employment and life-style beyond that of itinerant labour.

During the period of industrialization in England, for example, "only persons destitute of friends, employment and character" (Tillett et al 1970:36) could be made to work in the new factories. Discipline was often maintained through beatings or shaming. But control of workers by violent means was not sustainable. More promising was the habituation of work achievable through the division of labour, the standardisation and organization of the workshop, and methods of payment (Tillett et al 1970:34-40).

It was not only that "the new economic order needed...part human: soulless, depersonalized, disembodied, [entities] who could become members, or little wheels rather, of a complex mechanism." It was also that men who were non-accumulative, non-acquisitive, accustomed to work for subsistence, not for maximizing income, had to be made obedient to the cash stimulation, and obedient in such a way as to react precisely to the stimuli provided. (Tillett et al 1970:190)

Lack of alternative opportunities ensured increasing numbers of people 'chose' to accept employment in the factories.

Glasgow masters, indeed, preferred the Irish, who were docile and willing to take starvation wages on first arrival. (Tillett et al 1970:203)

In the new factories, personal habits of old did not match the requirements of the new employer (Tillett et al 1970:196). Transforming the efforts of people into a commodity started at an early age. Engels' harshly judged the predominating social constructors of his day:

The bourgeois clap-trap about the family and education, about the hallowed co-relation of parent and child, becomes all the more disgusting, the more, by the action of modern industry, all family ties among the proletarians are torn asunder, and their children transformed into simple articles of

commerce and instruments of labour. (Marx and Engels 1955:50)

Training in adaptation to factory routine and discipline became as important as training in technical skills (Tillett et al 1970:205). Much of the skill training was done 'on the job' (ibid: 209) and later through more generalised formal schooling (ibid 1970:211). But the training of discipline remained a problem:

What was needed was regularity and steady intensity in place of irregular spurts of work; accuracy and standardization in place of individual design; and care of equipment and material in place of pride in one's tools. (Tillett et al 1970:213)....

"Discipline... was to produce goods on time....It was also to prevent men from stealing raw materials, putting in shoddy work, or otherwise getting the better of their employer".... (Mona Mine MSS NO 2633 pp. 44-45). Works rules, formalized, impersonal and occasionally printed, were symbolic of the new industrial relationships. (Tillett et al 1970:216)

Polanyi identifies the tension between employers and employees in terms of a conflict of classes (Polanyi 1944:134).

The bourgeoisie, where ever it has got the upper hand...has pitilessly torn asunder the motley feudal ties that bound man to his 'natural superiors', and has left remaining no other bond between man and man than naked self interest, than callous 'cash payment'it has converted the physician, the lawyer, the priest, the poet, the man of science, into its paid wage laborers. (Marx 1964:6)

By the turn of the century, 'the worker' was unquestionably an entity whose labour was a commodity for sale. The organization and acceptance of routine life for such commodified labour was achieved with a supporting ideology of individualism, the protestant work ethic, and limited rewards for those who complied.

6.4) The Fabrication of Management

With the enlargement of enterprises, face-to-face management of people became more difficult to achieve. The demand for labour spiralled,

particularly in the United States. There was an influx of immigrants bringing foreign customs as well as hopes and expectations. Working life in America was hard and often cruel. Skilled workers resisted the individualization. Strikes and lockouts heightened fear of social upheaval (Barley and Kunda 1992:367). 'Class', even in the new land of 'equality' and 'freedom', became the construct that distinguished 'worker' from 'owner', and increasingly from 'the manager'. This simple, dyadic construct was powerfully used to influence the disposition of workers in the English speaking world at least.

One response to what was perceived as an increasing antagonism of workers can be illustrated through the activities of the 'Industrial Betterment Movement'. Four themes emerged through the discourse of this 'movement' all of which reinforced the fundamental capitalist fabrication of the 'free individual'. First, the rights and virtues of private ownership and individualism were endorsed. Second, the

Protestant vocabulary of motive was entwined with a second theme that signalled the movement's goal: to change the employee...
(Barley and Kunda 1992:367)

Thirdly, there was a belief that systems of co-operation were more advanced than systems based on conflict, and finally

"Anything that tends to lighten the strain of labor upon the mind, or serves to promote cheerfulness and contentment, is an economic advantage" (Gilman 1899:211)... In short, the path to profit, control and industrial peace lay in bringing the workers' interests, values and beliefs in line with those of owners.
(Barley and Kunda 1992:368)

The Pullman Palace Car Company built the Pullman Car Works and its associated model town on the fringes of Chicago towards the end of the 19th century. It is often referred to as the epitome of a company engaged in the 'practical philanthropy' associated with moral movements. At Pullman's, 'quality' and 'innovation' were promoted as company traditions. Although posed corporate photographs were used to convey the 'firm as family' image,

authoritarian relations extended from rationalized work to the photographic process and belied the cooperative ideology. (Peterson 1992:46)

Despite their corporately espoused philanthropy and idealization of concern for the wellbeing of workers and their families, employee interest in unionization at Pullman's grew. Their 1894 strike elicited a critical response from Richard Ely, Professor of Economics at John Hopkins University. He asserted that Pullman was a

"gilded cage" for the working man, "a benevolent well wishing feudalism which desires the happiness of the people but in such a way as shall please the authorities". (Ely 1885:446 cited in Barley and Kunda 1992:368)

Towards the end of the century unions were gaining some support in an attempt to provide a voice for workers in negotiations over conditions of work. In the United States alone there

was a 500% growth in trade union membership from 1897 to 1904....It was the development of unionism, in particular, which persuaded employers to turn their attention more to the problem of labour control. (Clegg and Dunkerley 1980:85-86)

'Practical philanthropy' and moral movements such as the Industrial Betterment Movement in the United States did little to inhibit labour militancy. Indeed, trade unions joined with the voices of journalists and academics in attacking such movements. Thus the organization of work and workers in factories, no matter how benevolent the organizer, was not without its problems. It was particularly resisted by skilled workers.

It was Frederick Winslow Taylor who was to help them [employers] with this, through producing a body of knowledge which was both an ideological (effort determining) and a technical (job designing) control of the labour process, which re-emphasised the solidarity and individual nature of the worker

as against the collectivist ideology of trade unionism. (Clegg and Dunkerley 1980:86)

Taylor elaborated the specialization of tasks, sequenced in a 'straight-line' system already in evidence in England. Often justified as a means to cope with the influx of non-English speaking immigrants of unrecognisable qualification, 'specialisation' is somewhat of a misnomer as the system reduced the numbers of activities undertaken by each worker and prescribed every action and part of an action in detail. Clegg and Dunkerley link such systematic de-skilling of workers to the need to control as much as a need to increase productivity:

The remedy to this [problem of control] was to be the analysis and breakdown of human skills, parallel and in addition to the developing machine process. It was in the metallurgical industry of the USA that these first systematic attempts at organization - were conducted by Taylor. (Clegg and Dunkerley 1980:93)

The 'de-skilling' of workers should not be viewed merely as a response to demographic changes or technological innovation. Indeed, during this period it was believed that

skilled labour was not to be encouraged in certain respects, since it was 'the best, soberest, and ablest workers' who were the most likely to form trade unions. (Hobsbawm 1975:221, cited Clegg and Dunkerley 1980:93)

The work of Taylor and his contemporaries was not without its critics. Within Britain, and the United States in particular, there was increasing resistance to the management methods resulting from the experimentation of these social engineers. The discourse of scientific management (with its watchword of 'efficiency' rather than morality or duty) came increasingly under attack from unions. Early responses to this opposition came by way of the developing professions of industrial and personnel psychology; a development which, however, did not challenge but reinforced scientific management's emphasis on individualism, rationalism and scientific intervention. It heralded

the entry to managerial discourse of the 'Human Relations School of Thought', a school of thought attributed to the interdisciplinary approach of Elton Mayo made famous particularly through his involvement with the General Electric Hawthorne plant.

Our administrative methods are all pointed at the materially effective; none, at the maintenance of co-operation. The amazing technical successes of these war years show that we - our engineers - do know how to organize for material efficiency. But problems of absenteeism, labour turnover, 'wild-cat' strikes, show that we do not know how to ensure spontaneity of co-operation; that is team work. Indeed, had not the emergency of war been compelling and of personal concern to every worker, it is questionable whether the technicians could have achieved their manifest success. (Mayo 1975:9)

For some, the historical link between what has become identified as 'two schools of thought' about management (the scientific and the human relations) is to be found in the social conditions of the first. Taylorism is generally categorised as the first wide-spread movement advocating a particular set of management practices. The inhumanity which was considered by some to be associated with it was challenged with what came to be understood as the 'Human Relations School' which is categorised as historically second. It features "a paternalistic concern for the 'whole man', and a psychological commitment to organizational membership" (Palmer 1989:7). But the origin of this concern is not necessarily derived from a moral imperative. Rather, it arises from an enduring preoccupation with the 'problem of absenteeism' and other worker delinquencies.

The serendipitous discoveries associated with the Hawthorne Studies, that no consistent change in worker motivation could be detected by the manipulation of physical circumstance (such as the changing of lighting levels) turned attention to the social circumstances of work. Researchers

discovered what was [considered] a genuine object of scientific investigation: social

organization as a variance in the hegemonic structuring of control of social relations of production. (Clegg and Dunkerley, 1980:128)

Much research was conducted to support the notion that workers, like children, need to be understood and in part indulged:

Underlying neuroses in individual workers (the postulated source of grievances such as strikes, absenteeism, turnover etc) which, if not corrected, might develop into a disposition to support militant unions, can be dissipated by providing a quasi clinical counselling service to which workers may 'let off steam'. (Clegg and Dunkerley 1980:128)

Controversy continues about whether the Hawthorne Studies provided any clear understanding of the influence of physical circumstances, type of supervision and rewards or the social conditions of work. The focus of this controversy was the possible 'relationship' between productivity and social relations. The 'concern for humanity' in this school of thought lead to observations that "there were a number of things that were bad for the morale and loyalty of groups - routine tasks, submission to authority, specialization of tasks, segregation of task sequence, ignorance of goals of the firm, centralised decision making and so on" (Perrow 1973:6). The vigorous research into the social relations of work and their impact on employee motivation lead into an increasing interest in the notion of the possible 'democratization' of the workforce, an ideology which sat well with the national interests of developing industrial nations. While certain aspects of 'the system' were challenged by various factions, the numerous fabrications which comprised the capitalist production process had been successfully established as Fact and generally unquestioned. The very discussion of 'problems' and 'solutions' confirmed them; made them concrete. Their origin in human fabrication, and their occasional challenge, long forgotten.

Clegg and Dunkerley suggest that Mayo provided the impetus for a new burst of research based on the premise that the balance between technical and social skills has been lost in the modern world. Quoting

Mayo, Clegg and Dunkerley write that

'the skill required of the machine-hand has drifted downwards; he has become more of a machine tender and less a mechanic'. While considerable effort has been expended on the development of technical skills (i.e. de-skilling and hyper-skilling) 'no equivalent effort to develop social or collaborative skills has yet appeared to compensate or balance the technical development' (Mayo, 1975, p.29). Adaptive to what? One may enquire. (Clegg and Dunkerley 1980:125)

The social skills to which Mayo referred are expressed in the form of 'co-operation' between the workers and the executives of an organization. Clegg and Dunkerley argue that the hypotheses generated by such researchers as Mayo are presented as assertions "delivered with the conviction of one who knows their inalienable truth" (Clegg and Dunkerley 1980:126).

Mayoism emerged rapidly as the twentieth century's most seductive management ideology. What, after all, could be more appealing than to be told that one's subordinates are non-logical; that their unco-operativeness is a frustrated urge to collaborate; that their demands for cash mark a need for your approval; that you have a historical destiny as a broker of social harmony? (Rose 1975:124)

The continued interest in the work of Taylor and Mayo and armies of researchers and writers, increasingly influenced by the work of psychologists of the 'Human Relations School of Thought', enhance the work associated fabrications of the early engineers and accountants. Integrated into the 'common sense' of these researchers was the notion of the validity of 'the scientific method', the distinction between 'the worker' and 'the manager' and a concern with a way to engineer a co-operative relationship between them - despite a contradictory explanation generated by traditional unionists, that managers, as representatives of 'capital' are 'a class' in conflict with the 'class' of workers. Their interests could hardly converge.

6.5) 'Managers' of 'The Firm'

Within factories, the process of directing work lay originally with the owners or their families. Along with the design and modification of 'appropriate workers' 'the factory', 'the firm' and, increasingly, 'the corporation' underwent incremental reconstructions. As the numbers of people working in factories increased, concern grew about how to control these people. Tillett et al (1970:39) describe the situation in these terms:

A witness told the royal commission on the poor, in 1906 'in all highly organized workshops most of the boys are taught to do one part of an engine and little else'. Improvements in machine tools required an improvement in labour and work layout....work became subject to closer control through the increased importance and practice of checking and measuring....the increased size of the labour force, and the number of tasks in the factory, led to a concern with control and coordination on the factory floor. At the same time the increasing size of firms lead to an increase in the administrative staff. Both are different aspects of the organizational division of labour, which has its roots in the standardization of tasks of the factory and the firm. (Tillett et al 1970:39)

At the turn of the century, factory employers made wide use of incentive systems of various kinds. Dedication to work for incentive rewards carried its own discipline. At the same time, incentives reduced labour costs only if piece work rates were cut to keep workers' income at a steady level. The problem for managers was the identification of production norms around which the factory as a whole might be planned.

As the new, free individuals were brought together in ever increasing numbers, their control was of increasing concern.

Although administration was not considered as a separate issue, some code of practice became necessary if the factory was to deal efficiently with large numbers of workers with several processes of production and with the exigencies of the market. (Tillett et al. 1970:13)

Individual factory owners discovered they had difficulties in common. The work of people such as Taylor became of increasing interest. He addressed the practical concerns of industrialists and policy makers. 'Management' was promoted as a specialist skill, "independent of a particular firm or industry" (Tillett et al. 1970:13). Taylor was specifically involved in constructing that form of worker constraint achieved by placing control of the work process into the hands of the developing category of 'managerial workers'.

In 1912, Taylor addressed a House of Representatives Committee. He told the assembled gentlemen that he was about to show them a type of management which would surpass the then popular 'management of initiative and incentive' (Taylor 1967:35-39). Taylor promoted 'scientific management' under which

the "initiative" of the workmen (that is, their hard work, their good will, and their ingenuity) is obtained with absolute uniformity and to a greater extent than is possible under the old system; and in addition to this improvement on the part of the men, the managers assume new burdens, new duties and responsibilities never dreamed of in the past. The managers assume, for instance, the burden of gathering together all of the traditional knowledge which in the past has been possessed by the workmen and then of classifying, tabulating and then reducing this knowledge to rules, laws and formulae which are immensely helpful to men in doing their daily work. (Taylor 1967:36)

Thus, as administrative tasks became separated from those associated with the tasks on the factory floor, a new category of worker, 'the manager', was created. Managers became involved in operating 'systems' with which to control and direct work.

The concept of a 'manager', not very clear even today, had no fixed meaning at the time [of the industrial revolution], nor had related terms such as 'supervisor' or 'superintendent', while the structure of

larger firms was more idiosyncratic than in the twentieth century. Nevertheless, by concentrating on the centre of the range, on the manager of the large works, below the active proprietors but above the foremen or clerks, we may catch a glimpse of the new skills required and the methods by which they were created or by-passed. (Pollard 1965:127)

Just as 'workers' and 'managers' in a capitalist form of organization were constructed as 'individuals' with rights and responsibilities, 'free' of the ties of feudalism, so too the new organizations were being crafted:

The key change was the emergence of a concept of corporate actor of a qualitatively new kind, a legal person distinct from its members. The formation of such corporate actors and their growing importance had the consequence that natural persons were freed from the fixity of the old social structure. (Hindess 1989:163)

'Workers' and 'managers' were expected to work in the interests of the new organization. The organization was given rights and responsibilities. In principle, unless they agreed to some form of contractual obligation to remain bonded, disgruntled employees were free to leave at any time. Once established, the common acceptance of and response to the 'actions' of increasingly powerful and seemingly 'non-human' entities and their 'systems', can be easily illustrated. This acceptance is seen through the unproblematic representation of 'organizing mechanisms' as 'actors' in the every-day speech of contemporary employers and employees, the discourse of policy makers and the text books of students. Contemporary management students have a raft of stabilized fabrications at their disposal. Kuhn recognised that text books

address themselves to an already articulated body of problems, data and theory, most often to the particular set of paradigms to which the scientific community is committed at the time they are written...[They] aim to

communicate the vocabulary and the syntax of a contemporary scientific language. (Kuhn 1970:136)

'The organization' or 'the system' can now make demands which must be met. The integration into common understanding of such metaphors imbued with power to command is fundamental. For example, today's students of management have no problems understanding the meanings of the entities in the quote below:

Organizational objectives are specified ends which the organization seeks to achieve by its existence and operations. (Schermerhorn 1984:127)

The regular involvement of management students with prescriptive models and theories of 'organization' is a prerequisite for their graduation as suitably reliable in the conduct of business. The common acceptance of these 'entities' as having 'goals' and 'aspirations' which must be met; of a 'life' which must be protected (even at the cost of human sacrifice) will be discussed in the next section.

6.6) Principles and Systems

Taylor promoted clear 'principles' of management. They may be summarised as follows. The traditional knowledge with which various tradesmen had conducted their work would be recognised as "their principal asset" (Taylor 1967:32). Under the new type of management, this knowledge would be analysed by managers, the variations of workers' approaches to their tasks would be standardised. Traditional knowledge, its recording and reduction into laws, rules and mathematical formulae, would then be taught to aspiring managers. Workers themselves would be given a new version of their old knowledge; the perfected, rational, management controlled version.

The second principle was the bringing together of managers' understandings of the tasks and the "scientific selection and development of the workmen". Taylor promotes this 'principle' in an anecdote about the appropriate way to develop the skill of a 'shoveller'. A workman, who has been 'scientifically matched' to a

'scientifically defined task' and who falls short of the 'scientifically set performance' will not be sacked (immediately). A "competent teacher should be sent to show him exactly how his work can best be done, to guide, help and encourage him and at the same time to study his possibilities as a workman" (Taylor 1967:70). These teachers were looked upon as "friends" who helped each man attain high wages - not "nigger drivers" forcing them to work extra hard for ordinary wages (Taylor 1967:72).

The third 'principle' was intended to bring "the science and the scientifically selected together". This 'principle' focussed responsibility on how management was to be developed and influenced the way in which work was carried out for generations of factory workers. The major challenge as seen by Taylor was to achieve the co-operation of managers in this mode of organizing work (Taylor 1967:26) because "it is the assumption by the management of new duties and new kinds of work never done by employers in the past that makes this great improvement possible" (Taylor 1967:84). In the early years of large scale enterprise, workers did not rush to occupy managerial occupations. The creation of the occupation of manager required the seductive rewards of differentiated income and conditions of work, a precondition for the setting in place of the incentives and rewards which characterised the growing 'managerial class' for several generations.

Considering the very short time the notion of 'management' had existed at the time of Taylor's address to the House of Representatives Committee, the presentation may well be interpreted as an important milestone in the definition of management.

The intentional separation of intellectual from manual aspects of work is well illustrated by Taylor as a fourth 'principle'. This 'principle' declares that through

friendly cooperation, namely through sharing
equally in every day's burden, all the great

obstacles...to obtaining the maximum output for each man and each machine in the established way are swept away. The...increase in wages which the workmen are able to earn beyond what they receive under the old type of management, entirely removes all cause for soldiering [go-slows and so on]. (Taylor 1967:27)

Over time, this process of breaking down tasks to ever more simple components (promoted as 'specialization') ensured the definition of 'the worker' (as distinct from 'the manager') as a person bereft of intelligence and any control over the process of work:

In all these ways - by the division of labour; the supervision of labour; fines; bells; the suppression of fairs and sports - new labour habits were formed, and a new time discipline was imposed. (Thompson 1967:90 cited in O'Neill 1986:47)

Taylor's recommendation of minute scrutiny of jobs and workers together with subtle and complex forms of correction and training is a form of what Foucault would call 'disciplinary power'. This replaces violence as the means of control in institutions as varied as prisons, hospitals, factories, housing estates and barracks (Burrell 1988:226). Foucault's use of the vivid oxymoron 'the enslaved sovereign' (1972:312) points to the rather limited notion of 'freedom' for workers implicit in the capitalist enterprise. Workers are 'free' to submit themselves to the discipline of the workplace and to allow themselves to be controlled by it.

Foucault elaborates this notion through the observation that 'man' represents himself and then turns himself into that object for study (Foucault 1971:363-364). Labour had most certainly become an object of study - but this was not necessarily, and only, achieved by the labourers themselves. This would be to deny that different 'men' are turned into 'objects' by others. Once objectified, 'the worker' became 'the object' of interest of scientific management researchers. The failure of Taylor's method to achieve full employee compliance

continues to challenge contemporary management researchers. Taylor's faith in the possibility of "friendly cooperation" (Taylor 1967:27) between workers and managers persists. Such faith must be premised on the notion that managers (as representatives of employers) are not in an adversarial relationship with employees. 'Good employees' are typically represented in contemporary managerial literature as those who share the goals and interests of their organization.

6.6.1) Shuffling the Occupational Cards

The 'skill' required from ordinary citizens' association with specific types of work (during any historical epoch) can readily become a political mechanism for organizing and re-organizing people through status and reward. In this thesis I am not so much concerned with attempting, in a historical context, to settle the controversy over which 'skills' are more complex.¹² My focus is rather on the ability of some to establish assumptions among many that particular tasks require 'greater skill', a higher wage, or are more prestigious than others. Establishing a generalised consensus that some workers are in occupations deemed 'more-skilled' than others, itself provides for the orchestrated movement of groups of people from one type of occupation to another. This depends on the interests of employers. It is achieved by establishing increased 'value' of one occupation over another; policemen over nurses, accountants over mechanics and so forth.

Braverman (1974) argues that modern industrial and bureaucratic principles have arisen from the historical struggle between 'capital' and 'labour' for control over the technical means and social

12) I am most certainly concerned with this issue in the context of contemporary employment. Whether nurses are more or less skilled than policemen is a pertinent debate in the contemporary discourse of employment equity. Whether supposedly 'natural' skills such as 'nurturing' people (often associated with 'mothering') cannot be given a value, when wages are increasingly to be based on 'skill-sets' will certainly be an equity issue of the future.

organization of production.¹³ He argued that the notion of 'skill' already implicit in the industrial context was made explicit in

the bald and forthright dictums of the early Taylorians, who had discovered the great truth of capitalism that the worker must become the instrument of labour in the hands of the capitalist, but who had not yet learned the wisdom of adorning, obfuscating, and confusing this straightforward necessity in the manner of modern management and sociology. (Braverman 1974:447)

Braverman attacked as illusory the notion that the 'training' associated with industrialization, and so central to the implementation of Taylor's principles, was a form of 'upskilling' (ibid). Rather, the preference for one set of skills over another must be more accurately represented as a political formulation to entice new recruits to industrial enterprises by defining one set of 'skills' as more valuable.

The breakup of craft skills and the reconstruction of production as a collective or social process have destroyed the traditional concept of skill and opened up only one way for mastery over labour processes to develop: in and through scientific, technical, and engineering knowledge. But the extreme concentration of this knowledge in the hands of management and its closely associated staff organizations have closed this avenue to the working population. (Braverman 1974:443)

The fallacy, in relative terms, that work in factories would 'up-skill' workers is illustrated through his example of the rural person who competently controls a team of horses in the conduct of work.

13) 'Capital' and 'labour' are Marxist classifications, commonly used by Marxists and non-Marxists alike. In common usage these classifications have been given human-like intent and powers.

Until World War One, 'teamsters' were one of the largest occupational groups. They may be compared with various vehicle drivers as a modern occupational group. In the application of the 'Edwards scale' (designed by Alba Edwards to gather statistics for the census) the former were categorised (retrospectively) as "unskilled" while the drivers were "semi-skilled".

Yet it is impossible to see this as a true comparison of work skills. In the circumstances of an earlier day, when a largely rural population learned the art of managing horses as part of a process of growing up, where few as yet knew how to operate motorized vehicles, it might have made sense to characterize the former as part of a common heritage and thus no skill at all.... But there is certainly little reason to suppose that the ability to drive a motor vehicle is more demanding, requires longer training and habituation time, and thus represents a higher or intrinsically more rewarding skill than managing a team of horses. (Braverman 1974:430)

Training in a limited range of skills brought more than mere speed and dexterity. Participation in this training as legitimate and 'sensible' achieved the voluntary subjection of labour to the routine discipline of their factories.

But worker education, a precondition for modern capitalism, might be seen as capitalism's 'Achilles Heel'. It could have lead to a crisis of authority. Such crisis was averted by co-opting highly skilled, core workers to form a cadre of junior managers. Concurrently, the de-skilling of many workers continued. For them, standardization of tasks became the norm. It allowed such workers to become inter-changeable at a moments notice, interchangeable parts to a system (most usually represented by a mechanistic metaphor).

The 'systemization' of factory work in which tasks became increasingly specialised, in which 'managers' were created to 'control' such workers, became reflected in policy, practice and theorising over the

'sensible' or 'right' way to organize work. This model (or system) has now become too rigid for today's global conditions, and new entities are under construction. 'The flexible firm' of the future is dependent on the achievement of 'flexible workers'. Participative management practices, through which employees become engaged in establishing the limited routines of standardization, involve workers in their own re-formation. Some of these issues and techniques designed to achieve them are discussed later in Part Two and Part Three.

6.6.2) Habituating Management Practices

Empirical accounts of the earliest forms of industrial management are difficult to locate. Sydney Pollard (1965) describes the engineering works in the North of England in the first half of the 19th century. The largest works, Robert Stephenson & Co at Newcastle, built approximately fifty locomotives, a greater number than were estimated to have been constructed in the rest of the world at the time.

By 1838, indeed it employed 400, and the growth in size among other engineering firms in the 1830s was startling; but before that date it was difficult to speak of large scale enterprise at all, though in the nature of things even a staff of 100 may set grave managerial problems in this particular assembly industry. (Pollard 1965:100)

Of the more common and smaller 'workshop' type enterprises, the Soho toy factory of Boulton & Fothergill is considered by Pollard to have left the best written records from the eighteenth century, but it is still not clear how these works were internally managed. The decision to transfer its innumerable workshops to a single complex at Soho may be partially attributed to the technological advantage of a water wheel and an interest in steam technology to drive their many lathes and so forth. In the main, however, the advantages were to gather together numerous small but separate workshops; then to divide and sub-divide the work, replacing the now simplified work with machinery, skilled artists and designers as specialists, when the smaller firms could not afford them. It is likely that some sub-employment went on -

with much lowering of skills and wage costs:

Boulton sought the sort of organizational advantages which were summarized so brilliantly by Adam Smith as the 'division of labour', illustrated by a pin factory. (Pollard 1965:100)

The earliest discussions about the management of the growing and increasingly 'specialised' (or 'de-skilled') work-force took place between engineers who were later joined by accountants. It is not surprising that the metaphors to describe events were predominantly 'mechanistic' or 'naturalistic'. The production of goods and services contained in 'a system', with 'principles' and 'rules' to describe and to direct the activities of human beings, has become legitimated in practice and often in certification. This ensures that, to some extent, managers in most forms of post-industrial organization can be 'trusted' to perform their tasks in a more or less uniform way and that their activities will be replicated and 'self-replicating'. This was not only the case for employees and their managers, but increasingly

capitalists had also to bring themselves into line with the requirements of industrial rationalization (Pollard 1963). It is one thing to be Protestant in outlook and quite another to be so in narrow practice. For this reason capitalists as entrepreneurs resisted feeding themselves into Taylorism as much as their workers, preferring as Littler (1978; 1982) points out, to subcontract work discipline and management. It fell to the engineers to devise cost-accountancy functions that increased control over expenses, stocks, overheads, productivity and profitability (Hill, 1981). The engineers and middle managers, then, made themselves the servants of capital in this respect. Its prospective control of the work process, craft knowledge and labour solidarity further extended the appeal of scientific management and professional engineers. (O'Neill 1986:49)

As in the construction of the individualised 'worker' and the

collective 'labour', training and routinization were important aspects of the manifestation of categories of managers and even entrepreneurs within the parameters of 'capitalism'.

6.7) Reviewing the Issues

Any 'ism' (such as capitalism or feudalism) as a root metaphor for a founding model of what is perceived of as a social reality, is now usually conceived of within a 'naturalistic paradigm'; itself a limited, modern metaphor conceptualizing human experience within particular parameters. Using the seeming 'inevitability' or 'determinism' associated with naturalistic metaphors, writers are able to discuss complex societal processes with little reference to the political manipulations which occurred to achieve the seemingly natural 'structure' of the 'ism'. For example, it is apparently quite sensible for Hutchins to write, and for students to learn, that 'Taylorism'

is based on the idea that management is a scientific process beyond the scope of the workforce and supervision. The planning and management of work should therefore be separated from the 'doing' aspects. In its most developed form, 'management manages and people do'. The concept was developed in the United States at the turn of the century as a direct consequence of the lack of skilled craftsmen resulting both from the rapid expansion of industry and the influx of largely unskilled labour. It therefore became essential to 'de-skill' work and elevate all problem solving upwards. In terms of productivity, the concept was spectacularly successful and following World War II, encouraged by American management consultants it spread around the world. (Hutchins 1988:148-149)

Clegg and Dunkerley have an explanation of 'Taylorism' which differs somewhat from that of Hutchins. Rather than the need for a mechanism to cope with under-skilled workers they suggest Taylorism provided an organizational means to de-skill, and thereby reduced the power of the workers. They write:

With Sohn-Rethel (1976:33) it is proposed that Taylorism...forms the basis of technical control and domination in task discontinuous

organizations of all kinds. The stated intention of the recommendations contained in his main work, On the Art of Cutting Metal (Taylor 1907), was that control of their labour-power be taken out of the hands of the workers in terms of their discretionary knowledge, in order to centralize control within the organization in a few men. The impetus for his work was precisely to counter the discretionary knowledge power which skilled labourers have in the organizational setting. (Clegg and Dunkerley 1980:93-94)

Clegg and Dunkerley usefully summarise much of the experimentation and theory construction occurring around the empowerment of managers this century. They argue that this experimentation and theory construction may be read as a history of the struggle of control over the work place (Clegg and Dunkerley 1980).

Examples of writers who maintain the seeming reality of the metaphor can be seen in many modern discussions referring to the past contribution of Taylor. Gill Palmer writes that the influence of Taylor was such that even today Taylorism is recognised as that method of organizing work which involved

the rationalisation and bureaucratisation of work processes that became a distinguishing element of the American mass production techniques adopted by the growing steel, engineering - especially automobile - and transport industries. (Palmer 1989:4)

In the way that any major prescription for behaviour needs adaptation to suit a particular group of people, Taylorism was adapted and modified over a long period of time to suit the specific people who were implementing the techniques. Regardless of adaptation, modification and renaming of the techniques, sufficient of Taylor's influence remains for the concept Taylorism to be meaningful. Indeed Taylorism as an identifiable pattern of work management was recognised by Weber and considered the most extreme form of work rationalization (Weber 1947:261). Today it is retained in the often computer-based management technology especially visible in those contemporary projects focussed on skill measurement and matching, skill-based

training, skill-based pay and so forth. The processes have become so routine, so habitual, that they seem quite unproblematic to contemporary teachers, trainers, managers, workers and students. In the context of capitalist production systems, efficiency drives, productivity increases and cost reduction (including labour) 'make good sense'. As all 'work' is drawn into 'the system', its logic prevails.

The achievement of faith or commitment to 'the unity of interests' which does not undermine the balance of power in which capitalists hold the upper hand, would be the achievement of an 'hegemonic moment'. I argue that such hegemonic moments occur when human beings have lost their soul (Tillett et al 1970:190), when they do not see, much less reject their collaborations with the representatives of the oppressors, collaborations which will empower the arm of those who control them.

In order to manifest a 'hegemonic moment', a moment in which the philosophy of some and the practices of a community fuse, the information of intellectual and moral taste is essential. There appears a need to explain not only 'what is', but what 'ought to be'. Moral persuasion was an integral aspect of the socializing rhetoric at Pullman's, and in the establishment and maintenance of Taylorism, slavery and feudalism. Ordinary citizens have always been active in the negotiation of 'what ought to be'. From peasant response to baronial gangsterism and the agitation expressed by Luddites and Chartists, to the contemporary labour movement, there have always been organized worker responses to the way in which 'work' is defined, captured and organized. In the establishment of the systemized, empowered fabrications which comprise capitalism, there have been many hegemonic moments, but fewer moments of successful resistance.

Although devised as a response to the inhumanity of the assumptions of the scientific management credo, many of the assumptions of the Human

Relations School of Thought found their way as assertion of Fact into contemporary fashions of management in which forms of Taylorism still persist. These assertions are especially visible in practices which were developed through the forced interaction of the Japanese with the American 'authorities' after World War Two. They were applied to work practices in Japan, particularly through the work of Deming who melded his technical, statistical skills with his acquaintance of the Human Relations School of Thought, in the context of a socially and economically devastated Japan. The subsequent practices became linked to Japan's 'economic recovery', dubbed 'Japanese Management Practices' and in the 1980's were increasingly recommended to managers in 'the West'. Many of these assertions will be illustrated later in this thesis as useful 'objects' in the construction of the discourse of quality assurance. Pertinent to the development of this thesis is the observation of continuous reiteration of moralisms as truisms. It would seem that reiteration of ideas assists their establishment as Fact.

While it is relatively simple to draw attention to the difference between capitalist and feudal, or western and Japanese forms of work(er) constraint, contemporary changes are more difficult to see. It may only be retrospectively that their cumulative future outcome can be seen as contributing to new, yet unknown forms of social organizing. This is a challenge for those who hope to contribute to those future forms. I speculate that we are each involved in the reconstruction of a futuristic form of feudalism in which the core control the periphery through ever sophisticated means of inclusion and exclusion. Hence, in Part Three, I detail the incremental adaptations of contemporary New Zealand workers and their ready compliance to International Standards through 'the management of quality'.

In summary, I have argued in this chapter that all the fabrications, now so readily taken for granted, so pivotal to contemporary employment practices, have their origins in the arrangement and rearrangement of the very definition of workers. They were arranged, and

are now being re-arranged to be compatible with the interests of increasingly powerful capitalists. The reformation of western people took its earliest form in the arrangement of social ordering which was accelerated in the 1700s in England and America, and implanted later wherever western entrepreneurs, statesmen and moralists had an opportunity. In Japan equally significant changes were being made to the social order. Some of these changes were, in some ways, uniquely Japanese. Today, as Japanese and Western capitalists' are working to establish a global form of capitalism, there is some tension over whose formulations should prevail. Part Two examines a selection of Japanese transformations, the American influence on industrial development in Japan after World War Two, and the formulations of what were promoted as 'Japanese Management Practices'. Part Three examines how the techniques described in Part Two have been used in New Zealand as a mechanism for the re-shaping of the workforce to be more compatible with the practices preferred in the 'international market'. To the extent that 'the unity of interests' as promoted by the economic reformers were merged with the fabrications of 'the management of quality', many 'hegemonic moments' were engendered.

PART TWO:MERGING MYTHS AND METAPHORS: EAST MEETS WEST MEETS EAST

Introduction to Part Two

This part of the thesis opens with Chapter Seven in which I examine some of the efforts made to re-construct Japanese social order from an occidental form of feudalism to a form of social democracy influenced to some extent by western ideas. I consider the fabrications which were developed with the start of Japanese capitalist social and economic institutions. I have done so to argue later that the representation of the Japanese to New Zealanders in the 1980s, and the references to 'Japanese Management Practices' in the rhetoric of 'the management of quality', are at least inaccurate in some respects and perhaps quite calculatedly incorrect. However, the decision by managers to use the techniques associated with 'the management of quality' does not, in itself, depend on any thorough understanding of the Japanese past. As Japan indeed achieved significant economic improvement, and the Japanese became both the envy of, and a perceived threat to, the west, their techniques of work(er) control became of interest.

In chapter eight, I examine three techniques or approaches commonly associated with 'Japanese Management Practices' as they were being developed and explained to and by westerners. This is done so that in Part Three I can focus on the introduction of these techniques to New Zealanders. Chapter nine examines the re-discovery of Deming and the new interest generated in his work in the United States where Deming was increasingly associated with Japan's 'economic miracle'. A number of major industrial leaders were claiming economic success as a result of their work with him. The increasing association of a number of 'quality authorities' expanded the scope and accelerated the promulgation of discourse of 'the management of quality' throughout the western world. The constitution of Deming as a 'hero' was a significant precursor to his visit to New Zealand. This is further discussed in Part Three.

The overall purpose of this part of the thesis is to describe the origins and dimensions of the specific fabrications of 'the management

of quality'. I argue that as the fabrications of the west and east became more compatible they also became more geographically versatile. The fabrications under discussions are promoted as globally useful. They are assumed and promoted in student texts and factory manuals in Japan, U.S.A, New Zealand and Europe. What still varies are nuances of meaning embedded in the fabrications. I suggest these nuances depend on the extent to which each nation has positioned itself vis-a-vis global liberal capitalism.

Chapter 7: Japan Looks West

In the east as well as the west, the work of ordering social reality entails considerable effort from the numerous participants. In the east as in the west, there is rarely total agreement over how such a reality should look; the struggle to impose an order involves the use of power and wealth; the maintenance of such an order is dependent very much on the successful placing into 'common sense' or 'the taken for granted' of the various pivotal fabrications of the proposed new order. In the east as in the west, the influence of ordinary citizens is also important and their influence is cooptable or shaped by imposed values and practices selected by the powerful and/or the wealthy. Japanese citizens were also promised freedom from the shackles of serfdom. For commercial interests in Japan to accelerate, peasants were needed and the process of unsettling the feudal order entailed pressures and resistance familiar in other regions. The re-shaping of a number of citizens into a convenient form for the new enterprises, in the east as in the west, entailed the melding of some familiar values with the newly desired ones. Some of these values differed between east and west. Some of those differences are of interest when, in the twentieth century, 'Japanese Management Practices' came to be of global interest.

This chapter is written to highlight the very simplistic nature of the association that was made and accepted by many westerners between a particular set of management techniques and envied economic outcomes in Japan. In the rhetoric of 'the management of quality', it was frequently suggested that the spectacular economic achievements of the Japanese could be replicated in New Zealand and that they would translate into local economic well-being for all.

In Japan, as elsewhere, changes in social order were often achieved through force and sometimes through bloody violence. As elsewhere, a new order is more resilient when there is a popular concurrence with it. Such concurrence may be achieved through the skilled use of rhetoric in conjunction with the devaluing or reduction of other options. This chapter outlines Japanese adaptations of western notions of democracy, their struggle to retain control over their sense of Japaneseness, and the translation of specific social fabrications into modern mechanisms of control.

7.1) From Feudal to Capitalist Forms of Organization in Japan

Epochs such as 'the Christian century' (1500-1600), 'the period of isolation' known also as the Edo or Tokugawa period (1603-1868) and 'the Meiji Restoration' (1868-1912) are periods of time categorised according to distinguishing incidents or practices associated with particular configurations of political power, social stratification and religious influences. For example, among the features used to distinguish Japanese epochs, are the various re-definitions of the Emperor. For many centuries emperors were defined as gods. From about 1185, however, a dual system of government was established in which the Emperor was forcibly reduced from a form of deity to a mere 'sovereign'. Subsequent military governments established the Shogun (top general) as 'ruler'. Thus the Shogunate or Bakufu (a series of military dictatorships) separated sovereignty (retained by the Emperor) and rule (which was taken by the Shogun).¹⁴

14) The various re-formulations of sovereignty and rule continue to impact the alliances for social change but were not always immediately obvious to the west - complicating the work of western reformers especially after World War Two.

Prior to the sixteenth century, what we now know as Japan, consisted of a number of fiefs or 'uji'. These were political organizations in the form of hierarchical, samurai-style corporate families ~~1985:14~~ 7) somewhat akin to clans (Murakami 1985a:406). Although under the general auspices of the emperor, uji were controlled by independent rulers (Daimyo) who did not formally recognise any central form of government. Society was rigidly stratified into a four-tier system; samurai, peasant, artisan and merchant (Swale 1993:13). Until the latter stages of Japanese feudalism the samurai maintained the Shogunate.¹⁵

The four tiered system was strengthened (heino-bunri) (Birt 1985:398) into four [supposedly] immutable classes (Shin-no-ko-sho) (Kirkwood 1970:149). The potential of the merchants (chonin) to generate co-optable wealth was recognised by the Tokugawa and this 'fixing' of society was designed, in part, to preclude the emerging merchants from converting wealth into political power (Swale 1993:13). The subjugation of the merchants was achieved, in part, through compulsory financial contributions to the Bakufu and their retainers and the forced dismantling of the most threatening of them. More effectively however, their subjection was achieved through the inculcation of

15) The various re-definitions of the samurai, particularly from their role as warriors and war-lords, to the guardians of morality, and their subsequent place amongst the intellectual and industrial elite of modern Japan will be re-visited later in the thesis. Of key interest is the apparent resilience yet malleable nature of Japanese fabrications throughout the period of modernization.

values maintained by their superiors, ensuring that the chonin carried out their activities in the context of samurai interests (Swale 1993:13). From the sixteenth century, the number of trading posts and their necessary operators were increased, providing new opportunities for many. Companies (zu) were established and notions of Raku-tsu (free-port) and Raku-ichi (free-market) were established (Kirkwood 1970:xiii). Despite pockets of liberal frivolity among the new rich on the one hand, and the construction of a contesting moral and cultural sophistication amongst the commercial class on the other (Swale 1993:16, Kirkwood 1970:141-152), the population generally was subjected to an exacting code of moral conduct. Some powerful merchant houses such as Mitsui, developed their own specific codes of ethics or 'kakun' which rivalled the warrior code in its strictness and illustrated a high congruity between the ethics of the warrior and those of the entrepreneur (Bellah 1957:123, Swale 1993:16).

The Shogunate remained relatively weak until 1572. It lapsed until 1600 when Tokugawa Ieyasu consolidated his hold over the country as a result of the battle of Sekigahara (Swale 1993:13, Bellah 1957:11). With their military might and political alliances the Tokugawas gathered and gained control over much of the country. They promoted a secular version of Confucianism based on the traditional Confucian values of obedience to authority in family, community and state (Yoshida 1967:5). The new Confucianism however accommodated an emperor who was no longer the fount of all authority.

A social fabrication of particular significance during the Tokugawa era was that of the 'ie'; a social grouping described by some as the evolutionary development of the uji, modified to suit the circumstances of unification. The word itself denotes connotations of

'house(hold)' (Obayashi 1985:20), a family-like grouping with a father-figure as leader, and a "groupness" which "informs action" (Smith 1985:30). The 'ie' is considered by some to have been created as an appropriate management mechanism for human sustenance (Murakami 1985a:414) but was a grouping much less bound by ties of kinship than the uji (ibid:441).¹⁶

The new ideas introduced by European contact at that time, fuelled resistance to the Bakufu and increased general disturbances to the rigidly controlled feudal social order, threatening those in power:

A major occasion for the development of universe-maintaining conceptualization arises when a society is confronted with another society having a greatly different history....The confrontation of alternative symbolic universes implies a problem of power - which of the conflicting definitions will be 'made to stick' in the society. (Berger and Luckmann 1966:125-126)

The response of the rising Tokugawa family to these disturbing influences and disruptions was to repress any dissidence and ultimately to banish the foreigners and their troublesome ideas. For almost 200 years, from the early part of the seventeenth century, the Japanese were placed by their rulers in almost complete isolation from foreign influences. Japan's commitment to a policy of isolation was graphically illustrated by a sign erected above the decapitated heads of 61 members of a Portugese expedition attempting to re-open trade

16) Hall (1985:5) argues that during the attempts to impose more western style social arrangements the 'ie', with its concomitant collectivist values was no longer deemed a useful organizational principle. The endurance of this collectivist approach to social organization, however, is evidenced in the ease with which subsequent social engineers were able to revive it for service in the twentieth century. Today the 'ie' shows no loss of vigour (Obayashi 1985:3).

with Japan in 1640. The message on the sign read:

A similar penalty will be suffered by all those who henceforward come to these shores from Portugal, whether they be ambassadors or whether they be sailors, whether they come by error or whether they be driven here by storm. Even more, if the King of Portugal, or Buddha, or even the God of the Christians were to come, they would all pay the very same penalty. (Minear 1974:42)

Thirteen members of this expedition were spared execution so that they could relay the message to the world. Japan wished to be left alone.

The almost total control of Japan by the Tokugawa, left few battle activities for the samurai. Once fierce warriors, their military skills were no longer required. Although the Tokugawa were content to see the Samurai class lose some of its martial edge, they were also keen to maintain other features associated with this class. The Samurai ability to command respect, their traditional disciplines of asceticism, self denial and loyalty were retained, encouraged and made gradually but generally accessible as virtues to be emulated by ordinary citizens in the formation of the new unified Japanese identity (Swale 1993:17).

The re-definition of groups or classes of people, can be forced by violence or through the engineering of material circumstances. Achieving the concurrence of groups of people in their own re-definition ensures long-run stability of the new system, a system which was designed to provide social order and meaning. Such concurrence provides a legitimacy that mere imposition can never achieve. To this end, an influential voice in the re-definition of the warrior class in Japan, was a high ranking, seventeenth century samurai, Tokugawa Mitsukuni (Bellah 1957:90) who argued that, from that time forward, the only use for the samurai class was

to preserve righteousness. The people of other classes deal with visible things, while the samurai deal with invisible, colorless, and intangible things. (Minear 1974:49)

The samurai were to become the guardians of such fabrications as 'the sense of shame', 'duty' and 'trustworthiness'.

Not all samurai were content with such re-definition. The Tokugawa hegemony came under increasing threat from the challenges of many types of discontented individuals, but especially from a number of the disaffected, de-militarised samurai group. According to Dower, even some of those still secure in their traditional positions could be attracted away:

....the more restless spirits among them cut loose from their allegiance and became ronin (owing no fealty and professing no fixed occupation). Many ronin settled in cities where they studied Western languages and science, thus becoming the intellectual harbingers of the opening of Japan to the world, while the great mass of them, filled with hatred for the Bakufu government which shadowed their every step, became the most ardent champions of the restoration [of the Emperor]. (Dower 1975:124)

This unsettled but well educated group of ronin ('riff-raff') could see the potential of alliances with foreigners who were again attempting access to Japanese shores. Their efforts in the restoration of the Emperor made a significant contribution to winning the support of those ordinary citizens, for whom the re-deification of the emperor appeared to offer release from the restrictive Tokugawa rule.

During the 17th century Tokugawa family hegemony stretched through the three great islands of Honshu, Shikoku, and in a limited way through Kyushu (Dower 1975:118). The rigid classification of Tokugawa society did not include a formal place for artists, students, the professionals [occupations open to the often well educated but disaffected samurai], the defiled [eta] and the outcasts [hinin] (Kirkwood 1970:63). These people were left to find a niche for themselves where best they could. The artists, students and professionals often found patronage with the new wealthy merchants.

Soon they began to speak in new, independent voices, in the more colloquial language of the commoner (Kirkwood 1970:63). The Tokugawa elite, perhaps to their ultimate misfortune, attempted moral reformation of these people also. Where this did not succeed, the elite protected their own privileged position by ruthless discipline of those who became an obvious threat.

Increased awareness that Japan was lagging behind the west, particularly in technical developments, exacerbated the general dissatisfaction of many people with the comparative economic and social stagnation in Japan (Swale 1993:14). At the same time pressure increased from the west to open Japan for trade. Although the Tokugawa recognised these pressures and had been attempting to adjust their control, they had left it too late to adapt. Their opponents, who had been organizing to bring back the Emperor with a supporting militaristic government, had prepared themselves and enjoyed a significant amount of popular support. The subsequent rapid dismantling of the Tokugawa rule has been attributed by some historians to

the fortuitous conjunction of two processes:
(1) the internal crisis of feudal society, (2)
pressure from the Western nations. (Dower
1975:118)

The Meiji restoration of 1868 meant the abolition of the dual system of government that had underpinned the Tokugawa era. This restoration did usher in a new era, but unlike the European experience of industrialization, this was not a bourgeois revolution.

The men behind the social transformation towards industrialisation were the samurai, not the merchants....The economy [during the reign of the Tokugawas] had been overtly arranged according to the needs of the military ruling class in the Edo period. Following the Restoration, these characteristics of economic life did not change significantly. (Swale 1993:14)

Kenneth Pyle wrote of that period:

In 1868 a party within Japan's warrior aristocracy seized power and embarked upon a revolutionary program that transformed the nation. Rejecting the traditionalistic proposals for overcoming the political crisis provoked by Commodore Perry in 1853, these warrior revolutionaries liquidated the Tokugawa system, abolished the privileges of their own class, and remorselessly sacrificed elements of Japanese tradition. They met the challenge of Western power by dismantling the old structure and by building a new political and social order inspired by the civilization of their Western adversaries. (Pyle 1969:1)

Perry's intervention culminated in the ratification of the Treaty of Amity and Commerce between the Empire of Japan and the United States of America in 1860. 'Civilization', and 'liberty' were the popular slogans to oppose the feudalists. The Emperor was again both sovereign and ruler (Dower 1975:119) but the rule of the Emperor was constructed differently in the new social order. No longer were the virtues of the samurai to be limited to the warrior class. The population generally was able to aspire after these virtues and to gain a type of promotion or new prestige. The Emperor was to provide sustenance that "turned obligation into privileges and national goals into destinies" (Swale 1993:17). From the period of the Restoration, Japanese capitalism - rather than being constructed upon private individualism as in the west - was based on "an appeal to a particularised public interest", symbolised by the Emperor (Swale 1993:18). Citizens were drawn together through the promotion of an "emperor centred" national religion based on Confucianism (Swale 1993:15) which endorsed the legitimacy of social hierarchy and obedience and a form of state Shintoism which complemented the re-establishment of militarism associated with the increasingly authoritarian new State (Garon 1986:275-277).

Attempts to control the population through moral training was evidenced both during the reign of the Tokugawa and the Meiji rule. In particular, the Meiji 'rescripting' of a national morality was a key

activity occupying the energy and resources of government departments, the police, the army, the media, educationalists, moralists and religious protagonists. Of further interest to this thesis was the moral training, with a particularly western dimension, engaged after World War Two.

The mixed views of the Japanese on just how Japan was to be reconstructed can be illustrated through the varied activities of a number of intellectuals whose origins were in the samurai class and who had been valued administrators in the Tokugawa regime. Some of these people now crusaded against 'Old Japan'. On the prompting of Mori Arinori,¹⁷ they formed a group known as the Meirokusha. It consisted of a group of relatively young men, from modest samurai extraction, who had gained experience in western studies during their service of the Tokugawa bakufu. Even as these men were of value to the past elite because of their knowledge of the west, the new Meiji government also sought their expertise (Braisted 1976:xx). The intent of this group of intellectuals was to disseminate their views "among their less well informed countrymen" (Braisted 1976:xvii). Their journal was the Meirokeu Zasshi. Nishi Amane, a member of the group wrote in the first article:

that the enlightened few in Japan "should guide the people tenderly by the hand from ignorance to the level of enlightenment, just as one gently removes all the weeds without pulling up the seedling". (Braisted 1976:xix)

17) Mori Arinori was a young, education minded official of great samurai extraction from the former domain (han) of Satsuma which had engineered the Meiji Restoration (Braisted 1976:xx).

The tone of the speech above is typical and contrasts sharply with the kind of 'liberalism' or 'democratization' promoted in the west (Swale, editorial comment, 1994).

The Meirokusha seemed to be aware of the benefits of preparing (and drawing on) public opinion for impending social change. Although their publishing activities lasted merely two years, members of this group were appointed to key positions in the Meiji government, as scholars to the new universities and as founders of new schools. They were thus guaranteed a major influence on the establishment of fabrications into the everyday life of the Japanese; fabrications which were to be compatible with capitalist rather than feudal forms of social order.

By 1870 compulsory education was introduced, providing a vehicle for the creation of a new national identity and ideology:

Education was radically altered to produce personnel qualified for the tasks of an industrial age. Already modified in the Tokugawa period, the classical curriculum gave way in the new school system to the study of Western languages, scientific and technical training, and a variety of other disciplines whose content was adopted from Western education. (Pyle 1969:2)

In January 1874, the Meirokusha offered the Presidency of their new organization to their radical, pro-western reformist, Fukuzawa Yukichi, himself a member of the Meirokusha. He refused it (Braisted 1976:xviii). As one of the most celebrated of the contributors to Meiroku Zasshi, Fukuzawa wrote more regularly for the Minkan Zasshi (or People's Journal). Fukuzawa's position is outlined in his famous essay on the role of scholars in guiding people in their private lives. In the case of Japan, he argued that

only scholars in Western studies acting in private life could sweep away servility in the people and despotism in government. (Braisted 1976:xxiv)

Fukuzawa influenced his colleagues as well as the populace.¹⁸ Of the original 10 members of the Meirokusha only Fukuzawa and one other resigned from the government. Braisted suggests that while the more governmentally oriented Meirokusha may have been irritated by Fukuzawa

...they could hardly aspire to represent enlightened Japanese thought without him...No other Japanese of the day spoke out more eloquently on behalf of achievement-oriented individualism as the source of true civilization and national strength. (Braisted 1976:xxiv)

Pyle examines the impact of these abrupt changes on the first generation of Japanese youth who attended the Western-oriented schools of higher learning. The debate generated between the young intellectuals of the 1880s and 1890s illustrates the lack of consensus about the desirable (future) social order. The Meiji youth were informed to some extent by the intellectual leadership of Tokutomi Soho, a leading spokesman of great vogue among educated Japanese for a time. He urged the total westernization of Japan "along the lines of nineteenth century liberal doctrine" in order to become an industrial nation equal to the West (Pyle 1969:4-5). The Seikyosha (Society for Political Education) supported the introduction of western institutions, but modified to maintain distinctly Japanese values. This group "sought to define Japan's uniqueness and to formulate an independent Japanese role in international society" (Pyle 1969:5). Their struggle was not whether to encourage the Japanese populace in the development of Western ideas and practices, but to what extent and at what speed. For the many ordinary citizens who were dissatisfied with the steeped servitude of their feudally constrained past, western ideas of freedom, justice and equality were increasingly attractive. A significant portion of Japanese had been moved from a predominantly agrarian society to a predominantly industrial one. The People's Rights movement of 1880s was fueled by people from the Toza and Hizen provinces who felt excluded from the Meiji administration which was dominated by men from the Satsuma and Chosku areas.

18) For example, he went on to become the founder of Keio University and the newspaper Jiji Shimpō (Yoshida 1967:13).

Japanese democracy was under construction. Its concomitants 'freedom' and 'opportunity', were the beacons which shone for all those who felt (or could be lead to believe) that the feudal system was unjust or inefficient. Their gaze was guided by a tidal wave of policies, penalties and other disincentives to prefer the 'old ways'. But the absolute endorsement of democracy was often limited in specific ways:

The policy of the Meiji Government was to initiate strategic industries, to endow lavishly the defence forces, to subsidize generously a narrow and comparatively weak merchant banking class in order to encourage its entry into the field of industry. The reverse side of this policy was marked by a disproportionately heavy tax burden on the agricultural classes, by the stinting of enterprises less vital than those connected with defence, and by a general impatience at any sign of unrest or democratic protest which might precipitate a domestic crisis and so hinder or retard the task of reconstruction. Nevertheless, it was this policy which succeeded in the very speedy creation of industries, a merchant marine, an overseas market, and an efficient navy....difficulties arbitrarily created by the pre-existing balance of world economic forces, contributed to the formation, at a comparatively early stage, of cartels and, more particularly, of monopoly control in trade and industry, a trend emphasised on the one hand by government subsidy of the powerful merchant-banking houses, and, on the other, by the interlocking banks and industries (Mitsui, Mitsubishi, Yasuda, Sumitomo)¹⁹. (Dower 1975:315)

19) These are the trading combines commonly known as 'zaibatsu' (Yoshida 1976:56). They remain of continuing importance in the understanding of contemporary Japanese alliances and decisions in contemporary Japanese economic matters.

The speedy changes in Japan at the turn of the twentieth century have been noted by

contemporary journalists and travellers, who scarcely attempted any explanation. The question was virtually dismissed by translating it into the realm of the miraculous or was cited as an example of an apt pupil faithfully learning its lesson from its master - the West - a view as flattering to Westerners as it was unjust to the Japanese. (Dower 1975:118)

Jacob Burckhardt wrote of this period:

The historical process is suddenly accelerated in terrifying fashion. Developments which otherwise take centuries seem to flit by like phantoms in months or weeks, and are fulfilled. (Burckhardt 1955 cited in Vann Woodward 1960:238)

Slogans such as "civilization and enlightenment" and "a prosperous country and a strong army" (Braisted 1976:xviii) were important in the conversion of the masses to a new social reality. The Emperor was back, but new authorities in the forms of a political class with its origins in the samurai tradition and an increasingly wealthy and mobile group of middle class people were also influential.

Many new fabrications were learned from or sought out through increased contact with the western world. These fabrications were integrated into an encompassing mythology different in many respects to those developing in Europe and the United States at that time. While European policy makers had been working continuously at the construction of the 'sovereignty of the individual' and trade unions struggled to establish a 'class consciousness', the Japanese concept

of 'ie' was carried into the new arrangements of the post Meiji Revolution period, into the system of commercial activity developed by the Japanese. Peter Cleave (1991) argues that the 'ie' remains as a concept demanding loyalty well into the present day, an entity which competes for the loyalty of individual Japanese with the superimposed entity of 'the state'. Rather like Maori iwi, the pre-capitalist entity has not been extinguished. Both have been resurrected very quickly for contemporary political purposes; both have significant implications for the particular way in which enterprise may be conducted.

To a much greater extent than many Pacific nations exposed to European contact in the nineteenth century, Japan did not allow westerners to redefine their social arrangements (Bellah 1957:2). They responded to the pressures to re-establish contact by observing the foreigners' ways and adapting what they admired through a massive internal reorganization. Japan remained in control.

Each step in this programme [of reorganization] was taken with, as it were, one eye on the 'West', meaning of course, Great Britain, the United States, France and other leading powers. For these nations were perceived as both a menace and a model. They were feared and respected, despised and admired.... Critics of Japan tended to dismiss the modernization programme as nothing more than an exercise in shallow emulation of the West, as though the Japanese were mere copycats. This misreading of the situation did less than justice to the resilience and ingenuity of the Japanese race. It was also productive of [Western] complacency. (Storry 1979:15)

This limited understanding of the historical developments within Japan and the trivialisation of the calculated way in which Japan has set about its integration into the global capitalist economy, may account for the uncritical approach to 'Japanese Management Practices' evidenced in western management student texts discussed in chapter eight.

7.2) Like 'the West' but not Of 'the West'

Since the Meiji Restoration, Japan had resisted European imperialism and colonization, made numerous domestic reforms, developed modern industries and built a military force. Japan had pitted its armed forces against those of China and Russia and had won. They had fought in World War One as a member of the victorious Anglo-Japanese Alliance. As a result of these activities, many Japanese believed that they were ready to take their place among the decision makers in the global political forum. The Japanese Press recorded the excitement of the Japanese as they farewelled their delegation to the post war Paris Peace Conference. This surely was evidence that Japan had found its feet among the powerful nations of the world (Murakami 1983:11-26).

Murakami (1983) suggests that the idealism of Woodrow Wilson's peace treaty was used extensively in the formulation of the new Japan. International attention to the protection of sovereignties was a major feature of this idealism. This attention was welcomed by the Japanese public, who had been plied with western slogans of equality and freedom, but whose experience had been of discrimination and inequality in the global context. The Japanese Press were unanimous in their support of Woodrow Wilson's proposals. Some Japanese foreign Ministers, however, were concerned that the tenets of the proposed treaty would hinder Japanese expansion. They were perplexed by the introduction of such moral idealism into the amoral jungle they had found on their forays into western economic activities.

At this time, Konoe Fumimaro, an educated but politically inexperienced young man, closely related to the Imperial household, published an essay challenging Woodrow Wilson's idealistic tenets. He

sharply criticised Japan's leaders for being deceived by the flowery rhetoric of English and American politicians and for endorsing the ideals of the League of Nations without noting the "egoism of England and America" that lay

beneath them....Following this line of reasoning, he argued that Japan should, at the very least, make its participation in an alliance of peace contingent upon the following two conditions: the rejection of economic imperialism and the abolition of discrimination between the white and yellow races. (Murakami 1983:14)

Japan failed to achieve these modifications at the conference. The Paris Press was sharply critical of the high-handed attitude of other conference participants to Japan. Le Temps said: "We are deeply sympathetic with Japan's request, and have no doubt that the day will come when we have to honour their very proper claims" (Murakami 1983:22).

Together with persistent exploitation of Japanese immigrants in America and the periodic closure of many nations against Japanese immigration, Japan's very limited ability to influence significantly the Peace Treaty at Versailles tarnishes the notion of Japanese equal participation in global affairs. The period between World War One and World War Two saw the Japanese accelerate an expansionist foreign policy. Antagonism between the Japanese and their World War One allies increased. The antagonism led to Japan's involvement in World War Two and their defeat by 'the west', by the people they had admired and tried to emulate.

7.3) Democracy for Japan: The West Insists

After World War Two Japan was forced into co-operation with an alien state in its own sovereign territory. The US Occupation administrators set about promoting American notions of democracy amongst the Japanese. An American film clipped suggested that the Japanese indeed were given the 'freedom' to set up

any form of government they choose, provided it is a form which we know will work for peace (Nippon, Episode 1).

Immediately after World War Two, there were some very overt struggles

for control. The encouragement of the Japanese to construct their own form of democracy, and to create a trade union movement offered hope to the devastated ordinary citizen. The ongoing lack of food, clothing and shelter, encouraged the populace to look to the union movement and contributed to increasing agitation and militancy. By 1947 a major strike was planned. General MacArthur, head of the occupation staff, forbade the strike. There were limits to this democracy and particularly to the powers invested in the trade unions. These limits illustrate the underlying steel hand in the velvet glove approach of the Occupied Forces.²⁰

The power of ordinary Japanese citizens and their unions to influence the post-war re-formation of Japan was limited by the joint (but diverse) interests of the Occupation Forces and the new Japanese elite. The Emperor (under threat of trial and hanging for war crimes) allowed the Americans, with the help of the conservative Japanese Parliament, to redefine him from a 'god' to a 'monarch'. The conservative parliament supported the future industrialists (whose

20) The resurrection of 'Japanese uniqueness' was of interest to a number of parties in the discourse of Japanese post-war reconstruction. The occasional thwarting of MacArthur's wishes by the Japanese Parliament could be justified in terms of the protection of that which was 'uniquely Japanese' (for example, their Emperor). Their resistance to MacArthur can be seen in their refusal to draft the necessary new constitution. MacArthur's determination is illustrated when, in 1947, with ultimate authority in these matters, he commanded that his own team draft the Japanese constitution, including the controversial Article 9 - renouncing the Japanese right to wage war both for belligerent intent and for self defence (Igarashi 1985:323).

lineage harks back through the Zaibatsu to the early body corporates) who had been the primary promulgators and beneficiaries of the move away from Japanese feudalism. Thus one immediate impact of the uprising of the Japanese population allowed for the demotion of the emperor (the ultimate guardian of the people) into a position with less influence on the future activities of the business elite. The Americans together with the new Japanese industrialists achieved a more docile labour force in their re-shaping of a Japan more compatible with international trading interests, in a 'uniquely Japanese' industrial re-formation.

From the invitation to the Japanese Communist party to return from exile immediately after the war, to their 'purge' in the 1950s, Americans, often with the apparent support of conservative Prime Minister Yoshida, attempted to re-construct Japan in an image which was compatible with U.S. aspirations. Attempts by the Occupation Forces to impose a western style democracy, at various times, was supported and resisted by different groups of Japanese. But attempts to force Japan into subjugation were only partially successful. While the most obvious signs of Japanese "statism" were removed, the bureaucracy remained largely unscathed and many of those previously purged returned to office (Swale 1993:19). Also of only limited success was the forcible dismantling of the Zaibatsu. While officially illegal, the characteristic networking across industries and establishing of hierarchically arranged factions within Japanese capitalism continued. These arrangements provided the basis for the development of characteristically Japanese paternalistic company and employer relations (Swale 1993:19). The employee, rather than the ideologically free (unencumbered and mobile) individual, is more akin to a "loyal retainer" (Swale 1993:20). Perseverance and loyalty (rather than ambition and mobility) are virtues, "quitting" would not be honourable (Swale 1993:22). The primacy of political values over economic ones remains integral to Japan. Concern with collective goals (rather than with productivity) and 'loyalty' remain the primary virtues (Bellah 1957:5).

As in the period immediately following World War One, American idealism and moral superiority were again influential in dictating events in Japan after World War Two. Americans working in Japan and those at home had a moral conviction that the reconstruction of Japan was their right. In a U.S. Occupation Force training film Americans were told that

their problem was located in the brain inside the Japanese head. That although living in a backward world the Japanese brain was starting to learn...The warlords [before their defeat] had plans for themselves and the Japanese brains...these warlords had stirred up the emotions of the modern Japanese, had muddled their minds, had hammered ancient stuff in and played up the myth of the goddess of the sun...(Nippon, Episode 1)

This type of publicity legitimated both the attack on Japan, the hanging of war criminals and the American right to democratize the defeated Japanese. The promotion of democracy was not unappealing to those Japanese who had, long before the war, opposed the power of the Generals. Japanese had for years been at work, crafting concepts of democracy, but democracy Japanese style.

Not all the Americans at work in Japan were military and technical authorities. Moral authorities also had their work to do. The contributions of moral discipline to social order evidenced in the various previous re-formations of Japan, were again present in the post war period. American moralists were found useful as they brought with them a morality more compatible with the direction for Japan preferred by the pro-westernizationers.

Western moralists were readily secondable to the project of westernising Japan. They tended to rationalise American intervention in Japan by representing Japan as a nation needing help to restore itself (in the shape preferred by the west) so as to prevent it from slipping into socialism. In his book Japan's Decisive Decade, Basil Entwistle describes the post war Japanese as a people not only in

search of human and material recovery, but a people in search of a new sense of 'nationhood'. Entwistle's book is essentially a promotion in Japan of the Moral Re-armament campaign, (MRA). The opportunity for the MRA's growth in influence was enhanced by the volatile social and political concerns of the time. Entwistle argues that although the occupation staff had firm political and military control (assuring American influence on all matters) the 1950s was a decade in which communists, Marxists, Western Democracy, Christianity and Western Industrialism "competed for the hearts and minds of the Japanese" (Entwistle 1985:3). Moral exhortations to channel the thoughts and activities of citizens is common everywhere. They were extensively used in the re-formulation of Japanese society from the Tokugawa to the Meiji eras, in the exhortation or expulsion of communist values and so forth. In the re-shaping of the Japanese work-force for the development of post-war industrialism and political stability, the MRA was used effectively to promote western democratic values. The reporting of the activities of the MRA by Entwistle, on the one hand may be interpreted as a limited and rather ethnocentric and patronising view of the Japanese. On the other it may have provided a skilful promotion and prognosis of a limited set of interpretations of Japanese circumstances which could provide the parameters for western understanding of that period.

Entwistle suggests that the Japanese Prime Minister of the time, conservative Shigeru Yoshida, worked in harmony with General MacArthur and was reputed to be extremely anti-communist. He argues that at a time when there seemed a strong extreme left movement in the Japanese Labour Unions, Yoshida had the confidence "of both Big Business and of his American overlords" (Entwistle 1985:18). It may be suggested, however, that the Prime Minister's position was a pragmatic one. He was required to be the instrument of the Occupation Forces and somehow retain the spirit of the Japanese. Igarashi suggests that the 'purging' of 'communists' from public organizations was conceded on the command of the government, at the behest of the Allied Forces but that it may also have suited Yoshida, leader of the conservatives.

Igarashi interprets Yoshida's actions as "extremely shrewd and calculating" (Igarashi 1985:339). Yoshida himself says of that period

Where policies drafted by the occupation authorities appeared to me to be mistaken through ignorance of the facts, or where they were not compatible with the actual situation in Japan at the time, I would clearly state my views. But if, in spite of my suggestions, the decisions remained unaltered, I would abide by their wish and wait for the time when, having realised their mistake, they might reverse the policy. General Douglas MacArthur never issued orders to me. We discussed matters fully, after which the supreme commander reached a decision, which I carried out. (Yoshida 1967:40)

The purge of the communists from state positions was followed by their removal from the private sector: first, newspapers and broadcasting, then the electricity, mining and shipping companies were purged (Igarashi 1985:339). This purge ensured the reduction of influence of those who would fight for a particular form of worker participation and may account for the development of the corporate unions more commonly associated with 'Japanese Management Practices'.

Yoshida's collaboration with the Americans in the repression of the Japanese communists was not entirely out of character. He had always anticipated great things for 'Japan'. In a letter to a friend written immediately after the surrender and before MacArthur arrived, he wrote:

science will be developed...business will be re-established with American capital...The Empire will exercise its latent capability.
(Nippon Episode 1)

Political, religious and moral theorizers and authorities were variously used to consolidate the opinions of ordinary Japanese citizens in opposition to communist influence, an influence which had initially been welcomed by MacArthur's forces. As the unions became too powerful for the conservative government as well as the Occupation staff, and MacArthur began falling out of favour with President

Truman, the preconditions of a 'red purge' were being constructed. In all, twenty thousand people, suspected of being communist, were sacked from public service and industry. Indeed, as the tension between the unions and the government rose, the instruction from the U.S. was to loosen up on the 'democratic focus', but to focus attention on 'economic recovery' (Nippon Episode 1).

Foucault (1977:7) argues that 'disciplinary power' explains control through routinization. Such power is contrastable with the traditional power of overt violence (Foucault 1977:3). Certainly the distinction is useful. Disciplinary control through moral training and correction is always being exercised (Burrell 1988:225). In the context of Japan, the repressive and often violent methods used to control groups of people would most certainly have provided an incentive to comply with 'moral tuition'. But the distinction should be avoided in an historical context of analysis. Rather, it is convenient to direct the attention of the researcher to the way in which discipline and control are achieved at a given time through the "hidden techniques of discipline always at work in the 'carceral' institutions" (Burrell 1988:225) of rules, customs and so forth.

In the economic re-organization of Japan of the 1950s, moral campaigns were a significant influence on the refocus of Japan's reconstruction. Moral and emotive pressure was put on key actors of the time to join efforts to establish 'teamwork' in industry. Most pressure was applied to

men in charge of the management - labour
relations in big companies where we (the MRA)
were at work. (Entwistle 1985:18)

The aims of the MRA were projected as anti-communist; the vehicle of its opposition was western democracy through economic/industrial development. For those (Japanese and non Japanese) who promoted the westernization of Japan the MRA was a useful authority. The Japanese delegation at the MRA conference in 1953 included the top negotiators

for management in the National Railways, Toshiba Electric, Onoda Cement, the vice presidents of two steel companies, and the union heads of Toshiba and Hitachi Electric.

Asian countries were represented in greater numbers than ever before, and the Japanese found themselves face to face with people who had suffered at the hands of their military in World War II - among them the Speaker of the Malaysian Parliament, an Australian Member of Parliament and a British labour union official. To the amazement of the Japanese these individuals apologised for their hatred, from which they had been freed. In this healing atmosphere most of the delegation made decisions affecting their personal and family living as well as their work. (Entwistle 1985:89)

While the American military presence was a visible reminder that Japan was to be reconstructed in the image of the west, the less visible but perhaps equally significant work done by such moralists as the MRA, western educational and technological advisors, and others, must not be understated. However, influential Japanese were not entirely in agreement with the Americans or each other. Entwistle's account outlines the involvement of specific Japanese government officials, union and moral leaders as well as the efforts made by General MacArthur on MRA's behalf. Entwistle's account of the changes is limited to his own sphere of influence. But it is a useful account to the extent that it illustrates the influence of the use of moral appeal as a way to convert populations to particular actions.

It may be suggested that the extent of the influence of the MRA was in part aided by the previously established willingness of the Japanese to experiment with western ideas of social and economic organization. But their economic 'recovery' cannot be understood without a consideration of the influence of American capital, internal distress, a history in which segments of the influential elite were already very pro-western, and the general historical influence of moral appeals in Japanese social control.

Since the relative social stability of the Tokogawa era, albeit a stability achieved through repression and subjugation to which not all

people submitted, the period since may be characterised as rather more volatile. A number of "alternative symbolic universes" (Berger and Luckmann 1966:125-126) were being promoted amongst the Japanese themselves as well as from abroad. Which of them was "made to stick" (ibid) was often violently contested.

7.4) W.Edwards Deming and the Japanese Economic Miracle

I have shown that military authorities and moral theorists were influential in the re-shaping of post war Japan. Their contribution to creating systems and offering techniques of discipline was considerable. Technical changes and disciplines associated with production processes most effectively trained the moral and economic values of the Japanese public and catapulted Japan into the global capitalist market.

During the years immediately after World War Two, numbers of western experts were called to Japan to assist in its rebuilding. Among these experts (and often referred to in academic, professional and popular management literature) are Walter Shewhart, W. Edwards Deming, Kaoru Ishikawa, and J.M.Juran. This thesis focuses on the contribution of W. Edwards Deming in part because of his influence on the Japanese but also because of his eventual influence on the re-shaping of work in New Zealand in the 1980s.

In the biographical chapter, in The Deming Management Method, (published in 1989) Mary Walton, in collaboration with Deming, his family and his secretary, provides readers with some insight into the life of this man, and some indication of his commitment to his work. The biographical chapter in the Foreword of this book is endorsed by Deming. The book contains themes, case studies and stories often told by Deming and repeated by those who have met him.

Deming was born in 1900 and raised in the American West where people, including the Demings, were generally poor. He provided for his intended engineering education by a variety of casual jobs, from ice

cutting to tutoring. While gaining his PhD in physics from Yale, he worked summers in Western Electric's Hawthorne plant where Harvard University's Elton Mayo was conducting his now legendary "Hawthorne Experiments" into the relationship between working conditions and productivity.

It was at the Hawthorne Plant that W. Edwards Deming worked his summers on transmitters and gained first hand experience of the working conditions of employees:

"It was hot. It was dirty. No wonder they wanted to get out." Some of his ideas of management are rooted in his experience at Hawthorne, where workers were paid by the piece and docked if it failed inspection. (Walton 1989:6)

The subjects of Mayo's experiments were the forty-six thousand workers (mostly women) who manufactured telephone equipment in what has been described as a 'sweatshop environment'. "Piecework" says Deming today, "is man's lowest degradation" (Walton 1989:6).

During the 1930s Deming became familiar with the work of the statistician, Walter A. Shewhart. Shewhart had developed techniques to

bring industrial processes into what he called 'statistical control'. (Walton 1989:6-7)

Shewhart's techniques were designed to locate unacceptable variation in any aspect of a worker's task, in order to seek out its cause and remedy the situation. The development of this work became the basis of Deming's own work where the emphasis is on "continuous quality improvement".

During the early period of Deming's career as a statistician, the controversial possibility of statistical 'sampling' was under consideration in the United States in order to address the unwieldy gathering of census information. Using his education under Shewhart, Deming developed a sampling technique which was used for the first

time in the 1940 census collection in the United States. By the application of this technique to the census information gathering exercise,

Dr Deming was also able to show that statistical controls could be used in clerical as well as in industrial operations. It could be shown, for example, that the error rate of card punchers dropped markedly with training and expertise, making it necessary to inspect only a third of their work. Dr Deming speaks of those years with relish. "We did a great many things that were novel and new." (Walton 1989:7)

World War Two provided an opportunity for the application of this statistical technique to a much wider range of activities. At the invitation of Professor Allen Wallis of Stanford University, Deming was able to teach the technique to those involved in the war effort (Walton, 1989:8). During this time an estimated 31,000 people were taught courses in the techniques of statistical quality control.

Deming was originally recruited to Japan by the Supreme Command for the Allied Powers (SCAP) and is documented as being extremely moved by the plight of the post war Japanese. He visited

....miserable wretches in rags, most of them dying of hunger. Human beings wasting away. Curious mixtures of the sick with the well, old and young. Crazy people in dark cells, no windows because they'd escape. But who said they were crazy, and who wouldn't be? (Walton 1989:11)

Deming set out to understand the Japanese, their language and their culture. He sought to win their support and friendship. In 1950 he was invited by the Union of Japanese Scientists and Engineers (JUSE) to provide a course on quality control methods to Japanese research workers, plant managers and engineers.

"As for remuneration," he wrote to Koyanagi [Managing Director of JUSE], "I shall not

desire any. It will be only a great pleasure to assist you." (Walton 1989:12)

His lectures were conducted in standing room only conditions; his message was visionary and inspirational:

You can produce quality. You have a method for doing it. You've learned what quality is. You must carry out consumer research, look towards the future and produce goods that will have a market years from now and stay in business. You have to do it to eat. You can send quality out and get food back. The city of Chicago does it...Switzerland does not produce all its own food, nor does England. (Walton 1989:13)

Deming went on not only to teach the statistical method to thousands of technical people, but to reach the management of most of Japan's largest companies. The training begun by Deming was taken over by the Union of Japanese Scientists and Engineers who trained almost 20,000 engineers in rudimentary statistical methods within ten years.

Annually since 1951, the Japanese have awarded the Deming Prize. It is a silver medal given in two major categories: to an individual, for accomplishment in statistical theory, and to an organization for accomplishment in statistical applications (Walton 1989:15). The award was established from the proceeds of Deming's published lectures. Deming's work with the Japanese earned him the Second Order of the Sacred Treasure, an award presented by the Japanese Prime Minister. The citation on Deming's medal attributes the rebirth of Japanese industry to his efforts.

There is no indication that Deming's later work in Japan was associated directly with either the MRA or the US forces. His host was the Union of Japanese Scientists and Engineers (JUSE). However, as an influential, technical authority, Deming did bring with him a set of beliefs and attitudes which were quickly adopted by the Japanese. Japanese beliefs and values were already in a state of rapid reformation under the influence of their own authorities and that of the occupation forces and the MRA. Because all normality was disrupted,

his ideas could be easily established, especially because they offered a solution to the devastation of the Japanese and because they were also quite compatible with the discourse of hope and promise offered by the increasingly dominant moral and political authorities. Commitment to a 'common purpose' (unity of interests) was a common exhortation. The common purpose promoted by Deming was increased productivity through attention to quality, which would lead to increased prosperity for all. This attention to quality was to be achieved through Deming's emphasis on statistical control techniques. Desperate social conditions, industrial training and discipline to achieve quality would also achieve labour control. Deming's paternalistic concern for the well-being of ordinary Japanese citizens, his assurances of the possibility of economic growth and independence in the face of hopelessness, his exhortation to involve workers and to treat them with respect, and the promise of increased productivity were welcomed by a variety of interest parties for a variety of reasons.

Deming was also not alone in the promotion of techniques for increasing productivity. His message was amplified and elaborated by J. M. Juran (another American) who was invited to Japan in 1954. Juran supported the statistical approach promoted by Deming, but enlarged the 'quality' ideas to include the concepts of total and continuous involvement of upper management in the quality concern. The promotion of the use of small problem solving teams and the 'Pareto technique'; a technique developed from the 'discovery' by Pareto in the nineteenth century that 80% of wealth was in the hands of 20% of the population. The 80:20 relationship was found to occur in many situations and was taken up by educators and consultants well into the 1980s.

Analysis may show that 80% of the losses in a department are caused by 20% of the problems.
(Hutchins 1988:61)

Such quality concerns were primarily used at organizational levels above supervisors. But statistical 'consciousness' was encouraged right down the hierarchy.

Kaoru Ishikawa drew attention to the fact that, while upper management was able to deal with the many important problems shown up through their attention to quality problems, those problems deemed by managers to be less important were not being dealt with at all. Ishikawa perceived that many of these problems

could be effectively identified, analysed and solved through some form of involvement of the workers themselves. (Hutchins 1988:148)

Ishikawa was not only concerned about the problems which were not being solved, but also about the alienation of labour and the diminishing role of the supervisor which he perceived as resulting from the widespread introduction of Taylorism. Ishikawa theorized

that it was essential to find ways of bringing back the craftsmanship concept, but at the same time preserve the economic advantages of the Taylor system. (Hutchins 1988:149)

The combination of the concerns of Deming, Juran, Ishikawa and others contributed to the development of a number of techniques which supported a distinctive philosophy and which could later be collectively regarded as 'Japanese Management Practices'. In the next chapter I discuss and describe a number of these techniques which I have renamed 'the management of quality'. They are outlined so that in Part Three I am able to refer to their use in the development of the rhetoric of 'the management of quality' in New Zealand.

Chapter 8: Developing the 'Identity' of 'Japanese Management Practices'

The possibility of revolution through technical means (techniques) was discussed by Max Weber. Through technical means it is possible to first change the material and social orders, and through them the people, by changing the conditions of, and perhaps the opportunities for, adaptation (Weber 1968). Foucault's study of prisons, hospitals and schools goes beyond Weber's discussion of legal-rational authority and accounting processes to illustrate techniques as instruments "for the administration of corporeal, attitudinal and behaviour discipline" (O'Neill 1986:45). Techniques of work(er) control may be examined as methods of disciplining populations. Along with the techniques, and the expert staff, assumptions about the very nature of work and workers are introduced and enforced. The 'voluntary' subjection of employees to these techniques and the extent of the assimilation of associated assumptions, involves employees in their own re-definition. Achieving a particular type of labour-force through the use of Tayloristic techniques supported by compatible moral and economic exhortation was discussed in chapter six. In chapter seven, the various re-formulations of Japanese citizens and their potential were discussed. In Japan, W. Edwards Deming and a number of western authorities, adapted many of those early control techniques for the particular post war conditions.

I argue that a number of factors facilitated Deming's acceptance in Japan. Deming's exhortation to collective responsibility was consistent with the effective use of moral discipline in the control of Japanese citizenry in previous epochs. The devastation in Japan, and the work of the political and moral authorities of that time, (particularly in their annihilation of the union movement), allowed Deming and subsequent experts to call upon, and embed in their techniques, a number of concepts less amenable to the more critical

western work-force at that time. These notions include 'the common interest', 'team-work' and 'worker participation'. Although many of the concepts originated in the west, they were frequently challenged there. In Japan, a devastated work-force appeared eager to reap the promise of the new techniques which were introduced by appeals to collective responsibilities. Once established, the techniques were quickly refined, systematized and routinized. They were supported by rewards, awards and company cultures.

Three techniques often associated with 'Japanese Management Practices' and subsequently with 'the management of quality' are examined in this chapter. They are Kaizen, Kanban and Quality Control Circles. My primary intention here is not to provide a detailed analysis of these techniques and their many variations. Rather, they are described and discussed to show how these techniques could later be classified as 'Japanese Management Practices' and promoted amongst westerners as a solution to their economic problems. With these techniques came the possibility of re-organizing work(ers) in the west in a way which required workers and managers to act in specific ways and to espouse specific values. The implementation of the techniques also challenged the taken for granted concept, role and power of western trade unions.

8.1) Kaizen (Continuous Quality Improvement)

The concept of Kaizen should not strictly be included in a list of 'techniques'. It is more aptly called an approach or an attitude. However, I include it here as it is integral to the management techniques which I have collectively termed 'the management of quality'. The word 'kaizen' is loosely translated as 'improvement' or 'habit of improvement'. Although applicable to all aspects of human endeavour, applied to the work-place, it means continuous improvement involving everyone - managers and workers alike (Holpp 1989:53). The notion was promoted by Philip Crosby who also used the expression 'Zero Defects' (ZD) - a fourteen step programme of introducing and

maintaining a focus on constant quality improvement.

Repetition [of his steps] makes the program perpetual and, thus, "part of the woodwork". If quality isn't ingrained in the organization, it will never happen. (Crosby 1980:119)

The 'habit of improvement' is reflected in maxims like 'progressive elimination of wasteful practices' and thus linked to the associated techniques of 'Just-in-Time' and 'Quality Control Circles' discussed below. It means a commitment to do whatever is necessary to change for the better, to better meet the needs of customers, be they a purchaser or the person further up the assembly-line; in other words, 'the receiver' - or the person or team now more frequently referred to as 'the customer'.

The 'customer' focus links Kaizen to Deming's early work. "Meeting customer requirements" (Deming 1986) now includes internal as well as external clients. Once customers and their needs have been identified, managers may begin to build a capacity for change in response to perceived customer needs. Continuous improvement requires employees' commitment, but a commitment which must be translated to a long term process so that employee involvement is part of a system, and thus not tied to any one individual. The philosophy must be one of service to customers through speed and simplicity in work processes. Having detached human beings from the system by making the system the object of concern, it becomes a relatively simple mental leap for workers to 'see the sense' in removing workers made surplus through the use of the new and improved techniques. Having established the notion of Kaizen as an improvement of process, and having integrated it into the discourse of production management, its implementation seems reasonable within the context of a general acceptance of notions of 'progress' or 'modernization' (rationality).

In some cases, the stigma of its Japanese association, has occasionally influenced western resistance to Kaizen. In response to

this resistance, the notions underpinning 'kaizen' may be traced back to American origins. During the introductions of these techniques throughout American industries, for example, consultants have experimented with discourse that makes the approach seem so sensible. Holpp (1989), in the widely read Training and Development Journal, writes:

But how new is this spirit that has come to our shores? As a quality consultant, I had been exposed to the Japanese version of TQI [Total Quality Improvement] for some time before an eerie sort of deja vu began to possess me. Having read about kaizen and having seen the commitment of the Japanese workers, I had the lingering feeling that I had, at least metaphorically, been around that block before. (Holpp 1989:54)

In describing his feelings to a colleague also well versed in psychology, Holpp and his companion decide the concept of kaizen is a lot like David McClelland's theory of achievement motivation. Thus it could be linked back to 1938 research by American motivation expert, Henry Murray whose work was begun well before the Japanese thought of it. McClelland's contribution to the discourse was his discovery that it was possible to develop the need to achieve through training. Holpp, having set the scene for his readers in the Training and Development Journal, concludes the process by linking this need with the most appropriate contexts. These include teams of "cross trained" workers who eliminate down-time and the need for a lot of job classifications, reduced inventory management, and worker empowerment where workers feel able to shut down a production line when things go wrong or feel comfortable rejecting a flawed product produced by a colleague placed earlier in the system (Holpp 1989:63). Americans (and western people generally) can be trained in a "kaizen-like consciousness" (Holpp 1989:53). The individual can be trained to feel a need to achieve - the continuous improvement process can meet this (trained) need.

In the discussion and promotion of Kaizen as a Japanese management technique of interest to the west, it is argued that in the Japanese context

people are considered as important as technology. Japanese managers understand that when technology becomes the master and people its slaves, kaizen, or constant improvement, becomes impossible. (Rehder 1990:89)

Work-places organized along Kaizen principles are claimed to bring productivity improvements of up to 100%, while 30% to 50% is commonplace (Enderwick 1992b:20). This is an attractive message to employers and a persuasive one to managers who believe they have an uncertain future.

8.2) Kanban or Just-in-Time (J.I.T.)

Kanban is linked to Kaizen in the examination of the process of improvement and the elimination of waste: material, human or effort. The goal of this technique, when applied to parts, is "zero inventory" (Japan Management Association 1986:43). Hence 'Just-in-Time' means to supply to each process "what is needed, when it is needed and in the quantity it is needed" (Japan Management Association 1986:65).

The truth discovered by Mr Taiichi Ohno, Vice President of Toyota Motors and father of the Kanban and Just-in-Time concepts, was that improvement must never stop. It was based on the samurai tradition that a warrior (a manager) never stops perfecting his style (improving his managerial ability), and never stops polishing his sword (improving the process and the product)...Last year, Toyota received an average of 40 new ideas per worker. Imagine running a company where every person is actively involved in making suggestions to improve his or her job, to improve the company. (Japan Management Association (eds) 1986:v-vii)

Exhortations such as "We have found the enemy and it is waste" (Goddard 1986:25) link Kaizen and Kanban and the many variations of

these themes. Toyota's engineering guru, Taiichi Ohno, has been heralded as the father of the Kanban and Just-in-Time concepts. While Toyota's first President, Kiichiro Toyoda invented the term 'just-in time', it was developed by Taiichi Ohno. His 'discovery' was the technical achievement of Kaizen through 'Kanban'. The recommendations of Ohno included:

to let each production worker be the customer of the worker in the line before him and to take from the previous worker only what was needed to complete his job. It would then be up to the previous worker to replace what was taken. Not only was this an elegantly simple idea, it was also revolutionary. It pulled products through the production system as the market demanded them... (The Economist, October 17, 1992)

The already well established fabrication of 'the market' is able to demand a level and method of productivity which workers are trained to respond to. The relatively foreign fabrication of the modified warrior ('samurai') can be merged and used to appeal not only to the Japanese work ethic. The merging of the new fabrications associated with 'the management of quality' was easily achieved by the introduction of new techniques.

When introducing these types of approaches to aspiring western managers, the association with Japan is often made explicit by way of examples to be emulated or feared. For example:

The Japanese have recently created quite a stir with something called kanban, or just-in-time delivery of component parts and supplies. This approach to inventory control involves minimizing carrying costs and maintaining almost no inventories by ordering or producing only as needed. It usually occurs in extremely small lots, possible even on a unit by unit basis. The trade-off, however, is high ordering costs.

Kanban is a Japanese word for the piece of paper that accompanies, for example, a bin of parts in a camera factory. When a worker first takes a part from a new bin, the kanban is routed back to the supplier and serves as an order for new parts....It is easy to see the allure of the Japanese system.

Japanese managers who use just-in-time delivery believe it is worth the ordering cost to avoid inventories. General Motors has started using a similar approach....Richard J. Schonberger, a scholar and consultant...says that the just-in-time approach may be the most important productivity enhancing management innovation since the turn of the century. (Schermerhorn 1986:481)

Students are invited to consider some of the conditions required to implement such an innovation. These include geographic concentration, dependable quality, manageable supplier network, controlled transportation system, efficient receiving and material handling systems and strong management commitment (Schermerhorn 1986:481-482). This particular discussion of the technique is supported by a boxed case in which the concept is linked back to Henry Ford's achievement at his River Rouge assembly plant in the 1920s. Certainly the Japanese are credited with developing the system but Americans probably invented it and intend to improve the system even more:

With kanban you don't change your assembly schedule...[US manufacturers] want more flexibility than that...We are taking more responsibility for inventory control. We assemble axles at night that are used the next day. (Schermerhorn 1986:481)

This process of not having excess stock lying about is also applied to people. Take the case of "wasted actions". "Man-hour reduction" is an integral part of Kanban. It involves the reduction of wasted movements

and then the elimination of excess people.

SAYING OF OHNO

People Saving

You have a labour saving program and you reduce man-hours by 0.5 worker. Yet in reality you have accomplished nothing.

Only when you reduce the actual number of workers involved can you have a viable program of cost reduction. We must proceed to people saving and not labor saving.

Fewer People

....During a time of stable growth, efforts must be made to eliminate the 'fixed number of workers' concept....

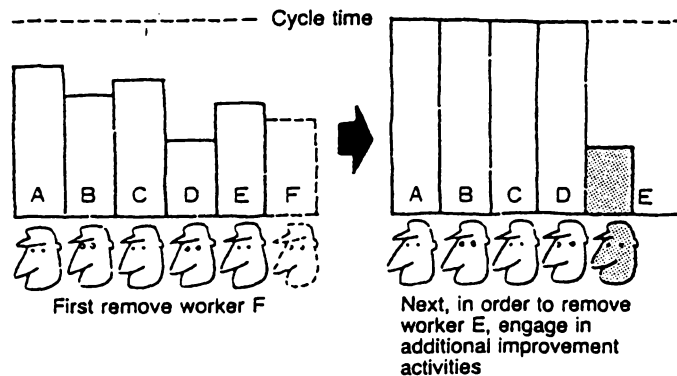
(Japan Management Association 1986:133)

The people reduction process begins by seeking "time on hand" . Time on hand is discovered by asking workers:

Ask the workers who have time on hand not to do anything during that time. For example, the line turns with the one minute cycle time. a worker completes his work in 40 seconds. For the next 20 seconds he must stand there idly. Thus everyone, including the worker himself, will know that he has a spare moment. When the time comes to increase his work load, there will be no resistance. (Japan Management Society 1986:139)

By changing combinations of activities to ensure all "time on hand" of individuals is removed, a number of workers will be working to capacity and surplus workers may be removed as illustrated below:

Man-Hour Reduction



Japan Management Association 1986:135.

In the context of Japanese supposedly guaranteed life-time employment, the sensible person to remove is not the "unskilled or lazy" person. Rather, a competent worker is to be removed. Such a person may be given new responsibilities. By taking the superior worker, workers "may show a positive, cooperative attitude" (Japan Management Association 1986:139).

In this approach to organizing work, people (workers and managers) have been re-defined as a resource. They are a source of energy and skill. Resources are not to be wasted. The definition of work promoted by the Japan Management Association, and typically associated with the techniques under discussion, has come to mean "to make an advance in the process, and enhance the value added". From this definition of work and the definition of workers as 'resources', it is easy to proceed to a notion of improvement which is purely pragmatic and not too dissimilar to the concept which Taylor assumed:

Thus, in work, there are two types of movement. The one is the movement necessary for making products, one that moves the manufacturing process forward, and the other is not. The latter, of course, is wasted motion. (Japan Management Association 1986:10)

One immediate benefit of the Kanban system is that it provides an immediate and visible form of control. Stock piles, idle workers or stopped production lines (made visible through indicator lights) can provide the 'true situation' for all to see. However, the essence is continual improvement (Japan Management Association 1985:99), as the samurai strove for perfection (Japan Management Association 1986:v-vii). The establishment of kaizen and kanban techniques are most fruitfully achieved through the cooperation of the workers themselves. Workers best know the system. They know where the waste is. They know best how and where to improve 'the system'. The task of managers is to extract this information from individual workers in order to routinize this information, to standardise the most productive practices and to

institutionalise and control them so that they are independent of specific workers. Subsequent employees are quickly able to slot into the process. Each rationalised move, each improved activity is to be enscribed in the constantly improving techniques which are combined in 'the system'; 'the system' which can demand attention. One of the techniques whereby workers are persuaded to provide these improvements is the organization of workers into self managing and self regulating teams - in many cases promoted and discussed as 'Quality Control Circles'.

8.3) Quality Control Circles

Quality Control Circles are typically promoted as groups of workers consisting of no more than 10 people who work in the same area or are concerned with the same problems. These people typically meet together regularly, normally during working hours to discuss ways of improving the quality of the part, product, process or service for which they are responsible. Assumptions of collaborative workers, with a 'unity of purpose' (between employers and employees), are embedded in the notion of a quality circle. The purpose of work is 'to increase productivity' or the 'continuous improvement of quality', rather than self aggrandisement, the pursuit of personal status or security or any of the other reasons why people go to work.

A variety of permutations of 'Quality Control Circles' are used. Groups may be formed as long-term project groups or as short term problem solving teams. They may be required to meet outside normal working hours, sometimes in the members' own time. The specific conditions that are said to distinguish Quality Control Circles from other team approaches are the supposed support of trade unions and particular cultural conditions. Quality Control Circles may be established as a stand alone technique introduced to solve some organizational problem, or their introduction may be part of a major re-arrangement of the organization of a work-place, an enterprise or a whole industry.

The subject matter around which Quality Control Circles may be set up is quite broad. An introduction to a course on the Japanese management approach to Quality illustrates this:

A few years ago, I was invited to a bar on the Ginza in Tokyo. At this bar, the bunny style girls were active in QC Circle activities. They were trying to find the best way to entertain their customers efficiently.... Today, the QC Circle Presentation Conference features presentations from the tertiary industries with people such as bankers, nurses, bartenders and supermarket employees, discussing their job improvements. (Arndt 1987:2-3)

Quality Control Circles are promoted as a technical mechanism to improve the satisfaction of customers.²¹

Discussions about 'the purpose' of 'Quality Control Circles' were well underway in the 1980s. Sakurai and Huang (1984) relate Quality Control Circles to statistical control. Sepehri (1985) on the other hand suggests that their main function is to

21) The bar girls may indeed have come up with ideas to please their customers more efficiently. While doing so, attention and energy is drawn away from a political interpretation wherein they might re-view themselves as exploited. Through submitting their focus on techniques of customer service they are redefined as mere 'objects' for the pleasure of men. On the one hand they may be seen as exploited as sex objects. On the other hand, they may be viewed as exploited through their voluntary contribution to increased productivity, which typically empowers the position of their employer.

help employees improve and develop enterprise. Properly run, circles show that a company respects human capabilities and is working to develop workers' potential. (Sepehri 1985:22)

Keys and Miller write that

In many respects, qc's are rooted in the work of humanistic behavioural scientists...who have long emphasised the significance of employee participation to effective management. (Keys and Millar 1984:343)

Many contemporary management theorists convey similar perspectives. Ouchi (1981), for example, suggests that using 'Quality Control Circles' gives employees the opportunity to share with management the responsibility for locating and solving problems of co-ordination and productivity. Another widely used text informs western management students that the

objective of using quality control circles is to build a sense of employee responsibility for quality assurance and to unlock the potential of every employee to contribute useful ideas and information to essential problem solving and decision making processes. The quality control circle is a means of participation that encourages persons to think and talk about the production/operations system. As a result they develop a shared sense of responsibility for how what they do influences the quality of the organization's services or products. (Schermerhorn 1984:484)

Although other examples of 'team approaches' can be identified, 'Quality Control Circles' as management techniques are regularly associated with Deming, Juran, Ishikawa and/or with Japan. In mid-1962 the Nippon Wireless and Telegraph Company reported that it had set up nine such groups along the lines of Professor Ishikawa's suggestion and that they were enormously successful.

By the end of the year, over thirty-five other companies had followed suit. By 1987 the numbers of groups had risen to a staggering one million, involving an estimated 10 million Japanese workers. (Hutchins 1988:152)

'Quality Control Circles' began to be registered with the Quality Control Circle Federation in 1962 and by 1987 the number of such registered circles in Japan was 248,396. It is estimated that only one in ten 'Quality Control Circles' register. This would put the estimated number of 'Quality Control Circles' operating in Japan during 1987 at an estimated 2.5 million (Arndt 1987:2.3).

'Quality Control Circles' were introduced rapidly into many countries. There were an estimated 30,000 operating in Brazil by 1979 (Hutchins, 1985:1). By 1984 organizations in 19 countries in Europe claimed to be using them (Dale and Barlow 1987:59). In the Federal Republic of Germany the number of 'Quality Control Circles' increased to an immense volume, with one author predicting that

the number of circles and circle members will
reach the level of the tens of thousands by
1990. (Deppe 1989:56-63)

Although their authorship may be contested, and there may be some discussion over the benefits of their use, in many management texts written for western management students, 'Quality Control Circles' are often unproblematically associated with the work of Deming in particular or more generally with Japan (e.g. Hodgetts and Luthans 1991:192 or Schermerhorn 1984:483). Fred Luthans, for example, is an influential contemporary management theorist who serves on many editorial boards. He is a consultant for the McGraw-Hill management series and holds many senior positions in academic forums. Luthans provides a text for the introduction of 'Organizational Behaviour' to management students. When introducing students to the consideration of 'groups' he writes:

in Japanese culture, the group plays a
dominant role....this group orientation is
exemplified by the now famous quality-control
(q-c)circles. Instituted in Japanese
industries right after World War II, there are
now well over 100,000 such groups formally

registered....then each November, (National Q-C Circle month in Japan) conventions are held at which the registered groups' work is studied and at which awards, such as the famous Deming prize (named after Dr W. E. Deming, the American professor who first taught the Japanese quality control over thirty years ago) are given....(Luthans 1985:357)

For students, the association of 'Quality Control Circles' with the Japanese and with Deming is made specific.

While contemporary consultants and authors of texts are willing to promote the use of 'Quality Control Circles' by attributing quite significant outcomes to their use, their original promoters were more cautious. Juran, for example, is clear that workers in quality circles cannot and will not solve a company's quality problems:

It has not happened in Japan and it will not happen in the West.... Accordingly a company which tries to solve its problems through the Quality Control Circle concept is not putting first things first. It may well make progress on the trivial many, the minor part of the total. In doing so, it will delay action on the vital few, where action is most urgent. (Juran 1981:8)

Together with Ishikawa, Juran suggests that the value of 'Quality Control Circles' may be the improvement of human relations, better communications and an improved climate between management and workers (Juran 1981:9). It is also wrong to assume that Deming would endorse the uncritical implementation of quality control circles as a solution to all productivity problems. Consistent with his advocacy of an all encompassing philosophy, or 'way of life', Deming warns against the use of the new methods as an alternative to facing problems associated with human relations:

Faced with the problems of people (management included) management, in my experience, go into a state of paralysis, taking refuge in the formation of QCCircles and groups for EI, EP and QWL (employee involvement, employee

participation, and quality of work life). These groups predictably disintegrate within a few months from frustration, finding themselves unwilling parties to a cruel hoax, unable to accomplish anything, for the simple reason that no one in management will take action on suggestions for improvement. (Deming 1982:85)

While failed implementation of 'Quality Control Circles' is blamed by a number of authorities on managers, managers often point to workers for this failure.

The first attempt at introducing QCC's failed because staff chose an issue which was not for them to decide... so the QCC's were collapsed...They [the workers] need to have more faith in the system. (Manager, a New Zealand private hospital, 1992)

This manager, in a different conversation, repeated the claim that workers chose the 'wrong kind' of problems to concern themselves with, problems which were her's to address.

It may be suggested that middle management and bureaucrats have most to lose in this reorganization of responsibilities. Their jobs seemed to be increasingly incorporated into the tasks of workers. Indeed, in the predicted postmodernist forms of organization (Clegg 1992:31), hierarchies are lowered by the elimination of middle management jobs. The jobs of shop-floor problem solving and monitoring are largely taken on by non-managerial employees. It is not surprising that middle managers, in some cases, were resistant to the changes. Castorina and Wood observed that in some companies "quality circles inevitably lose out to mechanistic bureaucratic approaches" (Castorina and Wood 1988:40-41). After all, it is in these approaches that middle management careers were traditionally constructed and protected.

The search by western managers for a 'quick fix' to problems of productivity is encouraged by their accountability to a quarterly productivity return. Yet, the foremost proponents of 'the management of quality' and its many techniques, argue for a longer time span for implementation. They argue that in the Japanese context a much longer time span is common.

...it took the Japanese an entire decade to train all those levels of managers and supervisors. Not until the early 1960s did they begin to train non supervisors... The general feeling has been that the QCCircles have at best accounted for no more than about 10% of the overall Japanese revolution in quality. (Juran 1981:8)

With so many complications to such an apparently simple mechanism for organizing workers, it appears little wonder that faith in quality circles was short-lived in some western organizations. By 1986, Hyde found that the attrition rate for American quality control circles exceeded 70% (Hyde 1986:42) and in 1988 Harrington and Rieker reported that as many as 50% of Fortune 500 companies had disbanded their use. The reason for the lack of success of these circles was attributed by Harrington and Rieker to improper maintenance, middle management resistance and lack of management support (Harrington and Rieker 1988:16-20). Those analysts who believed that there was something intrinsically 'Japanese' about this way of working re-formulated the issue as a problem of 'non transferability'. The resolution to the problem of apparent non-transferability of the concept from Japan to the west began to be seriously addressed in the literature. Some thought that it was the very association of these techniques with the Japanese that was a serious part of the problem. The Japanese, after all, were 'the enemy' first in war and now in economic competition.

American society has had to swallow no pill more bitter than that with "made in Japan" stamped on it. The fact that much of the Japanese phenomenon can be attributed to the contributions of an American, Edwards Deming, only adds to the subsequent indigestion. (Holpp 1989:53)

Other writers were more interested in comparing the political nature of the management/worker relationship between Japan and the west. Charney suggests that 'qcc's' sound manipulative to workers in the west, and promotes a name change. Indeed, in New Zealand, Fisher and Paykel after an unsuccessful attempt to introduce 'Quality Control Circles' in the early 1980s planned a time of 'rest' before

successfully introducing similar techniques under various names. Quality Control Circles began to be renamed, intending to reflect permutations to suit particular organizational or national characteristics. In the United States the permutations drew on favourable images of 'the national character'. Many Americans began to introduce 'quality teams'.

Perhaps the best description of the relationship between quality circles and Quality Teams is that Quality Teams are the next evolutionary step beyond quality circles, suggestion systems, participative management, and Yankee Ingenuity. And they may be closer to what Dr Deming had in mind in the first place. (Arndt 1987:2.5)

This permutation allows the Americans and westerners generally, whose loss of global economic superiority to the Japanese was manifested in loss of local jobs, particularly in vehicle manufacturing and electronics, to reconsider themselves superior to the Japanese. It may remind them that the concept claimed as the major contributor to 'the Japanese economic miracle' originated with an American in the first place. This reminder is useful in the re-motivation of American workers and their collaboration in their own re-construction.

Interest in the extent to which Quality Control Circles have been implemented and their degree of 'success' or 'failure' in various parts of the world occupies increasing space in the management literature of the later 1980s and early 1990s. Willingness to experiment with quality control circles and their alleged contribution to cost reduction, increased productivity and increase in profit, as well as their perceived impact on worker motivation is discussed extensively. It is through these journals and magazines that contemporary theorists and practitioners 'talk' to each other - challenging, refining and re-shaping their models - creating new 'objects' for study. Their challenges as well as the stories of successes and failures, help to enhance the object, to manifest it in a new 'common sense'. The very existence of the discussion indicates the extent to which these practices have become accepted as serious

contenders on the menu of solutions available to contemporary corporate controllers. For many new entrants into an industry now operating Quality Control Circles, they are not controversial. They are merely routine.

8.4) Manipulating the Metaphors

For the successful integration of such techniques as Kaizen, Kanban and 'Quality Control Circles' into everyday practice, management students, workers and managers cannot be encumbered by the previously fabricated 'worker' as untrustworthy, adversarial and self-centred. Rather, a corporately oriented, entity is posited. This recent attempt at transformation of the concept of 'the competitive individual' to a 'collaborative, participant worker' does not appear immediately compatible with the adversarial nature of employment relations typical of the traditionally Anglo-American organization of production. It may be more compatible with 'the ie' as retained in Japan, the concept of 'the whanau' as retained by contemporary Maori, and perhaps the more feudally rooted Europeans than it does with the rugged pioneering 'individualism' attributed to the apparently unencumbered Americans. Yet under the ethos of 'the management of quality' they must, one way or another, become part of normal, unquestioned everyday common sense.

As in previous epochs, certain human traits can be encouraged. 'The commonality of interests', 'trust' and a particular approach to 'flexibility' and the lexicon of 'the management of quality' are now common threads woven through the contemporary discourse of employment. They are posited to increase productivity and thereby improve social well-being for all. These values may be made more or less explicit, depending on the nature of the discussion. Commitment to them differs also. For some who promote the techniques, the desirable outcome is the creation of an overall philosophy of participation and well-being in which the techniques are the practical means. For others the techniques are mechanisms for coping with directives to increase productivity and cut costs, often imposed 'from above'. At the workplace, the primary focus is on practice. But in the practical

outworking, certain changes in outlook, views of 'work', 'workers' and 'managers', are also made. Theoretical texts make the links between the techniques and values more explicit. 'How to do' manuals can be distinguished from the volumes of literature, seminars and addresses which serve as exhortation to a commitment to the process generally, and to the improvement of the techniques.

'Flexibility' is promoted as a response to rapidly changing economic opportunities. Flexibility, with regard to employees, is considered in a number of ways. Functional flexibility is deemed essential if workers are not to adhere to the narrowly defined demarcation lines characterised in traditional adversarial labour relations. The possibility of achieving such functional flexibility is pursued in the broad scope of 'multi-skilling' programmes. It entails a change in the nature and participation of trade unions. Numerical flexibility entails the movement of (multi-skilled) people to or from aspects of the production process as required. The achievement of numerical flexibility could be considered within the boundaries of a firm (in which the total number of jobs may be protected) or in a national or global context in which the taking up and discarding of people is made as simple as possible - where the picking up or dropping of people is no different from that of any other 'resource'. Flexible processes include short production spans and rapid changes of production (product or process). The process is said to be customer driven.

The tension around their introduction was associated largely with the 'trade' focus of traditionally organized unions. 'Flexibility' and 'multiskilling' were central in much of the debate. The question was, could unions and their members be persuaded to become flexible enough to blur old demarcation lines? The Engineers' Union clearly believed that they could.

Employers co-opted and exploited existing negative connotations of 'de-skilling' and 'demarcation' (associated with 'Tayloristic' methods of work(er) control) by appealing to the masses through the rhetoric of 'upskilling' or 'multiskilling'. It offered both a release from the monotony of traditional production line techniques and promised a greater ability to earn. It offered more work for those with jobs, but

no work for those made redundant.

The rhetoric of worker flexibility carries other connotations. Pollert writes that 'flexibility' really means the creation of "individual freedom and passive obedience to be moved wherever the market dictates" (Pollert, 1990:86). The 'flexible worker' is a replaceable piece in the puzzle of 'the flexible firm'.

Following earlier work on the notion of external and internal labour markets, the idea of the flexible firm has been proposed. This involves the dual structure of a core labour force from the chief executive downward, who sustain the strategic and survival functions of the organization, and a series of sub-contracted tasks with part-time workers whose tenure is directly related to the swings of the business cycle. What this means is that the historical notion of what the French call total employment, a career spanning a lifetime and often with a single firm or within a single industry, is no longer viable. (Williams et al 1991:70)

'The Common Interest' is an assumption embedded in the discussions of early organization theorists. The work of Frederick Taylor, discussed earlier, made explicit the need both to train and organize workers in such a way that this assumption becomes embedded in practice. Workers, managers and employers are promoted as being engaged in achieving common interests in the contemporary context of 'the management of quality'. Through adaptations made to team work, distinctions between lower level managers, union representatives and team leaders are blurred. For some this is an intended and desirable outcome of the reorganization of the work-place. For others it is a situation which "intimidates workers not to speak out" (Rehder 1990:92). In the latter interpretation, the 'commonality of interests' has not been achieved. Rather, the conflict of interests has been subdued.

Because flexibility is such a crucial aspect of the techniques, the establishment of an atmosphere of trust amongst employees is seen as essential.

If people don't trust and understand what's happening, they will be determined to defeat it. This is particularly important in a

company running Just-in-Time, because changes tend to happen on so many levels at the same time. (Goddard 1986:27)

Constructing a particular way of organizing productivity need not necessarily entail relationships of domination. In the context of a process in which the commonality of interest is being served, in which workers are 'empowered' to influence the process, it would not be sensible to talk of employer/employee relationships as necessarily adversarial. In the social context of full employment, or even guaranteed employment by a firm, improvements in process may be readily seen as improvements to be enjoyed by all. In Ohno's scheme of things, the most able are moved to new and productive work. The people made surplus on a particular task, in theory, gain improved opportunities for advancement. In the western context which tolerates a high rate of unemployment, where managers are increasingly rewarded for cost-cutting or the achievement of immediate profits, it may be naive to suggest that as tasks are moved from one person by adding them onto another's, an overall increase in unemployment can be avoided. Increased unemployment of skilled people, who are relatively interchangeable through standardised training, will almost certainly depress wages. To this extent, the process of 'continuous improvement' might be interpreted as a process whereby workers collaborate in the overall reduction of their own conditions of service and life opportunities.

Much has been made of the potential of these techniques to create jobs and wealth. But the relationship between wealth creation and the distribution of benefits remains generally unexamined in the discourse of 'the management of quality'. The implementation of the techniques in a western capitalist context, in which the private accumulation of wealth is a necessary characteristic, and where 'rationality' (reasoning) is associated primarily with cost reduction and profit maximization, the relationship is quite contentious. If improved practices on the production line can increase productivity while reducing staff, it would be contrary to the capitalist principle of

profit maximization not to pursue them. Indeed, the continuous improvement techniques attributed to Taiichi Ohno are cynically referred to by some American unionists as the 'Oh No! technique'.

Despite the limited historical accuracy of locating the origins of the techniques of 'the management of quality' in Japan; despite the rather different applications and developments and implementations of the techniques in the west; and despite the very different approach to capitalistic practices by the Japanese, westerners are often presented with a simplistic relationship between such techniques and 'the Japanese economic miracle. Envy and fear of Japan's economic power encouraged increasing interest amongst westerners in the techniques which were said to have been responsible for it. In the search for this understanding, Deming was discovered first by the Americans and later by New Zealanders.

Chapter 9: (Re-)discovering Deming

In this chapter I outline the way in which the Japanese 'recovery' was portrayed to the west and the subsequent 're-discovery' of Deming in the United States. I look more closely at Deming's popular book Out of the Crisis, in which he himself builds on his contribution to the re-organization of Japanese work practices to exhort westerners to change. This book is of particular interest both for its content and its 'tone'. His moralising and the patronage offered his readership are quite evident. Much of the book is anecdotal; but of interest also is Deming's promotion of the value of statistical control to ordinary managers. Many managers I spoke to during research were amazed and intrigued at the potential for such use of statistics. Deming builds his interest in statistics into a 'philosophy' now recognised by all those with an interest in 'the management of quality' as his 'Fourteen Points'; a kind of 14 commandments for good management.

I conclude that the application of statistics has become useful not merely to control production. More particularly, the statistical focus of employees (and their appropriate training) controls and re-shapes the labour force and the 'labour-management' relationship. Where these methods of management have been successfully implemented, Taylor's promise of 'interdependency' among workers, unachievable under Talyor's own system, appears to have been brought about.

9.1) Increased Western Interest in 'Japanese Management Practices'

As the Japanese responded to their devastation after World War Two, their economic achievement became the focus of much speculation and some analysis. Academic and popular magazines offered a variety of explanations for this achievement. Each proffered explanation was based on the author's perceptions of the influence of aspects of the Japanese culture, custom and character; each publication and speculation added to the acceptance of 'the management of quality' as a legitimate 'object' of interest. For example, documentation of the

early influence of the Samurai ideology and the fusion of this tradition with U.S. management philosophy after World War Two were traced by Yoshino (1968) and Tanaka (1969). These writers suggest that while strong nationalistic attitudes were maintained, traditional Japanese paternalism was modified by an infusion of the human relationship theories then becoming popular in the U.S. Another explanation was promoted by Adams and Kobayashi (1969), Miller (1963) and Yoshino (1969). These documented unique features of the Japanese economic and political environment and their effects on business operations. The suggestion from these writers was that Japanese managers were more interested in growth than profit (Dunphy 1987:447).

During the 1970s a crop of explanations were published about the 'Japanese economic recovery'; explanations which discussed Japanese apparent preference for permanent employment policies, (e.g. Marsh and Mannari 1971, 1972, and Cole 1971, 1972, 1973), and the impact of Japanese values on business practices, (e.g. Nakane 1972, 1973). Other explanations focus on Japan's unique post war position with its economic and organizational assistance from abroad. Interpretation of these developments have been given extensive coverage in political, economic and management literature. All have some historical basis, particularly in the form of historical 'fact' as presented by such writers as Yoshida (1967).

Dexter Dunphy (1987) examined explanations of the differences between perceived managerial practices in Japanese and western enterprises. He reports that the interpretations of theorists regarding the organizational developments in Japan vary from those who believe that any differences observed between the two cultures are merely vanishing remnants of an increasingly irrelevant feudal culture, to those who believe these features represent enduring features of a continuing culture or even features which are innovative contributions to strategies developed by a nation attempting to seize world economic leadership (Dunphy 1987:445). While historians may argue over which is the more accurate representation of Japan's past, in this thesis I am interested in the way in which selected historical information came to

interested in the way in which selected historical information came to be used in managerial training, text books and practices.

Certainly, from the 1960s, Japanese economic 'success' could not go unnoticed. The 'secret' of this success was sought on many fronts but it is the promotion of 'Japanese Management Practices' as the key to this 'success' which is of interest to me. Among the many facets of the post-war re-organization of Japanese industry is the influence of Deming. While Deming's influence in Japan is not specifically linked to the political work of the occupation forces or that of the missionaries and moralists he did exude a paternalistic concern and moral tenor which merged with the general approach to Japan's reformation. His services were taken up by industrialists and his recommended techniques integrated into common industrial practices. Yet for all his influence in post-war Japan, his services were not immediately sought after in the west. Deming would become the focus of western attention - but not for another 20 years.

9.2) The Rediscovery of Deming in America

Although Deming had some success in directing attention to quality in the production process in the U.S. prior to World War Two, this success was relatively short lived. While Deming was preoccupied teaching his statistical techniques to the Japanese, post war manufacturing in America was booming. Deming's insistence on meticulous recording was no longer attractive to managers. Deming's painstaking techniques of gathering information on each aspect of the work process with the intention of improving it were largely neglected in the United States. Quality in the United States

in these post war years took a back seat to production - getting the numbers out. Quality control came to mean end-of-the-road inspection. If there were defects and rework, there would be profit enough to cover them.
(Walton 1989:9)

This distraction from attention to quality is often attributed to the

post war consumer demand in which American industrialists were preoccupied with meeting the demand for quantity rather than quality of goods (Jayne 1990:23). Deming's daughter told his biographer:

I know it was frustrating to him...He is a very proud man. But I think he [was] hurt. It's hard to have your mission and not have anyone listen. (Walton 1989:17)

But as the Japanese began to have an impact on western markets and the quality of their consumer goods became established, Deming was 'rediscovered' in America (Jayne 1990:23).

In 1979, Clare Crawford-Mason produced a documentary about the precarious position of American industry for her local NBC television station. Someone suggested she talk with "this guy named Deming" who "had done a lot of work in Japan". Crawford-Mason sought him out and was impressed - but suspicious:

"Here is a man who has got the answer, and he's five miles from the White House and nobody will speak to him". She contacted a high ranking economics official in the Carter administration and asked if he knew W.Edwards Deming. He didn't. (Walton 1989:18)

Crawford-Mason pursued the story. It resulted in the filming of If Japan Can...Why Can't We? which Walton (1989:19) claims to be one of the most successful documentaries in television history. The documentary concluded with a fifteen minute focus on Deming and his work at Nashua Corporation. The corporation's President reported that under Dr Deming's guidance the company was saving millions of dollars.

"If you get gains in productivity only because people work smarter, not harder, that is total profit, and it multiplies several times," Dr Deming told the television audience. He spoke of his work in Japan and chastised Americans: "I think that people here expect miracles. American managers think that they can just copy from Japan. But they don't know what to copy". (Walton 1989:19)

The immediate impact of the documentary was a flood of demand for Deming's services. In 1980, Deming was 're-discovered' in America. He

was 80 years old. He maintained some major inter-state clients, and worked with numerous small companies. Among those who enlisted his aid were the Ford Motor Company, General Motors, Dow Chemical Company, and Hughes Aircraft. His seminars, sponsored by George Washington University, increased until participation in each reached three and four hundred people. Promises of less rework and less waste appealed to managers and employees for economic and environmental reasons. Promises of job security and respect also appealed.

9.3) Out of the Crisis

In response to this new interest in his work, Deming published Out of the Crisis. In this book Deming announced that western economies were in crisis. Loss of competitive advantage to the Japanese, increasing unemployment and the desperate position of managers who did not know what to do next in order to save their organizations were said to be some of the characteristics of the crisis. The crisis was metaphorically described in terms of 'sickness' and 'disease'. It was experienced by individuals as employment insecurity, unemployment and social distress. However, the symptoms of distress are not the result of an unavoidable epidemic; indeed those responsible for the illness are named:

Loss of market, and resulting unemployment, are not foreordained. They are not inevitable. They are manmade....The basic cause of sickness in American industry and resulting unemployment is failure of top management to manage... (Deming 1986:ix)

In order for the economic crisis to be resolved there must be "an awakening to the crisis, followed by action" (Deming 1986:18). This awakening and subsequent action is the job of management. Managers must be held accountable for their conduct in this job by everyone in the company, including union leaders. Merely generating organization hype will not do:

A quality programme for a community launched by ceremonies with a speech by the governor, raising of flags, beating of drums, badges,

all with heavy applause, is a delusion and a
snare. (Deming 1986:21)

Deming argues that with its "storehouse" of underused, misused and
abused skills and knowledge the United States may be considered one of
the world's most underdeveloped countries. He writes:

It would be a mistake to export [contemporary]
American management to a friendly country.
(Deming 1986:6)

On the first pages of Out of the Crisis, Deming sets down his 'trade
mark'. Managers are often wrong. A common belief of managers, argues
Deming, is that "quality and production are incompatible". These
managers believe that pushing up the quantity of production inevitably
pushes down the quality of these products. The manager suffers from
this misinformation when "he knows not what quality is nor how to
achieve it". In the text, Deming regularly uses examples from 'real
managers' and 'real workers' to illustrate the point he is making. The
workers are often identified as union representatives. Workers (even
union representatives) are generally sensible men with a store of
knowledge about productivity and quality. For example, when 22
production workers (all union representatives) were asked why
productivity increases as quality improves, their answer was "less
rework" or "not so much waste". Moreover, production workers take a
pride in their work. "Quality to the production worker, means that his
performance satisfies him, provides to him pride of workmanship"
(Deming, 1986:1).

Deming's portrayal of the satisfied worker as a productive worker has
an intuitive appeal to employers and employees. In Deming's
experience, employees are all wholesome men, committed to their tasks
but suffering from a lack of self actualization through the ineptitude
of their managers. Managers are the real problem. Deming wants to turn
this situation around:

The aim of this book is transformation of the
style of American management. Transformation
of American style of management is not a job

of reconstruction, nor is it revision. It requires a whole new structure, from foundation upwards....Transformation must take place with directed effort. The aim of this book is to supply the direction. Need for transformation of governmental relations with industry is also necessary...(Deming 1986:ix)

Out of the Crisis is written in a colloquial style, often using examples from conversations that have occurred in his seminars or workplace experience. To bring a technical concept to the attention of the reader, for example, Deming regularly appeals to 'common sense' (or 'folklore' as he sometimes calls it):

Defects are not free. Somebody makes them, and gets paid for making them. (Deming 1986:11)

A company cannot buy its way into quality.
(Deming 1986:18)

Obsolescence need not be planned: it can just move in. (Deming 1986:19)

In terms of rhetoric, Deming draws the audience in by confirming Facts they know well.

Deming plays up the moral appeals which were so persuasive in Japan. His down to earth folk-lore is bolstered by affiliations with great and already trusted writings. Each chapter of the book, for example, begins with a message or a quotation taken from the Bible or Shakespeare in the form of an epigraph.

Epigraphs have a riddling quality. They are supposed to be relevant to the main text, yet taken literally they are not. This creates a puzzle where the question is not, "What does the epigraph mean?" but instead the question is "What is it doing here?" The solution at minimum requires the reader to infer the author's reason for heading the text with that quotation, an inferential problem that often engenders a circular reading back-and-forth between the epigraph and the main text.
(Katriel and Sanders 1989:184)

A large part of Deming's mission is to persuade managers that quality

and productivity go hand in hand. The evidence of this 'truth' is embedded in sometimes spectacular examples from Deming's own experience in industry or cases described by his colleagues, transferred to the audience often as anecdotal evidence. He does not see himself as merely providing techniques, but rather as dispensing 'knowledge'. In Quality, Productivity, and Competitive Position he writes:

This is not a book on techniques. It is a book on knowledge. Techniques come into play only to illustrate a kind of education that is necessary in the new economic age. (Deming 1982:3)

In promoting his philosophy for management, Deming acknowledges that the context of economic development of post war Japan is somewhat different to that of its modern western counterpart:

With no lenders nor stockholders to press for dividends, this effort became an undivided bond between management and production workers. An unfriendly takeover or a leveraged buyout does not take place in Japan. Managers are not sensitive to the price:earnings ratio of their stock. The Japanese manager may adopt constancy of purpose. (Deming 1986:4)

Later in his book, Deming goes on to describe what he perceives to be a fundamental attitudinal difference between the Japanese and the Americans. Americans are characterised as people who are focused on a quarterly dividend. For a favourable quarterly dividend, American managers may

ship everything on hand, regardless of quality: mark it shipped, and show it all as accounts receivable. Defer till next quarter, so far as possible, orders for material and equipment. Cut down on research, education, training. (Deming 1986:99)

The Japanese, on the other hand, have longer term objectives. The conditions of their economic success were outlined by Prime Minister

Yoshida as including:

- A traditionally highly skilled workforce
- High motivation fuelled in part by traditional values but also by economic necessity
- A willingness to learn, absorb and modify any useful skill or technology from where-ever it was to be found
- High capital investments
- Protection and expansion of the domestic market
- Improvements in technology - particularly in agriculture.²² (Yoshida 1967:79-106)

Deming favoured an interventionist environment for industry. He often directed the attention of the reader or an audience to the controlled environment in which the 'Japanese miracle' occurred. That western managers were perhaps not the authors of western economic pre-conditions, and that the financial management preferences of their employers may well have been irrationally imposed on them, did not prevent Deming from naming managers as 'the problem'.

Deming's reputation as an expert was consolidated by his appointment to notable colleges and his numerous publications. In 1982 Deming published Quality, Productivity and Competitive Position. He continually revised Out of the Crisis and authored eight technical books and brochures on statistics and sampling. Over the period of his professional life, he also authored 161 scholarly studies.

During the 1980s, Deming

was on the road constantly, not only in the United States but abroad. He made trips regularly to London, South Africa, and New Zealand, where he had clients. Mrs Killian

22) Although he also refers to a nation stunned by defeat, Yoshida does not dwell on the pre-war repressions and control, the harsh laws and the violation of civil rights.

[his secretary] bought shuttle tickets to New York twenty at a time....One day she heard from him in four states. (Walton 1989:20)

Those who cared about him sometimes tried to slow down his pace of life. In response to his daughter's protests, Deming replied

"Thank you for caring, but this is what I need to be doing. I went for so many years without people really knowing what I had to say."
(Walton 1989:21)

Walton herself describes Deming

in all respects to be a kind and thoughtful individual, if occasionally impatient at his students' failure to immediately grasp his conclusions. (Walton 1989:xii)

9.4) Using Statistics in Rhetoric

Deming, a statistician himself, believes that the key to good management is the appropriate use of statistics to improve the production process. His considerable skills in convincing people of this, and training people in the use of statistics are evidenced in his book. His method has mass appeal. The method involves the telling of an anecdote from a work place in the form of a story easily recognised by people who are concerned about similar issues. Certain players in the story are highlighted and the solutions or lessons to be drawn from the story are given in simple, 'matter of fact' statements. Even a "schoolboy can understand them" (Deming, 1986:6). 'Knowledge' today, especially in the organizational context, he argues, is more easily recognised in a statistical or numerical equation.

The opening chapter of Out of the Crisis, for example, is introduced with a quote from Job, 38:2; "Who is it that darkeneth counsel by words without knowledge?" The aim of the chapter is to illustrate that there exists "a stable system of trouble in a manufacturing plant" (Deming 1986:1). There is no immediate explanation as to the nature of this 'system' nor the reasons for its apparent 'stability', but examples of 'it' are promised throughout the book. The introductory

quote is to reinforce the notion that statistics are vital for good decisions. Chapter three reinforces the statistical message with an introductory quote: "My people are destroyed for lack of knowledge - Hosea 4:6" (Deming 1986:97). Deming, astutely wins the confidence of his audience by building on a generalised trust in science and a specific trust in calculations and figures.

In the promulgation of 'the management of quality', statistical competency is strongly encouraged. An early example promoting the statistical method in Out of the Crisis is worth recounting:

The superintendent in a plant knew that there were problems with a certain production line. His only explanation was that the workforce there (24 people) made a lot of mistakes: that if these people did not make mistakes, there would be none.

The first step [in Deming's solution] was to get data from inspection and to plot the fraction defective day by day over the past six weeks. This plot (a run chart) showed stable random variation above and below the average. The level of mistakes, and the variation day to day, were accordingly predictable. What does this mean? It means that here is a stable system for the production of defective items. Any substantial improvement must come from action on the system, the responsibility of management. Wishing and pleading and begging the workers to do better was totally futile. (Deming 1986:6-7)

The story continues to show how the workers' lack of understanding of acceptable work standards meant that they could not have known their responsibilities. Managers had not done their jobs properly. They had not provided useful instructions to the workers. Analysing the system and posting of information for workers led to a reduction in defective items from 11% to 5%.

These gains were immediate (seven weeks); cost, zero; same work force, same burden, no investment in new machinery. (Deming 1986:8)

An attractive message to any employer! This anecdote is used to

illustrate how collection and analysis of statistics lead to an understanding of a problem and ultimately to a (measurable) solution. The solution helped people "to work smarter, not harder" (Deming 1986:8); an invocation often attributed to Japanese employees.

But this was not the end of the story. Deming's next question is how to get rid of the remaining 5% of defects. The process of record keeping and analysis is repeated. The solution to a production problem almost always involves methodical collection and analysis of statistics. To be able to achieve this in a work place requires training, but Deming assures the reader that the training is manageable by even the less educated workers.

Statistical concern, however, may be misdirected according to Deming. Not all statistics are useful. Deming provides examples of less than useful statistics. This example involves the gathering of data on productivity:

There is in the United States, any day, a conference on productivity, usually more than one. There is in fact a permanent conference on productivity, and there is now the President's Committee on Productivity. The aim of these conferences is to construct measures of productivity....Unfortunately, however, figures on productivity in the United States do not help to improve productivity in the United States. Measures of productivity are like statistics on accidents: they tell you all about the number of accidents in the home, on the road, and at the work place, but they do not tell you how to reduce the frequency of accidents. (Deming 1986:15)

In Out of the Crisis, Deming published a letter from a friend. This letter is included in such a way as to both build his own public stature and his association with the Japanese miracle. The letter also enables him to distance himself from what he perceives as the 'wrong' use of statistical measurement. First of all, the friend is named. His title of legitimacy (a Japanese scholar from the University of Tokyo) is embedded in the text of the chapter. The friend writes;

I have just spent a year in the northern hemisphere, in 23 countries, in which I visited many industrial plants, and talked

with many industrialists.

In Europe and in America, people are now more interested in the cost of quality and in systems of quality-audit. But in Japan, we are keeping a very strong interest to improve quality by the use of methods which you started....when we improve quality we also improve productivity, just as you told us in 1950 would happen. (Deming 1986:2)

Deming reminds his readers of his 'achievements' in Japan, of Japan's more enviable economic position and indicates that he is not satisfied with the particular approaches to quality taken by some western organizations. In the following example, Deming illustrates his concern for the reasonable requirements of workers and the unreasonable demands of accountants.

A woman in my class at the Graduate School of Business Administration of New York University [a reminder that Deming is a credible source] described her job with an airline, which was to answer the telephone, to make reservations and to give information. She must make 25 calls per hour. She must be courteous, don't rush callers. She is continually plagued by obstacles....Christine, what is your job? Is it:

To make 25 calls per hour

or

To give callers courteous satisfaction;
no brush offs. (Deming 1986:73)

While the accountant must have a figure for the budget, Christine and her 499 colleagues are unclear as to their responsibilities. They cannot meet both demands simultaneously. The solution offered by Deming involves the collection of statistics on all calls made, delays in securing of required information and so forth. An analysis of the gathered statistics will show a distribution of performance. Half of the workers will fall above the average of this distribution, half will fall below. This information would identify those people who fall outside 'the system' and who may need special help or attention from the leader.

9.5) Deming's 'Quality Philosophy'

To achieve the transformation of industry necessary to come "out of the crisis", Deming provides 14 points. These points consist of a list of tenets which are now better known as 'the Deming philosophy':

1. Create constancy of purpose toward improvement of product and service, aiming to become competitive, to stay in business, and to provide jobs.
2. Adopt the new philosophy. We are in a new economic age. Western management must awaken to the challenge, must learn their responsibilities, and must take on leadership in order to bring about change.
3. Cease dependence on inspection to achieve quality. Eliminate the need for inspection on a mass basis by building quality into the product in the first place.
4. End the practice of awarding business on the basis of the price tag. Instead minimize total cost. Move toward a single supplier for any one time and develop long term relationships of loyalty and trust with that supplier.
5. Improve constantly and forever the systems of production and service in order to improve quality and productivity. Thus, one constantly decreases costs.
6. Institute training on the job.
7. Institute leadership. Supervisors should be able to help people to do a better job, and they should use machines and gadgets wisely. Supervision of management and supervision of production workers needs to be overhauled.
8. Drive out fear, so that everyone may work effectively for the company.
9. Break down barriers between departments. People in research, design, sales, and production must work as a team. They should foresee production problems and problems that could be encountered when using the product or service.
10. Eliminate slogans, exhortations, and targets that demand zero defects and new levels of productivity. These only create adversarial relationships because the many causes of low quality and low productivity are due to the system, and not the work force.

- 11a. Eliminate work standards (quotas) on the factory floor. Substitute leadership.
- 11b. Eliminate management by objectives. Eliminate management by numbers or numerical goals. Substitute leadership.
- 12a. Remove barriers that rob the hourly worker of his right to pride of workmanship. The responsibility of supervisors must be changed from sheer numbers to quality.
- 13. Institute a vigorous program of education and self-improvement.
- 14. Put everybody in the company to work to accomplish the transformation. The transformation is everybody's job (Deming 1986:23-24)

Each point consists of an instruction to management and is illustrated or elaborated by anecdotes and admonitions. Point 8, for example, directs managers to "drive out fear". Many examples of workers reacting in fear rather than acting in confidence are cited. Managers are chastised for setting up this environment. Deming believes these are principles that worked for Japan in the 1950s and can be applied anywhere; "to small organizations as well as to large ones, to the service industry as well as to manufacturing..." (Deming, 1986:23). These are the principles which are promoted as 'the cure' for 'the diseases' which afflict American industry. The implementation (or inculcation) of these ideas will take decades (Deming 1986:xi). But the use of naturalistic metaphors by Deming is quite congruent with the predominant metaphors used of 'an economy' which is 'ailing' and needs human sacrifice to become well.

From the provision of a statistical technique, increasingly Deming became known for providing a 'management philosophy' in which the technical method of sampling was pivotal. Much of Deming's subsequent work, both written and oral, admonishes the managers of western nations' for a loss of competitive position, vis-a-vis Japan in particular, and the loss of jobs.

The promotion of Deming's ideas as a 'philosophy' rather than a mere

set of techniques indicates the recognition afforded him of going beyond the simple gathering of statistics or set of practices. If they are to become unproblematically accepted and experimented with, statistics and practices require embedding in a 'system', a way of 'seeing the world'. The practices are set between boundaries of what can be deemed 'sensible'. Deming's Way, Deming's Philosophy and so forth is a type of myth or 'discursive system', an aspect of the contemporary regime of truth (Rabinow 1984:72-73). Upon taking up this philosophy, managers and workers may become enmeshed, or according to Foucault, "trapped" in the system of thought that allows and prevents specific possibilities (Foucault 1970:xv). While Foucault suggests this analysis properly destroys the sovereignty of man (Foucault 1970:348), I argue that the construction of these 'knowledges' or 'truths' clearly implicate 'man' in what we come to experience as 'social reality'. The accompanying

systems of registration, notation, description, classification, integration in numerical series and in statistics, with the introduction of new forms of teaching, the circulation of information, relation with other theoretical domains... and with other institutions (whether administrative, political, or economic) (Foucault 1972:53)

ensure its commonality.

Thus those who promote the use of 'Deming's Way', 'Japanese Management Practices' or the most recent iteration 'the management of quality' recommend their particular discourse be taken up in its entirety. The conversion to 'the way', and the proper practice of its rituals, ensures salvation. Heising et al, for example, argue the benefits of doing so. The

implementation of the Deming management philosophy may result in significant reduction in risk - both public and financial. These results are based upon the effect these control methods have on failure frequencies assumed in plant probabilistic risk assessments (PRA)"Deming's Way" involves

the application of such techniques as range and x-charts, and run charts, to follow plant performance variables for the purpose of identifying changes to the system....(Heising et al 1987:719)

But glib adherence to the technique is not advocated by Deming. He repudiates the notion of statistical techniques as a 'quick fix' solution for organizational problems. American organization is afflicted with 'deadly diseases' and obstacles. In Out of the Crisis Deming writes:

An important obstacle is the supposition that improvement of quality and productivity is accomplished suddenly by affirmation of faith. Letters and telephone calls received by this author disclose the prevalence of the supposition that one or two consultants with a competent statistician will set the company on the road to quality and productivity - instant pudding. "Come spend the day with us, and do for us what you did for Japan; we too wish to be saved."...One man actually wrote to me for my formula, and the bill there for. (Deming 1986:126)

The suggestion that traditional management practices were outmoded, but that a new way of managing would resolve the crisis was promoted particularly explicitly in the work of Deming. In the Academy of Management Review (1989, Vol 13/1), for example, Gartner and Naughton review five works about Deming. They agree with Deming that the production process usually consists of workers producing the goods (or services), quality inspectors (who sort out the imperfect products/services), recorders who count the mistakes, and managerial staff who exhort workers to do better, punish workers for bad work and so on. This process, they concur, is unhelpful because the focus of attention is on the worker. Deming argues that the worker "is only delivering the defects". It is management who control the system and caused the defects through the design of the system. "Only systems in statistical control can begin to reduce the variability in the system and thereby improve the quality and the quantity of its output" (Gartner and Naughton 1989:140-141). Deming responded to the failure of the old approaches by confidently asserting a new way, the Deming Way.

Deming and his followers became the popular advocates for a new way to economic salvation just as Frederick Taylor's 'scientific principles' were explicitly canvassed around politicians, policy makers and industrialists, and studied in colleges and universities as important Facts or 'truths'. People were introduced not only to Taylor's or Deming's techniques through their tasks but they were given social, psychological, economic and political reasons to support such 'principles'. Those who did not conform were not to be chastised immediately. Not too dissimilarly from Taylor's approach - where education was to be the first attempt to gain conformity a 'teacher' will be sent to help him.

Neither Taylor's principles nor the organizational implications stemming from Deming type managerial philosophies have been accepted unopposed. But even in the face of some severe opposition the work of both Taylor and later Deming was used to impact on the way in which work was conducted by countless ordinary employees: first, as Taylor's "specialised" [de-skilled] workers, now as Deming's "upskilled" [multi-tasked] employees. I will return to this point later. First, I wish to indicate that just as Taylor's work was not unanimously celebrated, so voices of dissent have been raised with regard to 'the management of quality'.

9.6) Voices of Dissent

Despite Walton's efforts, despite the video If Japan Can, Why Can't We?, and much promotion of Deming and his work, not all westerners saw the usefulness of it. Krause (in Stone 1990) identified numerous obstacles in implementing Deming's philosophy in the United States. Employees, he argues, contribute to these obstacles through an inherent conservatism, a resistance to the use of statistical tools and lack of pride in their work. The difficulties inherent in managers who prevent the implementation of Deming's philosophy include managers' rejection of an open atmosphere and their unwillingness to give up special privileges. In general, people do not want to work in teams, the general level of education is inappropriate and there is not a sufficiently 'long term' view. While these reasons explain the difficulty of implementation, Krause also provides reasons why Deming's philosophy should not be implemented in the United States.

Americans are great innovators, especially when they can share in the profits generated by their efforts.²³

The manager or employee who is consumed with the mission of improving quality and productivity might not be "looking around the corner" for the next profitable opportunity. The crusade by some scholars to turn all U.S. firms into world class quality competitors might be the perfect strategy for a society that must export to survive, such as Japan...

Therefore, American business owners should not adopt Deming's principles at any cost. Instead they should do what they have always done: create the color, the stereo, and the ideas that make the world a more interesting place. Additionally they should create fair profit-sharing strategies that will motivate employees to think and act entrepreneurially. (Stone 1990:58)

The very characteristics of employees and managers which Krause believes will inhibit the implementation of Deming's philosophy, will no doubt also work against Krause's own solutions. If employees are under-educated, fear change, resist training and will not work in

- 23) Our strategy should build upon our considerable abilities to create new products and develop new technologies....I believe that creativity and innovation are the fuels that will power future U.S. economic growth. We must develop the strategies that are appropriate for our own businesses....We should not lose sight of the long term importance of entrepreneurship in our economy, and we should avoid focusing only on the quality related benefits derived through attempting to drive labour and material costs to zero.

teams; if managers will not give up their special privileges, reject an open atmosphere and have a short term view, his own proposal looks vulnerable. However, whether Krause is right or wrong is not the issue. By engaging in the discussions at all, Krause adds to the growth of the discourse of 'the management of quality', contributes substance to the rhetoric. For those who went on to experiment with Deming's philosophy despite this critique, his dissent was "refuted" (Vickers 1988:68).

Deming had his critics. Despite the criticisms of the techniques and philosophy associated with his work, or of those more generally labelled 'Japanese Management Practices', some authorities were keen to promote them in New Zealand. In the next part I examine the process of introducing Deming and the techniques to New Zealanders.

PART THREE: MERGING THE 'MANAGEMENT OF QUALITY' INTO THE
NEW ZEALAND DISCOURSE OF EMPLOYMENT

Introduction to Part Three

Nigel Haworth (1990) argues that during the two decades from the 1970s changes in the vocabulary, ideology and practice of labour-management in New Zealand are surprising in both scope and vigour. "Gone, we are told, are the 'adversarial notions' of 'industry'; in their place are the consensual, cooperative notions of employee unity" (p.223). Critics of traditional collective bargaining processes claim that such outdated and obstructive traditions have come to an end and will be replaced by modern methods of human resource management (p.224). In this part of my thesis I argue that 'the management of quality' both facilitated and consolidated these changes in belief.

In the earlier parts of my thesis the theory of myth construction was outlined to argue that what is known as real, true, good, or right is the outcome of ongoing negotiation and training. I used Vicker's components of rhetoric to consider the construction of 'work', 'workers' and 'managers' in distant times and places. I examined the construction of early capitalist fabrications and their relatively easy adaptation into 'the management of quality'. I argue that this discourse now underpins much of what is to be taken for granted in contemporary capitalist conditions of employment. In this part, I use aspects of Vicker's work to organize my field observations into an analysis of how adaptations of 'the management of quality' came to be used by various groups of New Zealanders to promote or protect their interests. Despite the promotion of 'the unity of interest' implicit in 'the management of quality', those who found this discourse useful in their rhetoric did not always share the same intentions.

A two-pronged argument took shape in New Zealand from the late 1970s and into the 1980s. This argument provided the Introduction for the promulgation of 'the management of quality'. First, it was claimed

that 'the economy' had not been performing well. Despite a period of relative social stability during the 1960s and early 1970s, retrospective discussions of that time attributed the origins of the contemporary economic downturn to poor productivity in the past. For example,

Since 1950 New Zealand has had the worst productivity performance of all OECD countries. New Zealand's problems in attaining a satisfactory rate of economic growth are long-lasting and deep-seated. [From ranking as the world's third richest country in income per head of population] New Zealand today ranks thirty-fifth in the world. (McLennan et al 1987:27-28)

Warnings about an impending economic 'crisis' were broadcast. The specifics of the national debt were spelt out, indicators of slow growth were rehearsed, increasingly high numbers of layoffs across industries and over the whole span of organizational hierarchies were reported.

The second prong of this argument involved the promotion of a strategy for increasing productivity by paying more attention to 'the management of quality'. Although technical experts had long been promoting such an approach, it was the particular coincidence, during the 1980s, of economic and political interests which accelerated its promulgation.

Chapter ten describes the introduction (Vickers 1988:68) of New Zealanders to the message that changes were imminent. This introduction was largely the work of politicians, but industrial leaders, academics and some union officials were also involved. Given 'the crisis' conditions, it became increasingly common to compare New Zealand's contemporary position with that of post war Japan. The economic recovery of the Japanese was frequently linked to their management practices, and the promulgation of these as a solution to

the contemporary New Zealand economic crisis continued into the late 1980s. Increasingly 'kiwi' versions of 'the management of quality' were developed and promoted.

Conveniently for the introduction of new ways of working, 'quality' was not a foreign concept to many New Zealanders. Technical experts had long been at work in New Zealand and were brought in from elsewhere to promote, experiment with, and teach about various aspects of 'quality'. Their specific contributions are examined more closely in chapter eleven. Those who had a vested interest in establishing 'the management of quality' as a common, taken for granted discourse were able to make use of existing technical interest and expertise. They were able to enhance and rally the motivation of workers through associating 'quality' with 'security', and to link the language of 'quality' (long since the responsibility of inspectors) to a process of work for which all workers could take responsibility.

As proof (Vickers 1988:68) of the contribution of 'the management of quality' to increased productivity, 'success stories' were promoted at public and professional gatherings, in documentation presented by the technical experts, underwritten by the state or other prominent authorities, and in the news letters and documentation of specific enterprises. Some of these 'success stories' are typified and exhibited in chapter twelve. Proof also took the form of testimonies from specific managers or employees who had become converted to new ways of working. These types of presentations often consisted of statistical before and after pictures.

Potential refutation (Vickers 1988:68) of any proposition entails the identification of an argument or enemy whose criticism may undermine the project. Typically in the promotion of 'the management of quality', the negative consequences of the 'old ways' of managing workers were rehearsed. Those who held out for traditional ways were 'put right' or 'put down'. Statistics became a useful tool for comparing the results of old ways and new ways of working. Hoary prejudices against aspects of traditional forms of organization, trade

union activity or management, were rekindled. In chapter thirteen, I discuss the discrediting of resisting unionists and the dismissal of stubbornly non-convertible or non-compliant workers and managers.

'Tailor made' entities are essential for any given social order to function smoothly. Frederick Taylor made this point:

What we are all looking for...is the ready-made, competent man; the man who someone else has trained. It is only when we realise that our duty, as well as our opportunity, lies in systematical cooperation to train and make this competent man...that we shall be on the road to national efficiency. (Taylor 1967:6)

In New Zealand, during the 1980s, a number of employers and some unions set out to create new kinds of 'work' (multiskilled and flexible) 'workers' (participative and flexible) and managers (coaches not controllers). Their rhetoric was based on the assumptions of policy makers, economists and technical experts, that their metaphors (either as individual fabrications, models or root metaphors) would be accepted, tolerated and finally go unchallenged as fact (Vickers 1988:68).

In chapter five, I argued that any social discourse cannot be brought to a definitive conclusion (Vickers 1988:68). For example, although Jews or witches are no longer burned, the potential to engage in genocide still remains in the echoes of our past. The contemporary activities of Neo-Nazis in France and Germany, and the ethnic cleansing presently conducted in Bosnia are obvious examples. The discourse of exclusion, and prejudice has been created. It can be given new iterations and may be adapted for changing circumstances. Similarly, the discourse of work management is constantly being reconstructed. Various interested parties will continually have reason to negotiate what is to be considered work, how this work is to be done and how the fruits of that work will be distributed. However, minor or partial conclusions are discernible. For example, when a particular enterprise decides to implement 'the management of quality', or accreditation has been achieved, the discourse is

successfully made manifest in that location. It is a conclusion of sorts; certain fabrications have been made redundant; certain practices will follow relatively unproblematically.

A definitive historical sequence, a tidy story about the introduction and implementation of 'the management of quality' throughout New Zealand cannot be told; nor is one necessary. While some experts were most certainly engaged in developing a national plan for action, various seemingly independent 'quality' activities proliferated. Individual managers picked up ideas here or there and began a series of experiments. Other managers spent considerable time conceptualizing and merging ideas into whole new systems of work in specific industries and among their suppliers and contractors. By the early 1990s there were few places of employment in the public or the private sectors of New Zealand untouched by the need to join the discourse of 'the management of quality'. The conditions which ensured compliance to 'the management of quality' include the increasing requirement for registration and accreditation at the level of the firm, large scale unemployment, 'restructuring' and the 'opening of the economy'.

Contemporary workers and managers needed conversion. There was some resistance. A new generation could be trained from the outset. It was possible to produce the "ready-made" employee (Taylor 1967:6) for the new conditions of employment. I conclude Part Three by examining the use of education and training to ensure new generations of managers and workers have the correct attitudes from the outset. They will be able to work with the adapted fabrications as real, unproblematic entities. The new ways of working may be taken for granted just as North American Blacks may now take for granted their 'right to freedom' from slavery, Jews can expect to practice their religion without harassment and I must now take for granted my obligation to be economically independent of husband or father.

Chapter 10:

Promoting 'Quality' at the Level of 'The Nation': The Introduction

'The Nation' is a useful metaphor to rally the commitment of citizens particularly in times of perceived 'crisis'. Attempts to rally citizens to national efforts, national commitment and national loyalty are attempts to unify a variety of interests. The well-being of 'the nation', 'the economy', 'the market', and 'the corporation' are among the key fabrications that are already available for use. Not all interested parties, however, are equally able to use these fabrications to their advantage. But those who succeed can galvanise their rhetoric in practice. Their preferences become the new common sense. Hegemonic control is achieved.

High unemployment remained a prominent social concern to many New Zealanders throughout the 1980s and early 1990s. Deming's work provided a promise for its alleviation. Deming himself is explicit about the relationship between his philosophy and employment levels (Appendix 2). The first among his famous 14 points promised to create

constancy of purpose toward improvement of product and service, aiming to become competitive, to stay in business, and to provide jobs. (Deming 1986:23)

Decrying the short term and limited horizons of managers held accountable to the quarterly balance sheet, continued improvement in quality of products and services will ensure "jobs and more jobs" (Deming 1986:2).

The protection of jobs was an oft repeated incentive to take up 'the management of quality'. Interested managers, for example, were told that through reductions in re-working costs and waste, some firms

have been able to reduce their quality costs
[estimated to be \$2,000 million per year in

1983] significantly through vigorous quality management, leading to enhanced competitiveness, profitability and job security. (NZOQA and TELARC 1984:4)

In another example, Les Foulds, a professor in the University of Waikato's School of Management Studies, promoted the protection of jobs as a key outcome of productivity gains through the particular 'Japanese Management Practices' he endorsed for use in New Zealand:

Just-in-time makes the company more able to compete, provides more people with more interesting jobs, and in no way implies that the workforce should be reduced. With better quality, and less waste, the company will be more likely to make jobs more secure and hire more people. No jobs are lost with Just-in-time. It is the Union's friend. (Foulds 1989:9)

The fabrications central to 'the management of quality', (productivity increases, job enhancement, reduction of waste, and so forth) were also pivotal fabrications for the reformers of the economy. Those who shared Deming's ideals of managing the conditions of employment, and those who promoted the liberalising of the economy as a way of recalibrating the work-force and depressing wages, both saw advantage in the use of these fabrications. This chapter illustrates the minimization of the contradictions between the discourse of the technical 'quality' experts (as epitomised by Deming), and the simultaneous development of a discourse of liberal economic theory tailored to the exposure of New Zealanders to international markets or global capitalism. I argue that the pervasive fear of joblessness, and the promise of job security from increased productivity through 'the management of quality', were skilfully brought together in a contemporary attempt to establish a unitarist rhetoric; 'unity in the face of adversary'.

10.1) The Crisis of 'The Nation' - Responsibilities in Common

The responsibility for protecting standards of living of a nation generally falls on political and economic decision makers. But this responsibility of politicians is readily shared with citizens. In the

late 1970s and early 1980s, these standards of living were said to be threatened by an economic crisis. Roger Douglas, then opposition (Labour) spokesperson for finance, in a speech to the Labour party conference, promoted the view that New Zealand was largely responsible for its own problems and that most sections of the community, through selfish pursuit of narrow interests, had some share of the blame (Management, June 1981:17). The solution to these economic problems required unified effort.

'Unity' in the face of adversity was promoted as a key to the solution of New Zealand's economic crisis. 'Unity' was the theme of the 1983 Labour Party Conference and

delegates found it [unity] served up three times a day and twice on Sunday in a non-stop barrage. (Management, September 1983:26)

The face of adversity took the form of 'the ailing economy', slow economic growth, rising unemployment and expanding debt. New Zealand was in trouble:

The New Zealand economy continues to display one of the most lack-lustre performances among the countries of the developed world...the outlook on the whole is not encouraging... [and] is beset with serious structural difficulties... (Treasury Report, Economic Management, 1984:103-4)

As the 1980s progressed, there was no shortage of people to educate citizens about the crisis New Zealand was facing. New Zealanders were scolded for 'living beyond their means'. A period of 'belt tightening' and sacrifice was required. The message was confirmed in the actual insecurity of employment. As in the early days of industrialization, captains of industry were highly visible among those who promoted the need for unity, common purpose and commitment to 'quality'. New Zealanders were repeatedly told that 'the management of quality' was a global phenomenon from which they could not stand apart. To promote the use of Deming's philosophy, for example, Grant Currie, technical

Director of Fisher and Paykel Ltd, Auckland, was able to draw on a now shared notion of crisis, the promises of 'Japanese Management Practices' and New Zealand's jeopardised position in the world economy:

I believe that it is high time that New Zealanders stopped bleating in harmony with our 60 million cousins on the hillside about our declining standard of living and faltering economy. Instead we should recognise that no-one can help us out of our present predicament unless we make a positive commitment to finding more productive methods of management.

Dr Deming's philosophy gives us a sound blueprint for such a breakthrough.... Our competitive position in world markets within a few short years will depend on how long it has taken us to make a start and how much energy we have put to the task.

The world does not owe us an unearned standard of living, ..Dr Deming has let us into the 'secret' he gave to the Japanese over 30 years ago.

Events during the next 12 months in New Zealand will demonstrate whether we have listened, learned and acted. (Proceedings of New Zealand Quality Conference, 1984, Quality Pays, pp.3-6)

Sir Earl Richardson, Past President of the Manufacturers' Association, was another leading businessman who joined the refrain:

I believe there is a need for a national commitment to industry improvement. Unless as a nation, from the government to the shop floor, we initiate a drive for excellence, in attitude, in quality, in productive effort and human relationships, we will not enter the 1990s in a shape which will bring our objectives within reach. Deming is the architect of change that could project us into the 21st Century (Signature Undated:38)

Don Rowlands, Managing Director of Fisher and Paykel Ltd, shared similar views. He argued that it was the responsibility of three key parties to disseminate the solution:

I believe it behoves every government, business and union leader to know and incorporate all Deming's points into their working philosophy. Such a movement would indeed help every New Zealander. (Signature
Undated:37)

Rowlands saw his firm and those it dealt with becoming a common community:

Slowly and surely we are finding all the people in the system are starting to speak one language and adopt similar goals... (Signature
Undated 37)

Deming was promoted as the man who had dealt with a crisis. He was to be of use to New Zealanders as he had once been to the Japanese. In order for a crisis to be resolved, says Deming, there must be "an awakening to the crisis, followed by action" (Deming 1986:18). As collective creators of our own misfortune, implementation of 'the management of quality' was a collective responsibility. The moral responsibility of all citizens to contribute to the recovery was also made explicit by the Executive Director of The Deming Institute in 1984:

All people in New Zealand have responsibilities for improvement of economic position...

All people, given the opportunity to take pride in their work, whatever that work might be, using the cycle of acquisition of knowledge, the Deming Cycle, can accept these responsibilities and make their contributions to a better future for all. (Ivor Francis, The Deming Institute News, 1986:1)

This universal responsibility has its origins in the (supposedly) Japanese dictum: 'right first time'. This dictum encourages minimization of error and waste. In the promotion of 'Quality Control' (one of the earliest formulations of 'the management of quality') employees had significant responsibility:

A course such as "Introduction to Quality Control" will show all employees that products can be 'right first time' and that they have a responsibility to help it happen. (Management, September 1981:42)

The responsibility for quality is associated with pride and therefore motivation:

We want to 'breathe the quality message' into everyone in the company...By promoting individual responsibility our people will have more incentive to use their initiative and really look forward to beginning work each day. (National Business Review, 23 November 1987)

Throughout the country there was much talk of unity and self-sacrifice. There were many calls on workers and managers to unite in the face of adversity. While all citizens were held responsible, much of the blame was attributed to managers. For example, New Zealand was promoted by Roger Douglas as "a rich country, in a world full of opportunity" but a country which had been mismanaged leaving

increasing dismay and alarm to most New Zealanders, irrespective of the party affiliation. They [the National Government] have seriously undermined social cohesion and a sense of collective responsibility, trust and pride....The first task of a Labour Government will be to restore national unity and re-create New Zealand's fine tradition of public responsibility, co-operation and compassion. (Management, 1983:43)

The image of middle management as an expensive and inefficient

resource was raised:

Management must accept full responsibility for the level of product quality that is leaving the factory and must pay more than mere lip-service to the concept of quality assurance. New Zealand is clearly in a position to heed the example of the Japanese manufacturer... who, since the second world war, has engaged in a relentless pursuit and analysis of quality defects and the subsequent remedy. (Warren Cooper on behalf of Brian Talboys, Minister of Overseas Trade; 1980 NZ Quality Conference Opening Speech)

Managerial responsibility for quality (and implicitly the attendant productivity gains and enhancement of social well-being) was also promoted by Dr John Hromi, the visiting president of the American Society for Quality Control, in his 1980 address to the annual meeting of the New Zealand Organization of Quality Assurance. For the interest of many more New Zealanders, his message was repeated in the monthly magazine, Management. Hromi argued that there

is growing evidence that senior managers are overlooking one of the most important and controllable methods to improve productivity - their own quality control. (Management, May 1982:2)

Ian Douglas, in his capacity as Chairman of the New Zealand Planning Council, toured New Zealand addressing groups ranging from businessmen's councils to the Shepherds' Club in Masterton, promoting liberalization of the economy, greater flexibility, and the culpability of managers for our present state of decline. In an address to Wellington Central Rotary Club, (7 June 1983) he argued that our

productivity performance has been essentially a failure of management and it is on management response that our prospects of doing better depends. (Douglas 1984:32)

Don Rowlands, Deming's representative on the board of The New Zealand Deming Institute supported this analysis of the origins of the economic disaster.

It's time for a dramatic change in the New Zealand style of management, a style that was never right, even though it earned this country a good income in the years following World War Two when we sold food to Europe. But Europe was devastated by war. We could sell our food no matter how we managed things. Now it's time we shook ourselves out of our "She'll be right" syndrome and got this revolution under way...we've all got to become much more efficient as a society and restructure in a way to ensure our business and our industries can compete effectively in the world at large. (Signature, undated:37)

Rowland's solution was expressed in his support of the work of the then newly formed Deming Institute and his own company's commitment to the Deming method. Grant Currie, the then Technical Director of Fisher and Paykel Ltd, Auckland, argued:

Dr Deming has just given us his formula for success in management through "Total Management of Quality". His formula has been shown to work in Japan. It succeeded because top management were suited to their jobs, understood what was needed and pursued their objectives energetically.

Total Quality Control demands teamwork and that requires good communication and "closeness" throughout organizations. No one but ourselves can solve our economic problems - the challenge is to top managers of all sectors of New Zealand enterprise, public and private, to acknowledge their responsibilities and create the right environment for building and prosperity for all through good quality sound strategies and good communication. (Proceedings of the 1984 New Zealand Quality Conference; Quality Pays)

From the early 1980s, the various parties intent on re-shaping New Zealand were able to use a similar set of social fabrications to suit their purposes; the 'unity of interests', the 'wellbeing for all', and the 'preservation of jobs' were widely promoted. The 1984 election proved to be the beginning of rapid economic and social change in New Zealand. In the 1984 general election, the Labour Party gained almost 43% of the valid votes against the National Party's 36%. The new Minister of Finance was Roger Douglas who was intent on economic reform. Key features were the pressure on government to reduce wages and tax levels, to influence union organization and to reduce public spending on social services. The nation was to undergo a radical restructuring. Unemployment was not expected to diminish. Downward pressure on the wages of most employees would be maintained.

In 1984 Treasury reported to the incoming Labour Government that

Producers are expected to respond to a fall in domestic spending in 1985 by cutting production and employment. In the year to March 1986 a fall in employment of around 10,000 (0.7 percent) is forecast, and numbers of registered unemployed are forecast to rise by 12,000 and total around 82,000 by 31 March 1986. (Report from Treasury, Economic Management, 1984:23)

While unemployment and depressing wages were expected to remain features of the economic landscape, proposed productivity increases were assumed to mitigate worst case scenarios. Treasury suggested that there

is no room to further stimulate domestic activity in an attempt to raise employment and past experience shows this to be ineffective beyond the very short term. Increased job opportunities will follow from policies to improve economic performance and promote flexibility and adjustment in the labour market. In the short run, the average structure of real wages may need to fall if unemployment is to be substantially reduced. A

rapid improvement in productivity could offset this to some degree. (Report from Treasury, Economic Management, 1984:118)

The group of technical experts, who had long promoted 'quality' as a means of increasing productivity, found a much keener audience for their information. Their work had some links to earlier developments elsewhere. In Britain, as early as 1978, a paper entitled "A National Strategy for Quality" had appeared and was followed in 1983 by the 'British National Quality Campaign'. Such developments inspired the New Zealand thrust. The Testing Laboratory Registration Council of New Zealand and the New Zealand Organization for Quality Assurance distributed a joint working-paper which set out a ten-year plan for a national approach to the implementation of concern with quality. With the endorsement of business leaders and government, the 'quality industry' was set to grow.

After their victory at the polls in 1984, the new Labour Government organized an Economic Summit. According to Roger Douglas, the architect of New Zealand's 'liberal' economic direction, this Summit was

designed to dramatise the problems of the economy to the nation and to create the right climate for change. (Douglas 1987:7)

The summit, held in the parliamentary buildings amidst pomp and ceremony, was designed to indicate the new government's commitment to consultation in the changes ahead.

By the second half of the 1980s, economic conditions in New Zealand had not improved. The Labour Party was returned with a reduced majority in the 1987 election. New Zealand was said to be plagued by scarcity (Government Management; Brief to the Incoming Government 1987:1) and an uncertain outlook because of its large dependence on the activities of the Japanese and the Americans (ibid:368).

Throughout the decade the themes of crisis, and success elsewhere, continued as before. Several combinations of the now commonly used

fabrications were promoted by people in influential positions. For example, Dr Don Barnes, then Group Director of the Department of Scientific and Industrial Research (D.S.I.R.) represented the thinking of scientific and technical experts with a long history of concern with quality. He advised New Zealanders to adopt the Japanese way because their way is

helping push them to the top of the pile while western countries like New Zealand suffocate in their own inefficiencies. (Dominion Sunday Times, 24 July 1988:33)

Barnes' argument followed the common pattern so typical of many promotional talks. After the shortcomings of New Zealanders' ways of doing things were rehearsed, the positive features of the 'Japanese way' were highlighted in contrast. A list of the 'economic principles' of Japan is highlighted, but their origin in the west was recognised. At the same time Barnes challenged the increasing devotion to liberal economic policies by New Zealand policy makers of this decade. His list vividly illustrates the points of conflict between those who supported a Deming-like solution to 'the crisis' and the solutions of the increasingly powerful liberals:

- 1) Government direction and subsidising of industrial development
- 2) protection of home markets against foreign competition (generating high profit to fuel export development)
- 3) availability of capital at low interest rates
- 4) an "acceptance of a lower rate of return and a longer payback period which means business can plan for the long term"
- 5) commitment to productivity - not at the expense of quality
- 6) a commitment to fading out "sunset" industries in favour of medium and high technology industry. (The Dominion Sunday Times, 24 July 1988:33)

The above principles, according to Barnes, operate in Japan with a

highly intelligent, disciplined and skilled workforce - usually working for lower wages than their western counterparts. (The Dominion Sunday Times, 24 July 1988:33)

Although some of the details vary (especially with regard to the preferred economic policies to underpin the new approaches to work) many of the key themes of 'the management of quality' are present in his argument. New Zealanders require a turn around in management philosophy. Managers must be coaches not dictators and the environment for their work must be co-operative, co-ordinated, and guided and supported by technology. From a general picture of 'workers' as adversarial and competitive, pursuing individual interests, a new type of worker is recommended - a worker who works in a consensual, co-operative and socially responsible way. Thoughtful, co-operative interaction among unions, management and workers is required.

This introduction of issues and potential solutions contains many of the now familiar rhetorical elements. References are made to the Japanese and their economic success, a highlighting of New Zealanders' economic 'struggles', an unfavourable comparison of their 'archaic management by control' with Japan's enlightened 'balance between competition and co-operation', and the need to re-design 'work', 'workers' and 'managers'.

Barnes presents facts in a short and selective version of changes in the Japanese economic position:

Japan's gross national product, which is an indication of a nation's wealth, increased 200% from 1971 to 1980. In that time it was ranked first amongst industrialized countries in economic growth rates, a period of economic difficulty for many. (The Dominion Sunday Times, 24 July 1988:33)

The Japanese look-alike future for New Zealand, as propagated by Barnes, could be achieved in a four part economic model:

- 1) socio cultural: emphasis on education and the development of technological literacy in management
- 2) a co-operative government-business climate which aims to foster overall growth while maintaining individual firms' competitiveness in their own and in the international marketplace
- 3) a competitive environment which seeks to achieve a balance between competition and co-operation
- 4) an organizational climate "based on quality leadership and consensual management". (The Dominion Sunday Times, 24 July 1988:33)

Barnes' article occupied a full page in a prestigious national newspaper. The prominence of his views and the linking of a responsive work-force to economic policy for the country throws into relief the importance of what Vickers (1988:68) called division in the effectiveness of rhetoric. Barnes set out the contradictions in order to dismiss them. The fabrications of the free marketeers, which had by then been the dominant economic philosophy for some years, and that of a co-operative government-business climate to optimise economic growth more typical of Deming-like approaches, contain inherent inconsistencies.

For rhetoric to prove effective, there has to be a seeking out of convergences, of common means, to the generally accepted end. For example, if it were true that the Japanese 'miracle' had relied on a co-ordinated process of mutual support among government, manufacturers and workers, with 'the management of quality' being the day-to-day practice necessary to get the job done, then would the liberal competitive traditions of the West provide an equal context?

Another example of the extent to which the new fabrications had become consolidated into one convincing story can be found in the inaugural

lecture to the Chair of Management at the University of Waikato, by Les Foulds. In this lecture, entitled With Japanese Manufacturing Methods, The New Zealand Industrial Desert Will Bloom, Foulds proposes that we can

overcome the country's labour and economic problems by efficient production in light industry....with the implementation of carefully selected Japanese manufacturing techniques. (Foulds 1989:1)

A success story quoted by Foulds provides the proof:

A few years ago the Motorola TV Company in Chicago, Illinois, was in serious economic trouble. Then the Japanese company Matsushita purchased the plant. They agreed to retain all employees. Little change was made to the factory's manufacturing equipment. Two years later nearly all the same blue and white collar staff were still there. What was achieved is shown in figure 1.

Figure 1

	<u>before</u>	<u>after</u> (2yr)
employees	1000	1000
daily production	1000	2000
assembly repair	130%	6%
annual warranty bill	\$16m	\$2m

'Success stories' are typically represented as 'evidence'. These are facts an audience is likely to accept. Foulds's particular case study reassures the audience that in adopting these methods of management, jobs need not be lost and money need not necessarily be spent on upgrading equipment. From the case study Foulds leads into an historical overview of post war Japan. He outlines the pre World War Two Japanese reputation for the production of low quality goods with low paid, low skilled staff who worked in appalling conditions. The invitation to Deming and Juran to come to Japan in 1949 is presented as a key event in the changes outlined. The new Japanese industrialists gained positions of national leadership.

Building on typical 'crisis' or 'disaster' scenarios, Foulds suggests that some of the Japanese post war problems are present in New Zealand. He asks "What do the Japanese do that we might consider?" He argues that Japanese success does not lie in advanced robotics or high technology (as technophiles may have us believe) but in particular management techniques. Japanese managers, says Foulds

constantly work in an evolutionary system to improve all aspects through co-operation at all levels to attempt to achieve an impossible goal, perfect products made by error free operations. Improvement comes by viewing problems as challenges rather than threats: challenges to be solved through common sense and rigorous analysis. (Foulds 1989:3)

Key words in Foulds' address include 'co-operation' and 'full employment'. The notion of 'continuous improvement' in the process of production is based on three aspects: elimination of waste, quality at the source, and respect for human beings. Foulds goes on to discuss these by describing a number of concepts common in any discussion of 'Japanese Management Practices', e.g. 'Quality Control Circles', 'Kaizen' and 'Just in Time'.

Foulds lists the following as important aspects of Japanese management techniques in general:

- 1) lifetime employment
- 2) company unions
- 3) training and education of workers
- 4) consensus management
- 5) quality circles
- 6) robots/automation

The less appropriate of these for New Zealand, he suggests, are lifetime employment, company unions, consensus management, automation and robots. In his view the techniques which might usefully be adapted in New Zealand include the 'Just-in-Time' philosophy, 'quality at the source' and 'quality circles'. New Zealanders could introduce uniform

loading procedures and they could reduce set up times. Group technology and multi-process workers could be employed. Kanban systems of control would also be introduced. The 'Just-in-Time' philosophy (J.I.T) is promoted as the "framework into which the other elements fit". For Foulds many lessons can be learned from the Japanese in Japan or in their endeavours elsewhere. Taking the lead from them, the New Zealand "industrial desert will bloom" (Foulds 1989:10).

10.2) Learning from the Japanese

By the 1980s a number of key voices claimed that New Zealand was indeed 'in crisis'. This 'crisis' could be overcome through increased productivity. The facts presented to New Zealanders throughout a decade and a half built on information about Japan's successful management of its post war crisis.

Yet economic circumstances and economic policy directions in New Zealand could not have been more different from those that pertained in the immediate post war reconstruction of the Japanese economy. The Japanese through the 1950s and 1960s, for example, were avidly protectionist. In contrast New Zealand, during the 1980s, was deliberately moving in a liberal economic direction. Despite the differences between the two situations, despite the government's clear intentions to depress wages, 'Japanese Management Practices', continued to be promoted in New Zealand as the way to achieve high wages, life-time employment and job security. While Japanese managers were noted for their commitment to long term objectives, in New Zealand the plethora of short term contracts associated with 'restructuring' ensured individual managers focussed on short term, achievable and highly visible goals. Where the Japanese were promoted as a group-oriented people who worked for the collective good, increasingly individualist, 'user pay' policies ensured that New Zealanders were required to look out for themselves.

Despite such contrasts, 'the management of quality' provided an opportunity to percolate desirable attitudes amongst workers,

managers, unions and employers. Among these were the need to sacrifice immediate comfort for long term security and well-being, the need to work in teams, the need to improve productivity, the need to be loyal to employers and the need to think globally. Establishing a commitment to 'international standards' through an increasing willingness (or need) to become certificated in quality matters received substantial government support. Techniques of managing work in ways consistent with these values were powerfully promoted.

A limited critique of the techniques associated with 'the management of quality' and of the overall social impact of their extensive implementation in New Zealand, began to emerge from the mid 1980s. Some of this criticism revolved around the different orientation of New Zealand workers to those in Japan. One response to the criticism was to adapt selected aspects of the techniques into a version deemed more appropriate for New Zealand use. For example, in some industries which operate with a high proportion of Maori and Pacific Island employees, there was a skilful association of Maori and Pacific Island values with similarities said to exist amongst the Japanese. This also provided an opportunity for the corporate co-option of selective aspects of the discourse of bi-culturalism to be developed contemporaneously. Prominent among the commonalities of the discourses were values placed on heritage, groupness, and decision making for long term objectives. Critics of 'Japanese Management Practices' argued that there were significant and unresolved cultural differences between Japanese and New Zealand workers. What worked in Japan would not necessarily work in New Zealand. The Japanese, it was argued, were more strongly connected to their feudal heritage than westerners:

Japan has utilised, or even exploited the characteristics of traditional society in order to promote industrialization. (Bloch 1988:90)

The characteristics attributed to the Japanese heritage were those of an homogenous, traditional race with minimal immigration of foreign

workers and a strong personal commitment to family values and national wellbeing. New Zealand workers, were admonished for being selfish creatures.²⁴

Japanese culture formally and openly stresses the interests of a group over and above individual success. In Japan the group is a fundamental work unit....The Japanese worker is motivated by selfless economic rationality. Wages are based on group rather than individual criteria. (Bloch 1988:90)

To accept this concept of 'the Japanese' is to ignore the new and tortuously formed 'Nippon nation' in which 'differences of interests' contested for control. As in all rhetoric, selective representations of the Japanese and their history were deemed more appropriate than others to promote new ways of working.

In the frequent comparison of New Zealand's contemporary economic struggle with Japanese economic success since World War Two, New Zealanders were given conflicting information and mixed messages about the cultural transferability of the Japanese ways of working;

Japanese management has often succeeded, contrary to expectations, in the United States, United Kingdom and elsewhere in the West, but it has often failed where it might be expected to succeed - in South Korea, Singapore, Taiwan and Hong Kong... Japanese management succeeds where companies have preserved the same values you find in any

24) It seems ironic that at the same time, the preconditions for the Employment Contracts Act 1991 (discussed more fully in section 13.3) were also under consideration. This Act was built on the fabrication of human beings as self-interested and individualistic; that justice in economic matters is expressed through the outcomes of 'the market' ('a level playing-field') on which individuals compete and thus maximize outcomes for themselves and employers.

family or village around the world, and developed and refined them on the scale of an enterprise. (Management, June 1982:10)

This family or group orientation of the Japanese was also signalled in a caution by Glyndwr Jones to New Zealand managers who might be tempted to rush off and implement Japanese techniques:

The Japanese company and worker have developed a special relationship which does not exist elsewhere. A Japanese worker sees himself far less as an individual than he does as part of his family and work group. (Management, June 1982:70)

International trading relationships of New Zealand after World War Two were also quite different from those of Japan. People in New Zealand produced and sold food to Europe. New Zealand's traditional link was with Britain. British imperial preference and tariff principles supported U.K. manufacturers and the U.K. bought our primary products. This economic logic predominated in New Zealand until the mid 1960s. Regardless of the management process, Europe's great need for our food ensured reasonable prosperity for those sectors of the population who benefitted from that relationship.

When the U.K. joined the EEC, and New Zealand was launched into the 'open market', the disposal of our primary produce became more complicated. Manufacturing appeared more attractive. Together with the incremental strengthening of the welfare state since the 1950s, Government support of citizens as well as enterprises created what is now regarded as an untenable climate of interference in a competitive climate. The oil shocks of the 1970s contributed to the promotion of subsidies of various kinds and culminated in the 'Think Big' projects

and 'SMPs'.²⁵ In the later 1970s the domination of those who preferred protectionist economic policies was lost. There was increasing controversy over how New Zealand should re-organize in response to the lessons to be found in the 'oil shocks'.

'Look east' solutions to business uncertainties became common by highlighting Japan's rapid, 'miraculous' recovery from World War Two and by emphasising New Zealand's economic uncertainty and comparatively bad performance. The most prominent promulgators of the message were captains of industry, academic or technical experts and people who had been experimenting with the techniques and had success stories to tell. Their statements of fact were not easily challenged.

Some major divergences emerged between the issues raised by such public figures as Barnes, Foulds and Francis and those who supported the developing strength of the free marketeers. However they share concerns about a number of issues. These include: workers' current skills and wage levels integral to the restructuring agenda; the breaking down of trade demarcation lines; a 'co-operative government-business climate'; and a 'balance' between 'competition' and 'co-operation'. But there was little clarity around these terms and concepts. In the political context, the increasing conflicts within the Labour Party over the best interests of the common people, culminated in 1989 in a public rift between the Prime Minister, David Lange, and the Minister of Finance, Roger Douglas. Also moving to

25) 'Think Big' was a popular term applied to the decision of the Muldoon government to establish large scale projects related in particular to the energy sector. Their funding entailed large overseas borrowings by the New Zealand government. The consequences of these decisions serve as an alternative explanation for New Zealand's economic circumstances which in the rhetoric of the reformers, were more commonly laid at the door of inefficient workers and managers. 'SMPs' were Supplementary Minimum Price Guarantees for farmers' commodities if exported.

prominence was a third issue, namely, New Zealand's involvement in what came to be called 'The Global Economy'. In a sense, this issue was consistent with the position of the free marketeers but it was a position with a discrete rhetoric.

10.3) Entering the Global Market

The berating of protectionism is common in contemporary economic rhetoric, despite the fact that some form of protection of enterprises is present in many countries in a variety of ways. Countries as diverse as France, West Germany, the Soviet Union, as well as Japan, have a history of protecting their industrial development. Ironically, contemporary manipulation of the international market at the behest of the United States ensures control of the parameters of trade by those who most adamantly promote a 'free market' philosophy. The usefulness of the seemingly 'natural' existence of 'the market' in the discourse of international financial management was illustrated at a meeting between the 'west's' top five finance ministers, in September 1985, at the Plaza Hotel in New York. They

agreed, at Washington's prodding, to let the yen rise against the US dollar. The result of this piece of market rigging would, it was hoped, ease the US trade deficit in a fashion tailored to meet all needs, namely it would not violate the Reagan administration's image as a free marketeer, nor would it require Japanese Prime Minister Nakasone to take unpopular direct action to stem the flood of Japanese exports. (The New Zealand Listener, 19 September 1987)

Subsequently the National Business Review reported to its New Zealand readership, in the naturalistic jargon which so neatly obfuscates the actions of decision makers, that the sharp rise in the value of the yen (which forced up the cost of imports from Japan) had helped to reduce Japan's overall trade surplus (23 November 1987).

As well as influencing 'the global market' through financial adjustments, protection of budding or ailing businesses still persists

in a variety of forms. Such protection may be justified not only in order to protect local industry but also may be designed to gain conformity to a national or corporate strategic plan or used as a punishment for past misdeeds.²⁶ New Zealanders are encouraged to look beyond national borders for justification of domestic policy decisions. Mike Moore, in his promotion of the internationalization of New Zealand's productivity, reminds the New Zealand public:

N.Z. lives in a global economy. The global economy drives us. We do not drive it. The real question must be: are we internationally competitive? (The New Zealand Listener, 19 September 1989)

New Zealand's successful participation in global markets, it is argued, requires a concerted effort to achieve conformity, or at least compatibility, in work-place practices. Any inadequacy of quality management procedures has proven to be a significant barrier to obtaining sub-contracts as part of major overseas contracts (NZOQA and TELARC 1984:4). For 'New Zealand' to survive on the international market, 'quality' will be the saviour. Quite how this 'quality' is to be achieved, is still contentious. The debate is over just where 'the management of quality' would be more appropriate: Should New

26) The May 1992 decision to price kiwifruit in the U.S. market at or above the price for the fruit paid in Japan, which is very much more expensive than anywhere else in the world, is one such example. New Zealand Kiwifruit enters the United States when the local fruit is out of season (TVNZ News, 16 May 1992). While the tariffs are interpreted by some as a direct betrayal of the 'free market' approach forced on New Zealanders, others have interpreted such tariffs as punishment for past misdeeds, intended to remind New Zealand that it is indeed a small and vulnerable entity in the global scheme of things.

Zealanders produce masses of cheap products for other nations where they, like China or Fiji, provide cheap labour; or should they offer distinctive, high quality goods with a known market reputation such as that of Switzerland or Japan. The latter would involve a skilled, highly paid work-force. Skill and remuneration levels of workers, the 'flattening' of organizational structures, and the introduction of volunteer unionism with an emphasis on company or enterprise unions are central to the issue.

Both current experiences and the most probable development of the world economy and New Zealand within that economy suggests that for New Zealand companies quality is becoming a key factor in the attitudes of buyers to New Zealand goods and services. (NZOQA and TELARC 1984:3)

Thus, 'quality' must be the distinguishing feature of our goods or services.

One of the effects of international competition, and particularly Japanese competition, has been to establish product quality as the primary base for competition. This has led to a new conception of product development and marketing. The relationship between price and quality has also changed. The western view that higher quality means high cost and price has been disproved by the Japanese producers who have demonstrated that higher quality can actually mean lower cost and competitive pricing. The elevation of quality has significant implications for operations management. Production goals, traditionally based on output maximization, give way to a concern with optimizing quality, even at the expense of quantity. Functional tasks such as quality control which, traditionally, take place on completion of the production cycle are replaced by in-process quality control with employees assuming responsibility for quality. (Enderwick 1992a:5)

To increase the well-being of 'the nation', New Zealanders are urged

to serve 'the economy' (even if this means tolerating unemployment for some and diminishing the influence of the union movement). To survive in the global economy, New Zealand firms and by implication their employees, must subject themselves to the standards and processes of accreditation set for the country by overseas interests. New Zealanders lose control over their affairs. It 'makes sense' to meet the standards required by overseas events and 'opportunities'. The task of managers is to introduce, educate and prepare the population for these changes, as far as possible without force or violence or disruption. Managers now have at their disposal numerous fabrications suitable for adaptation and well prepared conditions for their manifestation.

Despite the lack of consensus about the most fruitful economic philosophy for New Zealanders, a variety of interested parties co-operated to promulgate a nation-wide allegiance to 'the management of quality'. These included industrial leaders, the state, academic and technical experts as well as those practitioners who had been experimenting with the techniques. Many groups of technical experts and academics benefitted from increased state and private enterprise funding and other support which increased their profile and sphere of influence. Through the implementation of new work practices, underpinned by a rhetoric of necessity and salvation, ordinary citizens, in their capacity as managers and employees, would put in place a 'common-sense' which encouraged New Zealanders to act in ways compatible with global economic activities.

10.4) A Nation-Wide Conversion

During the early days of my research, it was extremely difficult to find any written material relating to Deming and his work. This changed during my research. From the gradual establishment of his profile in the early 1980s, the establishment in 1984 of the Institute in his name in New Zealand (supported by state and private funding),

through the promotion, adaptation and integration of his philosophy, and through the use of his work to create a general obsession with quality through newsletters, training courses and voluntary organizations, Deming was recast from a relatively unknown American statistician to an influential educator.

Through its newsletters, the Deming Institute promoted its services in the form of training, and promotion of quality-compatible events. It also disseminated Deming's 14 points, exhortations to change, success stories and so forth. Cryptic messages taken from Deming Institute seminars were disseminated as truisms. Case studies were published documenting miraculous organizational recoveries. At first, Deming's book, Out of the Crisis, was available only through the Deming Institute and discussed in technical journals. Towards the middle of the 1980s, however, the book became more widely available through libraries and more accessible journal articles were being published. Popular magazines and daily newspapers also joined in the discussion.

During the 1980s government and private sector resources, along with technical experts, were devoted to the generalised promotion of a nation-wide commitment to 'the management of quality'. The promotion included publicity, training, and the awarding and rewarding of those experimenting with its associated rhetoric and techniques. The distribution of New Zealand case studies that showed companies which had made some progress with the implementation of aspects of 'the management of quality' was a highly visible aspect of this promotion. The case studies were prepared by NZOQA in collaboration with the featured organizations and were widely distributed as glossy, high quality coloured brochures. They also featured in the National Business Review during the mid 1980s. Managers and workers of various enterprises were depicted engaged in various 'quality' activities. Their achievements and challenges were described. These cases may be

read as 'testimonies' which served both to gain the conversion of the yet unconverted and to maintain the commitment of the already converted.

The acknowledgement of World Quality Day is another aspect of the promotional campaign drawing together technical experts and speakers from the public and private sectors intent on globalising New Zealand employment practices. NZOQ's involvement in World Quality Day, provided an opportunity to link domestic challenges and achievements to a wider international development. The purpose of World Quality Day was

to take the quality message beyond the barriers we so commonly encounter - that of preaching only to the converted. (Diane Baguley, Vice-President, NZOQ, Q-NewZ, October, 1990:1)

It is essential to have a community of people who are 'speaking the same language' or sharing similar values. It is through this common discourse that we know who is to be 'trusted' to conform to the standards that have been set.

In the promotion of 'World Quality Day', Baguley drew on the themes of 'increased wealth through increased productivity' and further established Deming as a 'saviour' or 'the solution' to our economic ills:

Dr Edwards Deming was aware of the power of applying quality principles even when resources and capital are severely limited when he said, in his memorable seminars, "Need any country be poor?" World Quality Day may yet become a day for celebration of effective customer relations on an international scale. (Baguley, D. Q-NewZ, October 1990)

The common, but rather veiled references to the miraculous recovery from the post-Japanese crisis through the reference to Deming is reiterated. The meaningfulness of statements of this type, the relative assurance that the hearers would recognise the nuances and associations, are indications of progress. Such statements were now meaningful to many people. This achievement is an essential prerequisite for the continued incremental construction of a complex discourse which modifies in some important ways the fabrications ('work', 'workers' and 'managers') meticulously created at the turn of the century.

The themes of World Quality Day are typical of the discourse of 'the management of quality'; the intent is to globalize approaches to quality and work so that the component parts and the labour to produce them can be conceived of in a 'global system'. Workers are encouraged to see themselves as part of a global movement to achieve 'productivity through quality'.²⁷ Each person, each part and each process is merely one component of the economic machine perhaps in the service of the nation, but most certainly the global economy. The standardization of these parts ensures interchangeability, and hence, 'flexibility'.

27) Trigon Packaging (New Zealand) Ltd (Trigon), for example, marked the day by presenting each of their workers with a coffee mug (Crawford 1993:69).

Awards are now many and varied. The New Zealand "Quality Prize" is one such award launched in 1990. It is jointly awarded by TELARC New Zealand²⁸ and the New Zealand Organization for Quality to an organization which can demonstrate a measurable improvement in product or service quality over a defined period. The prize includes a package of services from TELARC and NZOQ. While the prize itself is no doubt of significant interest, the award has a promotional intent:

The most valuable aspect of the award is the public recognition the winner will receive....The organization that wins "The New Zealand Quality Prize" must agree to publication of the details of its quality improvement project. TELARC and NZOQ regard the prize programme as an education project. The objective is to show other companies what can be achieved through quality improvement techniques.... (Promotional literature).

Thus, by 1990 the rhetoric was well established throughout the nation. Conversion achieved, new flags saluted, are essential to the achievement of new practices, a new common sense.

This chapter has provided a background of the New Zealand political and economic context in which a number of interested parties sought to establish a new discourse of 'work'. Evidence of their success is manifest in the types of speeches, prizes and practices which now appear common place. Foucault's method of archaeology encourages the

28) TELARC is the Testing Laboratory Registration Council (TELARC). TELARC was established by an Act of Parliament in 1972 to promote "the highest possible technical standards in New Zealand's industrial, technical, commercial, regulatory, health care and administrative sectors" (TELARC: The Quality Management Certification Process, 1993:4).

examination of practices through which a multiplicity of statements emerge, as so many [seemingly] regular events (Foucault 1972:129-130). The eventuating, unifying discourse obscures the interests won and lost. The specific contributions of the multiple interests which engaged in the promotion of 'the management of quality' is examined in subsequent chapters.

Chapter 11: Operators of 'The Management of Quality'

Foucault's method of archaeology encourages researchers to define "the operators" by which events are "transcribed into statements" and which are combined as the discourses to which individuals submit themselves (Foucault 1972:167). Foucault emphasises the need to describe not only the groups and sub-groups who are authorised to use a particular discourse and who derive their status from it, but also the institutional sites from which the operators give legitimacy to that discourse (Foucault 1972: 50-51).

In this chapter, I outline the backgrounds of a number of the groups and sub-groups who promoted and legitimated aspects of 'the management of quality'. I show how some of these groups worked together in the establishment of the W. Edwards Deming Institute in New Zealand. These groups used many similar expressions. They expressed concern about the state of the nation's economy. They promoted the need to increase productivity and the potential of 'the management of quality' to achieve this. The sites of legitimation include Treasury and other state departments, industry lobby groups, specialist networks, union groups, universities and technical institutes. Their "point of application" (Foucault 1972:50-51) includes public lectures, newsletters, training courses and, particularly, 'on-the-job' experiments with the 'techniques' themselves. Ultimately these techniques were embedded in formal certification procedures. A "system of registration" (Foucault 1972:55) was devised. It became the parameters of 'what could be known' as 'right' or 'true' about 'work', 'workers' and 'managers' and their contribution to the productivity and economic well-being of 'the nation' or 'the global economy'.

Foucault's recommendations are to seek the conditions required not only to make a discourse coherent and true in general, but to give it value and practical application (Foucault 1970:xiv). This part of my thesis examines the creation of the conditions in which 'the

management of quality' came to be seen as a practical solution to perceived social and economic problems.

It would be wrong to suggest that 'the management of quality' moved, uniformly across the country. Persuasion and conversion only occurred as opportunities were presented. Individuals, firms, or managers came into contact with the discourse in different ways and at different times. As recently as 1993, some managers were only just discovering 'the management of quality', often by having found themselves obliged to pay attention to customer, supplier or competitor pressures. However, the apparent erratic, voluntary nature of the promulgation of 'the management of quality', belies the organized construction of the conditions to which many employers and employees were required to submit themselves to it.

Of interest to this thesis is the positioning and rhetoric of a number of operators in the construction of these conditions of inevitable submission. These operators range from long committed experts on quality, whose existing work was readily co-optable, to recent entrepreneurs who recognised a business opportunity. In 1984 two major interest parties joined forces. They were the New Zealand Organization for Quality Assurance Incorporated (NZOQA) and The New Zealand Accreditation Programme for Quality Assurance and Laboratory Testing (TELARC).²⁹ Together they prepared A New Zealand Plan for Quality. The theme of the paper was 'salvation of the nation' as a result of increased productivity to be achieved through increased attention to quality. The paper promoted the need for a campaign to raise national

29) The development of these two organizations is elaborated later in this chapter. They are shown to have a long and overlapping history.

standards of quality and productivity and to draw together various 'quality' initiatives. The plan recognised that there were many other parties with an interest in quality and that collectively their contribution was practically and potentially of the greatest importance. These parties included "the Standards Association, the Design Council, engineering and other professional institutions, Research Associations, the Deming Institute and many consulting firms, universities and other technical establishments" (p.10). Unions were not given a specific mention, even though in the attendant commitment to multi-skilling, organizational restructuring (or 'flattening' in many cases), and an increased promotion of team work, unions would most certainly have an interest.

Those who promoted 'the management of quality' did not necessarily endorse an entirely consistent approach. They used the work of a variety of specialists such as Feigenbaum, Deming, Juran, Crosby, Shainin, Imai, and Ishikawa. However, these experts held much in common. The early work of Deming can be seen elaborated and extended in the work of subsequent writers and Deming's own later writing includes the concepts extended by others as an integral part of his quality philosophy. Notwithstanding the differences, the discussions, experimentation and advice of these 'experts', and those who based their consultancies and recommendations on them, form a relatively coherent and convincing discourse. Common among threads of each of the promotions, was the linking of the contribution of 'Japanese Management Practices' (or their derivatives) to the Japanese economic recovery, the promise of well-being for all through increased productivity and the need for workers and firms to be flexible, co-operative and trusting.

As was shown in Part Two, the rhetoric of 'the management of quality' is not notable for historical accuracy or technical correctness. Such accuracy or technical correctness is not necessary for rhetoric to succeed. The rhetoric has merely to be sufficiently convincing. The

task of the promulgators was to establish as 'fact', or as 'true', a relationship between 'the management of quality' and 'an increase in productivity', and to argue that there was a relationship between increased productivity and the well-being of all New Zealanders. This was a discourse through which managers and workers were encouraged not only to develop and use the new techniques, but also to re-conceptualise themselves and others as different kinds of workers - as 'team members', as 'quality conscious employees', as 'multi-skilled workers' who were 'empowered' to work in 'flattened' organizations, and whose fealty lay with the enterprise rather than perhaps with their family, their whanau, their guild or their trade union. These types of workers and organizations were promoted as best suited to service the 'global economy'. This agenda for change was made quite explicit. The New Zealand Employers Federation, and subsequently the readers of Management, for example, were told by the chairman of the International Organization of Employers that his own organization (The National Council of French Employers)

decided - over ten years ago - to favour what we call 'active participation'....In this as in other fields it is worth looking to Japan. Experiments with small discussion groups, like the quality control circles are well known...Making use of the trade-off possibilities which new economic conditions offer, many undertakings in the United States and in the UK have managed to abandon age old work rules and have broken down the wall separating traditional trades...in order to set up multiskilled work teams. (Management, September 1984:40)

Foucault (1972:167) urges researches to study the extent to which a discourse has "permeated a discourse". The liberal and apparently unproblematic use of 'the management of quality' was evident in numerous publications, public speeches and, increasingly, in training manuals and so forth. Quotations from individuals associated with its promotion are used throughout the next four chapters. Their existence and their meaningfulness to so many people, indicates the extensive

permeation of the themes and promises of this discourse.

The quotes throughout the next four chapters illustrate 'a discourse in the making'. In the subsequent sections of this chapter I examine the contribution of technical experts who had long been involved in establishing a connection between quality and productivity; the auditors who would police the newly established norms; the opportunity to use aspects of the new discourse by those in the New Zealand Business Roundtable who sought to re-form the conditions of employment in New Zealand; the involvement of the state in the promotion of this discourse; and the establishment of the W.Edwards Deming Institute as a consultancy firm for the promotion, education and training in the principles and practices of 'the management of quality'.

11.1) Technical Experts, Academics and Early Adaptors

Although it was not until the 1980s that the rhetoric of 'the management of quality' really accelerated in New Zealand, the association of 'quality' with 'productivity' has a much longer history. The work on quality by technical experts in engineering and food related industries was already well developed before this decade. Because of their work, a discourse about quality was not unfamiliar to many people in production type organizations.

Towards the end of the 1970s, the specific relationship between 'the management of quality' and 'productivity' received much wider attention. Early discussion of the attempts to increase productivity through attending to 'the management of quality' can be found in technical conference papers and the literature associated with manufacturing. For example, A.R.Stephenson, Profit from Quality (1977) was produced by the N.Z. Department of Scientific and Industrial Research and, in 1981, The Journal of The New Zealand Organization for Quality Assurance took over from the bi-monthly Quality Assurance magazine which had been in print since 1978. Much of this discussion was generated by engineers and statisticians but also involved financial and legitimating support from the state.

One early champion of 'quality' in New Zealand was Kelvin Scott, Foundation Professor of the new Faculty of Food Technology at Massey University and Chairman of the Manufacturing and Processing Subcommittee of the National Research Advisory Council. In the early 1970s Scott produced a report inviting Government and other professional groups, such as the Institute of Professional Engineers, to take a greater interest in 'quality'. Scott began integrating his interest in 'quality' into the curriculum of his teaching at Massey.

Stephenson, who had a background in technological and management decision making, emigrated from England to Australia where he was involved with the Australian Organization for Quality Control. He was appointed to the state-funded D.S.I.R. in New Zealand with a special brief to advise business about 'quality' through the Auckland Industrial Development Division (AIDD). His main objective through AIDD was to give

assistance to any industry with a quality problem. This, in turn, usually requires technological appraisal of competing systems, assistance with costing, and other management matters. Projects to date [1977] have involved the textile and garment industry, plastics, engineering, foundries, vehicle assembly, together with an evaluation of government purchasing and quality control practice in New Zealand for the National Research Advisory Council. (Stephenson 1977:i)

Stephenson had a background in industrial engineering as well as teaching in production technology and management. He examined the feasibility of and requirements for a quality control organization for New Zealanders. By 1977 enough interest was generated to set up the New Zealand Organization for Quality Assurance, supported by such corporate entities as Carter Holt Harvey, the Alex Harvey Group of

Companies and UEB Feltex. Stephenson was appointed Chairman. The first of a number of Massey University staff was appointed as Secretary. The Central Division of NZOQA was based predominantly around the work of 'quality authorities' located at Massey University. Their commitment to the development of 'quality' was largely, and perhaps unwittingly, subsidised by Massey University.

The Secretary was Lester O'Brien who was a senior lecturer in this department and as far as I can work it out, Kelvin [Scott, Professor at Massey] told Lester that it would be a good idea if he were to be the secretary and the department would surreptitiously provide as much support as it could - which involved free [meaning university and therefore state funded] secretaries, free typewriters free all sorts of things..... Kelvin was good at pooling resources like that. (Interview Transcript 1990)

In 1978 the Productivity Centre of the Department of Trade and Industry produced a booklet, A Guide to Quality Assurance; a 'how to' manual covering such issues as setting up a quality control scheme in which many of the ideas now associated with Total Quality Management (TQM) were expressed. The booklet covered the need to concern oneself with managing the production process. This included recommendations about

- * provision of clear instructions regarding the standards of design
- * production marketing and quality control
- * provision of satisfactory specifications for materials and outside services
- * specifications of the manufacturing process
- * reduction of error through job design inspection procedures
- * choice of suppliers
- * delivery to customers

The booklet provided a directory of "organizations able to assist with quality assurance" which included universities, the New Zealand Organization for Quality Assurance, and a number of government departments. The booklet listed various services and resources offered by each. It also provided a useful new lexicon for the new discourse of 'the management of quality'; a lexicon destined to become 'everyday language' for a new generation of workers and managers in the following decade.

In 1979 the NZOQA conducted a joint conference with the Institute of Food Science and Technology and, by 1980, was strong enough to run 'stand alone' conferences annually. A magazine (Quality Assurance New Zealand:QANZ 1981) was initiated with "considerable financial assistance from D.S.I.R.'s Auckland Industrial Development and Science Information Division" (Quality Assurance New Zealand, November 1981, no 1:1) and later funded by the Science Information Service of the D.S.I.R.. Tony Stephenson was its production editor and responsible for editorial and advertising correspondence.

Disparate groups of people with an interest in various technical aspects of 'the management of quality', corporate sponsors, the state, researchers, and academics extended their influence through training courses within academic programmes of universities (particularly Massey), through Polytechnic courses, public lectures, private training courses and through 'on the floor' training sessions in organizations. Concern with 'the management of quality' was further developed into examinable academic subjects through the Polytechnics as a National Certificate, and later with the support of Kelvin Scott in conjunction with the NZOQA, into a post-graduate diploma.

In those sorts of back and forths the same players are coming together in the same way. That is one of the streams that was being built up [in the quality 'movement'].
(Interview Transcript:1990)

The liaison between the NZOQA and Massey University was further developed through the interest and involvement of staff employed by these two organizations (often at the same time). An anonymous interviewee put it this way in August 1990:

..on the one hand I have been the guy that said, well, the University can offer these services yet I've been on the other side saying NZOQA would be prepared to pay this much for it. Essentially the contract has been written, while it has been approved by the appropriate bodies, the to-ing and fro-ing has been the same person who has had dual interest and has been able to see the benefits and been able to play on the benefits provided by each organization and to gain from this. NZOQA pays Massey for so many hours of time at a rate determined by the senior lecturer scale which Massey then puts overheads and other bells and whistles on and relinquishes some of my time to do that work and appoints a junior lecturer with the money on the condition that they do a PhD. So there is a sort of synergy happening. So often in this QA thing people make a bit of an effort, are prepared to compromise and co-operate... [Interview Transcript 1990]

Interest in, and support for, active involvement in 'the management of quality' was not limited to New Zealanders. Associations with American and Australian organizations were fostered to enhance 'the movement':

There are reciprocal membership type agreements with both these organizations. You give them travelling hospitality and exchange information. (Interview Transcript 1990)

Over time relationships were nurtured with Korean and European groups having similar interests. The national and international networks were expanded and the community of competence in the discourse was increased rapidly.

Of increasing concern among the technical experts was how to set about converting a work-place, or even a whole nation, steeped in unfashionable practices to a commitment to 'quality'. The 'Joiner

Triangle' was one of the many tools prescribed to achieve this conversion. The top of the Triangle expresses an "obsession with quality". The "scientific approach" is at left-hand corner and the right-hand corner expresses the idea of "all one team". The 'triangle' was used as a training mechanism to promote the quality philosophy. New Zealand readers of Q-Newz are warned that without

any one point of the triangle, the approach
will be unstable and will not be sustained.
(Q-Newz, October 1990:7)

The notion of the Joiner Triangle was made more accessible to general practitioners through its discussion in Management Magazine (October 1990). A stool rather than a triangle is used to encourage readers to reflect on specific aspects of Deming's work:

Evaluating the business process was really the kickoff point for Deming's 'way'. Deming strongly emphasised precise measurement to analyse the weak points in a production chain, so that management by statistics rather than 'management by fog' (gut feeling or opinion) is now regarded as one of the four pillars of TQM. A popular analogy for these four is that of a three legged stool with customer satisfaction forming the seat and management by statistics, continual improvement of business processes and management-led change of attitude forming the legs. (Jayne 1990:23)

In his address to the Service Quality Group of the Northern Division of NZOQ, Tim Ball, the statistician involved in the early days of the Deming Institute who now operates as one of the many independent Quality Consultants, concentrated on the "scientific approach" corner of the Joiner Triangle. Establishing his credibility by outlining his association with 'the movement', he recounts the inevitable 'success story' in which the hero is the statistical method:

The use of various scientific tools such as cause and effect diagrams and Pareto charts...saved the day. (Q-NewZ, December 1990:3)

Organizational units and 'quality champions' (as departments, teams or individuals) are also ways in which to promote the 'quality message' throughout a firm, industry or nation-wide. The Ministry of Agriculture and Fisheries (MAF), for example, had a MAF Quality Management unit. The unit consisted of a multi-disciplinary team consisting of some 2000 staff organized into five business groups: Meat Services, Plant Services, Dairy Services, Livestock Services and Agriculture Security (Appendix 3).

MAF Quality Management is the only organization with the capabilities, the expertise and the professionalism we need to put this nationwide programme into effect (Des Flynn, Director of Marketing, Woolworths (NZ) Ltd; MAF Quality Management Business Profile:undated).

The themes of such promotions are typical of the 'quality' discourse. They can be seen reiterated in the literature, public addresses and so on. Promoting 'the management of quality' frequently includes endorsements from as wide a range of 'people like us' as can fit into the documentation or presentation. In 1990, promotion of The Management Edge Ltd courses, for example, was liberally supported with testimonies from managers:

I wish that I had been exposed to these ideas
20 years ago...(Jeune, Chief Cartographer,
Department of Survey and Land Information)

There is an irony in the willingness of executives to share commercial 'success stories' (in the form of 'techniques' which were believed to provide a 'competitive advantage'). There is a risk of losing the very advantage purported to be attained through use of these techniques. The sharing of the advantage makes sense only in terms of what is to be gained from the generalization of the techniques. If organizations intend to increase the 'out-sourcing' aspects of their activities, compatible work-processes and guaranteed standards are essential. When the network of components for a consumer item are to be produced by a number of organizations, harmonising standards may be of value.

11.1.1) Customers as Technical Experts

While there was a re-formation of 'work', 'workers' and 'managers', this section discusses the re-formation of one other key group of people in the processes of production. 'The customer' in 'the management of quality', was not just the traditionally understood 'purchaser' or 'user' of a commodity or service. The 'customer' was now elaborated to include the next person in the production process who works on, or with, the product or service. A worker, as only a partial contributor to any overall product, process or service, was required to view colleagues in the next step of the process as 'customers'. The customer is trained to demand excellence and to reject any item which falls below standard. With this training in place, it became more plausible that an employee on the production line would feel able to draw attention to inferior quality of a colleague's work, would feel able to demand better service. The employees in this way, become the quality controllers of their peers:

Each Trigon Department is very aware of its internal customers. Internal customer supplier teams exist to ensure communication across functional areas...The customer-supplier teams develop matrices recording existing service or product performance as it is perceived by both the customer and supplier. From these matrices performance gaps can be identified and programmes designed to eliminate these...(Crawford 1993:62)

'Customer' satisfaction is prized at Trigon. Weekly meetings between supervisors and managers include the dissemination of

good news such as letters from satisfied customers, and bad news such as 'out of spec' products and goods returned from customers due to inferior quality. (Crawford 1993:65)

The conventional notion of customer also remains. The customer is sovereign; be this as colleague in the production line, purchaser, user, client, patient, student or welfare beneficiary. Norman Stannard (Northern Division Committee member for the New Zealand Organization for Quality, 1990/91) provides an example of an appeal to

traditional, established fabrications to influence a change in their common use. The statement also illustrates the use of Deming's work as endorsement. Stannard explains how to begin an involvement with 'quality' by a focus on 'the customer':

People are our greatest asset. Achieving "The Objective" through people is a well known principle. In fact, the principle is the basis of the foundation of W. Edwards Demming's [sic] 14 Points....Accepting that the customer is the judge of our quality and performance we will be customer focused. This - and using our greatest resource, people, through scientific methods and principles - will be the basis of Quality Management. (Q-NewZ, December 1990:4)

Customers will be the judge of quality. How such customers become educated, and who has the power to 'train' them to be competent judges of quality are not issues for this thesis.

11.2) Quality Certification and Auditing Experts

In examining the extent to which a discourse has been established, Foucault recognised the advantages of including the study of associated systems of registration and notation (Foucault 1972:55). With influential patronage, such systems consolidate fragile, embryonic fabrications. Such systems can be used to ensure that a population will submit themselves to them. Thus, in New Zealand, as the body of people willing to work with the 'the management of quality' increased in size, it became more feasible to implement a process of standardization, registration and auditing which would identify and guarantee a community of compatible practices. It became possible, locally and internationally, to insist that in order to win or keep contracts, certification was important. In order to be certificated, the activities of workers and managers had to be in keeping with 'the standard'.

By the early 1980s NZOQA and the Standards Association had set up a joint committee to consider training courses for quality systems auditors.³⁰

30) The course was eventually written on a paid basis by Tony Stephenson (the once NZOQA chairman - now 'quality' consultant).

In 1983, TELARC's empowering legislation was amended

to add the function of the national quality system certification authority. Subsequently, Telarc's role included independent assessment, audit and certification of organisations' quality management systems. (TELARC: The Quality Management Certification Process, 1993:4)

Since 1985 TELARC has offered companies...the opportunity to put their system under third party audit...(Quality Service Directory:December 1992:1)

A further amendment in 1988 to the empowering legislation transferred the functions of the New Zealand Industrial Design Council to Telarc. This transfer added the management of the New Zealand Designmark programme, a scheme designed to identify products demonstrating excellence in industrial design. (TELARC: The Quality Management Certification Process, 1993:4)

By 1990 TELARC's promotion assured potential clients that it

- * Complies with relevant international standards and guides on the management of accreditation schemes
- * Provides training in quality system development, implementation and internal auditing to assist with preparation for accreditation
- * Can provide a one-stop-shop quality system and laboratory accreditation service
- * Has widespread international recognition and respect as a national accreditation authority. (Q-NewZ, October 1990:15)

TELARC's role of national accreditation authority included a concern with all aspects of:

- * the design, development or formulation of products and materials;
- * the quality of their manufacture, installation or service;

- * their compliance with specification or other defined criteria;
- * the technical competence of those who test or inspect them;
- * the development and specification of consumer services;
- * the quality of their performance and delivery;
- * their compliance with specification or other defined criteria;
- * the competence of those who monitor, test or evaluate services (TELARC: The Quality Management Certification Process, 1993:4).

A further Act of Parliament established the TELARC Registered Supplier Programme - "the New Zealand national quality system certification scheme" (Documentation produced by TELARC: The Quality Management Certification Process, 1993:4).

By 1993 TELARC's objectives were specified:

- * To promote quality in all aspects of the design, development, formulation, manufacture, supply, servicing, inspection and testing of products, materials and services.
- * To operate accreditation and certification programmes in order to formally recognise quality in the design, development, formulation, manufacture, supply, servicing, inspection and testing of New Zealand products, materials and services, and their suppliers.
- * To operate Telarc's programmes and services, and disseminate information about these programmes and services, in a manner sufficient to provide national and international consumers with confidence in the quality of New Zealand products, materials and services, and their suppliers, accredited or certificated by Telarc. (TELARC: The Quality Management Certification Process 1993:4)

The setting and monitoring of standards has been promoted as one of the central methods of achieving a compatible international market.

TELARC has "close links" with the major certification and accreditation agencies of the United Kingdom, Australia, USA, Western Europe and the Far East ensuring that TELARC's standards are constantly aligned with international expectations (TELARC: The Quality Management Certification Process, 1993:4).

TELARC is run by a nine member council established by the empowering legislation. The council operates as a board of directors. The council is responsible to the Minister of Commerce for the administration of TELARC's programmes. Five members of the council are appointed by the Minister and a further four are appointed by the council. Day to day management of TELARC's affairs is the responsibility of the council's chief executive officer, the director of TELARC. The organization is promoted as a not-for-profit, professional body, independent of conflicting overseas commitment, working solely for the benefit of New Zealand business. Their services include a registration scheme which allows those laboratories which comply with TELARC criteria to endorse their products or services with the TELARC name and emblem as a form of customer assurance.

This is achieved through consultancy, advisory, training, and certification and accreditation services in product design and development, quality management and the testing of products and materials. (TELARC: The Quality Management Certification Process, 1993:4)

TELARC and NZOQA were to combine their past experience and alliances in the further promotion of aspects of 'the management of quality'. It is now common to see publicity which assures customers that an organization has reached, or is aspiring after the endorsement of their processes by the system of standards promoted and monitored by TELARC. This system is described in the next section. It is an example of a system to which individual firms will voluntarily submit themselves. Collective submission ensures a manufacturing and service sector which operates to a uniform standard. The decision to submit an organization to the system is a commitment to submit workers and

managers also. To accept (volunteer) a job in such an organization is to accept submission to the system.

11.2.1) The Standard

An international spreading of the commitment to 'the management of quality' provides a wide network of reliable participants to the discourse. Establishing a 'standard' against which products or activities may be measured, provides a universal assurance of compatibility and reliability. Particularly through 'certification', enterprises, departments and other customers can identify those who may be relied upon to conform to the desired standards achieved through the new practices.

The International Standards Organization (ISO) has published a series of numbered 'standards' (the ISO 9000 series) which define the basic requirement for a quality management system:

These standards have been cloned for use in New Zealand and have been republished by the Standards Association as the NZS 9000 series. There is a series of standards because quality management is about 'horses for courses'.... All customers want, and have a right to expect, quality (fitness for purpose) but the scope and complexity of the quality systems adopted...will differ somewhat. (TELARC, Quality Service Directory: December 1992)

Among the promoted options of a standard are:

- * ISO 9000: This is the basic state of preparedness from which an organization is ready to begin the process of TELARC certification. It is determined by an inspection of all aspects of the operation's 'quality systems'.
- * NZS 9003: This standard is an inspection process designed for 'the end of the line'. There is little concern with the defects in process or in finished goods UNTIL they are due to leave the factory. This standard is promoted as a 'customer protection policy' and is not designed to help the manufacturer in terms of process.

- * NZS 9002: This standard attempts to catch defects before they have moved too far along the system. The standard is used to encourage 'right first time' approaches and the opportunity to learn from mistakes. It is a standard of 'process'; of continuous process improvement.
- * NZS 9001: This standard is used to ensure that products (and services) are designed properly in the first place (both in terms of customer needs and efficiency considerations). Reviewing procedures and/or documentation for all aspects of the enterprise come under surveillance: Assignment of a senior person to all quality issues; periodic management reviews of the quality system; review of all 'quality requirements' in contracts; ensuring that all documentation is regularly updated and readily accessible; ensuring that quality specifications to all suppliers are clear; specific products must be able to be traced back to their origins; processes of production must be controlled though clear instructions about performance and workmanship; regular inspection of parts, components etc throughout the whole process of production; that inspection be clearly signalled as 'rejected' or 'OK for use'; the testing mechanism must be well calibrated, maintained and used in a controlled manner by qualified people. The company should have a formal system:

- to control substandard materials to be sure that they are not used by mistake;
 - for investigating quality failures and a system for correction
 - to protect product quality during all stages of handling, storage, packing and delivering.

The company should audit its quality systems to ensure that people are doing what is expected of them and to ensure that people are trained for the work that they do. Statistical sampling must be done by using properly controlled sampling techniques.
(TELARC, Quality Service Directory: December 1992:2-3)

To achieve all of the above to a standard deserving accreditation, numerous entrepreneurs and consultants offer training and/or auditing services. A small selection of those advertising in the December 1992 Quality Service Dictionary is given as Appendix 4. The process to achieve certification is attached as Appendix 5. Upon accreditation, ongoing (six monthly) assessments are designed to ensure customer

confidence in the system. These assessments are promoted as "surveillance audits" as part of TELARC's routine surveillance programme. (Documentation produced by TELARC: The Quality Management Certification Process, 1993:8). The desire to become quality assured and therefore the voluntary submission to regular 'surveillance' has escalated to include manufacturers, hospitals, universities and all manner of organized work.

Quality Assured at SMS
[School of Management Studies]

The School of Management Studies has appointed a Quality Manager....The creation of this position is a recognition by the School of the need to affirm its place as the leader in management education within an increasingly competitive environment. The objective of the Quality Manager's position is to attain ISO 9002 in the Executive Education, Graduate and Undergraduate programmes and to certify administrative activities. Executive Education has almost completed this process and will be looking for certification before the end of the year. (Te Raupapa, The Newsletter of the School of Management Studies, University of Waikato, undated but distributed November 1993:3)

Not to be 'quality assured' to the 'appropriate' standard, in any field or occupation may prove to be a future liability. While there is a sequences approach to such 'bringing to standard' as outlined in this chapter, discrete rorganizations may enter the process at any point from which they look most likely to achieve recognition. The process may then move onward from the successfully integrated aspects of the system to the subsequent processes including supplier and customer groups.

During the early 1990s, Trigon required their suppliers to complete a questionnaire. This questionnaire required the supplier to declare the quality systems that were in place and to explain the quality requirements expected of their suppliers. Trigon in turn completed

this documentation for their major customer, The New Zealand Dairy Board (Crawford 1993:68). At New Zealand Breweries, quality audits are part of an ongoing programme of monitoring the company's total Quality systems. They are

the eyes and ears of management; they are used as a carrot not a stick. (Q-NewZ, October 1990:3)

To achieve accreditation to international standards (NZS 9000, ISO 9000, AS 3900 or BS 5750 and so forth) organizations may also lease executives who specialise in this field. A typical advertisement for such executive support includes this one from Morgan and Banks, an executive leasing firm:

The benefits [of employing our services] are immense - a clear market reputation for consistent quality; new market opportunities, tighter materials control; employee job satisfaction; and savings of waste product, waste time - to name just a few. But perhaps the greatest benefit is that a QA programme pays for itself immediately in most cases. Contact [name] today and rest (quality) assured. (undated)

By 1990, examinations in "The Quality Systems and Auditing Principles" were available in Auckland, Hamilton, Hawkes Bay, New Plymouth, Wellington, Nelson, Christchurch, Dunedin and any other place by special arrangement. At this time, quality auditors were beginning to negotiate a professional association for themselves (Q-NewZ, October 1990:5). By 1993 such audits have become common practice but they are not always conducive to the goal of galvanising and motivating workers to a unity of purpose. Long time Hamilton City Councillor, Ted Armstrong, who is also a council staff member, reported that staff morale at the council is the lowest he has seen it in 20 years:

"I don't think people can give any more".
He said a bid to get an international ISO 9000 accreditation had resulted in the Council being "full of auditors and quality control

co-ordinators", and people wanting greater efficiency who would not say where staff were now inefficient. (Waikato Times, 18 November 1993)

In 1993 the New Zealand Quality Awards Foundation and the Business Development Awards were launched.

Both awards are to encourage business people to focus on quality, with the aim being to have businesses qualify for international quality standards such as the ISO 9000 series....for example, the country has 699 food and beverage exporters, but only 19 have ISO standards. So, if the European Community suddenly put up the shutters, it could mean that only those few retained access.... Besides the various awards which are being developed to focus attention on the new requirements, commitment to quality has now become a requirement in joining the Buy NZ Made campaign... Those joining the campaign are given a do-it-yourself TQM kit - designed to help them on the way to ISO standard (The Malborough Express, date unidentified)

Up to the present the process of 'the management of quality' has moved from a structured application in complex manufacturing plants to a form of certification offered to all and sundry on qualification. It is as if 'the message' is now seeping into every nook and cranny supported by the veiled threat of non-acceptance or ritual impurity if one declines.

The transformation of the fabrications of 'the management of quality' into "new systems of registration, notation, description, classification, integration in numerical series and in statistics" (Foucault 1972:53) is now established. These systems now are not experienced as a series of ephemeral fabrications but as real things characterised by "long-run stability" (Atkinson and Checkland 1988:713). However, during this process of system-creation, other powerful groups brought their influence to bear on the ultimate manifestation of these fabrications. Their patronage of the new facts aided their integration into the beliefs and practices of a community.

From among these groups I have chosen to examine the influence of the New Zealand Business Roundtable, the State, and consultants and trainers in the subsequent sections of this chapter. These groups are chosen because of their high profile in the establishment of both the discourse of 'the management of quality' and the new economic conditions that prevailed in the 1980s. The influence on these discourses by unions is examined in Chapter 13. In Chapter 14 the less overt influence of academics and educators is examined. Collectively these groups represent the cadre whose contribution to the establishment of economic and management systems ensured that workers will choose to submit themselves to routines of work associated with 'the management of quality'.

11.3) The New Zealand Business Roundtable

During the period in which the quality management experts were preparing the formulation of their technical systems of registration and auditing, a number of other groups were working to change economic policies in New Zealand. Among these was the New Zealand Business Roundtable (the Roundtable). During the 1980s Roundtable members were intent on reforming the economy to fit more closely with their liberal economic preferences. They were determined to improve the rate of productivity, to reform industrial relations by introducing enterprise bargaining, introduce voluntary unionism, promote labour flexibility, and provide for individual contracts (New Zealand Business Roundtable 1987). These measures necessarily included the re-formation of 'work', 'workers' and 'managers'. The 'empowered, participative, multiskilled worker', a fabrication central to the philosophy of Deming and implicit in 'the management of quality', was also of interest to the Roundtable. The Roundtable was to find much of use in 'the management of quality'.

Those who had been promoting aspects of 'the management of quality' had much to gain from the patronage of the Roundtable. Their seemingly compatible concerns enhanced the promulgation of the discourse throughout the 1980s. Like Deming, the Roundtable frequently expressed

concern for 'the nation' and 'the economy' and those without jobs. They appeared to be talking about the same things. While 'the unity of interests', 'increased productivity through the attention to quality', 'flexibility' and so on were terms used by both the technical experts and the Roundtable, less attention seemed to be focussed on what the parties did not have in common. That is, 'the management of quality', attributed to the likes of Deming, had quite a different view about the role of government in industry and the security of wage labour, than did the members of the Roundtable - especially after 1984.

11.3.1) The Origins of The Roundtable

The Roundtable was formed in 1976 initially as a gathering of executives from industrial and manufacturing companies. Its membership is drawn from the Chief Executives of major businesses. Its stated interest is to contribute to the development of New Zealand and to promote the interests of all New Zealanders concerned with "a more prosperous economy and fair society" (New Zealand Business Roundtable 1987:14). It hoped to achieve this by being "open in its analysis and advocacy", but claimed that it did not seek publicity. The Roundtable believed sound policies were most likely to be developed through reasoned approaches characterised by logic, objectivity and dispassionate dialogue. Despite its desire not to seek publicity, it was prepared to speak out on matters of national importance where a publicly presented view was judged to be constructive and warranted (ibid:15). It believed that the conditions of prosperity and justice could best be served through a "free enterprise system and market oriented economy" (ibid: 14) in which the Government provides a sound framework of laws and a macroeconomic environment which facilitates private sector decision making. In the view of the Roundtable, Government should undertake only those activities which are best catered for within an efficient public sector. It also believed that the Government has a prime responsibility for taking the necessary action to modify market outcomes in the distribution of wealth or

income, and for pursuing other social equity outcomes in a well-considered and cost effective way (p.15).

By 1988, the Roundtable had become more formalised. It then consisted of over 25 member organizations. Its members were well connected to other powerful interest groups. David Venables provides an analysis of the close relationships between the members of the Roundtable and a raft of other state and private sector organizations:

The economic and financial power which the Roundtable represents makes it a special case as a pressure group. Through market dominance, interlocking directorates and personal relationships the Roundtable exerts its influence well beyond its immediate membership and thereby acts as a representative for a much wider section of the business community. (Venables 1988:35)

Claims of undue pressure by this group on the economic policies of this country are often responded to as 'conspiracy theories' and summarily dismissed. Indeed, Alan Gibbs, a member of the Roundtable (and also chairperson of the Health Sector task force and chairperson of the Centre of Independent Studies), claims that the Roundtable does not owe its successful influence to political insider trading but from the "reputation of the businessmen on it and the quality of its arguments" (Hubbard 1992:19). While clarity of argument may be useful, Hubbard suggests that

money also talks. No government could ignore the views of 42 chief executives who control such a huge chunk of the economy. (Hubbard 1992:20)

The intertwining of 'expert networks' and money is almost palpable. For example, in 1988 Alan Gibbs approached Simon Walker to take up the position of executive director of the Centre for Independent Studies, (CIS) a centre quickly named "a right wing think tank" (Campbell 1988:27). The Chief Executive of Electricorp at that time was Rod Deane who was also appointed, together with Ron Trotter (then chairman and chief executive of Fletcher Challenge), Doug Myers (Lion

Corporation boss) and David Richwhite (Fay Richwhite) as trustees for the Centre for Independent Studies.

Walker is reluctant to draw comparisons between the CIS and the Heritage Foundation in the United States. During a 1985 visit to Australia, however, Heritage founder Edwin Feulner pointed out how useful a body like the CIS could be in helping the media equate the interests of business with such desirable concepts as "individual freedom" and "the public interest".

To that end, Feulner said, it was necessary to recruit academics and create ideas: "Like supply-side economics, privatisation...and flat tax." But, he continued, "it takes an institution to help popularise and propagandise an idea - to market an idea". This rewarding task, Feulner concluded, "is the role of organizations like the Institute of Economic Affairs and the Adam Smith Institute in London, my own Heritage Foundation and the Centre for Independent Studies here in Australia". (Campbell 1988:27)

The New Zealand public have explicit examples of such a body of powerful economic actors in the New Zealand Business Roundtable. They need no publicity. Not only have they attempted to influence economic decisions, but they have set about shaping public opinion through influencing the appointment of 'right thinking' executives, through the careful control of public information, and through facilitating the public's opportunities for discussion. In the case of Electricity Corporation, for example, at least 6 members of the Roundtable are named directors; most notably, Roger Kerr the Roundtable's Executive Director. Anthony Hubbard suggests that:

In 1986 Business Roundtable chairman Sir Ron Trotter had a chat with his pal Rod Deane, chairman of the State Services Commission: did he know anyone suitable for the job of Roundtable executive director? Deane: "I remember saying to him 'Do you have Roger Kerr on your list?'" Deane had taught Kerr economics at Victoria: "One of the three or four best students I ever had...a neat guy and a top economist." Kerr was invited to apply, and got the job. (Hubbard 1992:19)

Hubbard goes on to say that

Rod [Deane] helped Roger [Kerr] get the Roundtable job; Roger helped Rod get the Electricorp position. Roundtable stalwart Ron Trotter has held a bewildering number of positions under Labour as under National. This is a like-minded elite which is always taking in each other's washing. (Hubbard 1992:21)

The influence of the Roundtable was not only strong in the 'private sector', but also has been extended into what is commonly understood as the 'public sector'. For example, beginning for convenience with the devolution policies of the 1984 Labour Government (and the year Deming came to New Zealand) many Roundtable members were given significant influence in public sector organizations.³¹ These appointments were justified on the grounds that successful business people whose performance was 'proven' in their private enterprise ventures, were best suited to replace the old guard bureaucrats. Their placement provided for a web of people in influential positions ensuring that the economic direction set by them in conjunction with Treasury successfully encapsulated any organization of any consequence. Venables argued that this trend in the shift of power from plant and production based companies to those able to obtain and use financial resources (often referred to as 'the service sector') is

31) Lees (NZ Forest Products) and Henare (McConnell Dowell) found their place in the new Coal Corporation; Scott (Carter Holt Harvey), Kerr, the executive director of the Roundtable and John Fernyhough (Lion Corporation) found their place in the new Electricity Corporation; Alan Gibbs' influence on Forestry, John Hunn's on Crown Corporations and Ron Trotter's on Telecommunications and Reserve Bank (Venables 1988:36).

a world wide trend (The New Zealand Listener, 16 April 1988). He warned that as the pressure on the state to privatize public assets became fact, the Roundtable members were well placed to take the spoils.

On the global front, the Roundtable and its selected servants are not lone voices:

Kerr's deepening commitment to the free market is part of a much wider movement. Powerful voices in the OECD, the IMF, in universities and treasuries were calling for deregulation, an end to Keynesian pump-priming, subsidies and import barriers, and government meddling generally. (Hubbard 1992:18)

Hubbard, a New Zealand journalist, became known for his critical perspectives of the developing economic discourse. Some of the people he chose to write about were encouraged to refuse to speak with him. For example, after initial agreement to an interview with the Listener, Roger Kerr changed his mind.

"I was not convinced that we would get fair and objective treatment. There is a clear pattern in [Hubbard's] articles of antagonism to the government's economic policies" (Hubbard 1992:19)

The term 'The New Right' was used increasingly to refer to an influential business elite and their appointees. It may be that the explicit renditions of 'The New Right's' economic policies find few friends among the populace or at the polls. However, their strategy for persuasion does not depend on the total conversion of the public to their analysis. Sufficient support in places that mattered was achieved:

Indeed, what is so remarkable about business political activism during this period [the first half of the 1980s] is that the ideological shift towards free market or

neoclassical policy prescriptions was not only a feature of the policy-making of general policy-oriented business associations, but also of the Employers' Federation and all the major sectoral business associations (with the important but only partial exception of the Manufacturers' Federation (Roper 1993:156)).

During the second half of the 1980s, the increasing commitment of some of the members of the Roundtable to extreme right wing economic ideology influenced a change in its makeup. Up to 1981 only one of the ten members was not a manufacturer. In 1987, Don Rowlands, (Chief Executive of Fisher and Paykel) resigned from the Roundtable

ostensibly for reasons of time commitment. But as a leader in the manufacturing sector he was clearly opposed to the Roundtable's theoretical commitment to complete removal of import controls. (Venables 1988:36)

Later, Peter Stanes (Feltex and then Equiticorp Holdings) also resigned because he

found his views as a manufacturing representative to be incompatible with the Roundtable's stand on the manufacturing sector. (Venables 1988:36)

Roundtable membership increasingly included representation from the financial and investment sector. The combined market value of the Roundtable enterprises listed on the stock exchange at the close of business on 2 February 1988 was \$13,524 million; 56% of the share market's total value. Inclusion of the subsidiaries of these companies brings the amount up to \$15,408 million; 64% of the value of the sharemarket (Venables 1988:36). This however, is not the limit of the Roundtable's potential influence.

The directors of the companies represented on the Roundtable also sit on the boards of over 100 other major companies...

An examination of the boards of New Zealand's largest companies reveals a web-like system of interlocking directorates which extends comprehensively into every sector of the economy, far beyond the immediate membership of the Roundtable. This network, together with the sheer market dominance of the companies of the Roundtable, ensures that the opinions of and the decisions made by the managers of those companies have a profound effect on the private sector in particular and on the New Zealand economy in general. And, if the boards of New Zealand's public sector corporations are examined, it can be seen that they have been drawn into the web of interlocking directorates that dominate the private sector, and in turn by the companies of the Roundtable. (Venables 1988:36)

The "web of interlocking directorates" takes three full pages of The New Zealand Listener to describe. The close association of state organizations with business executives can be seen in the very language in which state business was re-framed with many of the same men represented in positions of power and control. Roper (1993) argues that although the Roundtable was indeed a moving force behind the emerging New Right, its role should not be overstated (p.164).

To a considerable degree it only systemized the policy preferences of a wide range of business leaders which increasingly prevailed during the period from 1979 to 1984 (ibid)

The Roundtable's support of the systemization of 'the management of quality' was one indirect way it was able to extend its influence. This is examined in the next section.

11.3.2) The Roundtable and 'The Management of Quality':

A Shared Discourse?

In its promotion of labour reform, the Roundtable drew on the same fabrications as those who promoted 'the management of quality'. 'The common interest', the association of increased productivity with increased wellbeing for all, the need to be more efficient and

flexible, and the selective promotion of Japan as a model for New Zealanders to emulate are common in the rhetoric of both groups. Reference to unemployment was a common theme to both, and, given the high unemployment rate, bound to gain the attention of the public.

The Roundtable interest in re-forming labour was quite explicitly expressed in its 1987 document addressed to the public (Freedom At Work: Why New Zealand Needs a Flexible, Decentralised Labour Market).³² This document was an attempt to communicate with a wider audience, beyond the specialist in industrial relations. Long established fabrications could be relied upon to draw on past loyalties or to carry new meaning. The paper began with a theme of 'the common interest', promoted labour reform and promulgated the notion that if business 'does well', every New Zealander will benefit:

The labour market has a profound impact on the living standards of every New Zealander and all sectors of the community stand to gain from labour reform. (New Zealand Business Roundtable 1987:1)

In the now familiar pattern of the rhetoric, the document introduces 'the crisis'. The facts are that the economic position of New Zealand has slipped from third to thirtieth in 30 years, unemployment has risen to 6% (to over 10% in 1994). The reasons (or division) are that New Zealand has "missed the post-war tide of economic liberalization" and the "inadequate and deteriorating performance of the labour market" (p.3). The Roundtable comes to the conclusion that New Zealanders must fight inflation through a firm monetary policy and reduction in government spending, the promotion of competition and

32) Direct and indirect support by the Roundtable of the Deming Institute and those who were developing techniques associated with 'the management of quality', was substantial. These aspects will be discussed later in this work.

flexibility in various sectors, and the reform of the labour market (pp.3-4) .

A healthy economy requires an efficient and flexible labour force. Reform of the labour market is therefore in the interest of all New Zealanders. It offers the prospect of higher standards of living, full employment and better opportunities for presently disadvantaged groups. (ibid pp.3-4)

New Zealanders are further warned that if they do not follow this advice, they risk increasing conflict, unnecessary plant closures, high rates of unemployment among teenagers, Maori and provincial workers and

substantial losses in output and employment, [which will] jeopardise financial and foreign exchange market confidence, increase uncertainty and inflationary expectations, and undermine the growth which the other economic changes will produce. (ibid p.4)

How should New Zealanders act? Co-operation and the commonality of interest are again predominant themes:

The relationship between employers and employees should be based on cooperation and common interest rather than conflict. The old notions of a continual struggle between capital and labour are no longer relevant. The aim must be to establish a more harmonious system, effectively combining capital, labour and other resources... the key issue is the need to shift from a centralised, craft-based and occupation-based trade union structure with its national award bargaining to a decentralised system of voluntary contracting on a collective or individual basis (ibid p.5)

So too are the promotion of decentralization and efficiency:

If we're to get more efficient, we've got to be able to develop better relationships between employers and workers and it's got to be done at the level of the firm rather than in some central way (ibid:p.6)

And flexible labour relations

will allow employers to establish contracts with incentive structures which promote cooperation and high productivity (ibid:p.7)

The wider public sector, to whom this document is addressed, is warned in almost perfect ironic contradiction, that compulsion and democracy are incompatible terms:

Any form of compulsion should raise doubts in the minds of citizens in a democracy, and compulsory unionism is no exception... Workers are the consumers of unions [the customer focus] Competition between unions for membership should not be restricted....The success of a number of small unions in New Zealand and elsewhere (for example in Japan where the average union size is 170) shows small size does not mean poor performance.... (ibid 7-8)

The document concludes with the promotion of the legal environment most preferred by the Roundtable:

Negotiated contracts between employers and employees should be legally recognised and the normal opportunities under existing common law to enforce contracts should be allowed. Such contracts should take precedence over all existing awards and industrial relations law. Common law, rather than Arbitration Commissions and Labour Courts, would then govern arrangements for employment. (ibid p.8)

Lessons from (that now enviable economy) Japan are advanced in support of their conclusion:

Labour relations in the world's most successful economy, Japan, are flexible and decentralised. Unions are company based and bonuses account for more than a quarter of annual earnings. (ibid)

It is asserted that workers and unions in countries like Japan are

keenly interested in their company's profitability and competitiveness.³³ The international imperative is also rehearsed by repeating the opinion of a foreign expert, Charlie Fitzgibbon, (pertinently the former Senior Vice President, Australia Council of Unions):

We are in competition with societies in manufacturing which do not understand a "them-and-us" situation, in particular the Japanese, where by tradition there is complete and absolute unity between capital and labour in big manufacturing plants. (ibid p.10)

The conclusion also contains the common veiled threat:

More comprehensive measures to liberalise labour market arrangements and introduce genuine freedom in employment are an urgent national priority. The case for greater flexibility in the labour market is compelling and the potential benefits are substantial. The cost of not achieving further changes [to the Labour Relations Act] both in wage-round practice and in labour relations law, could be failure or reversal of the current economic developments which carry the hope for a better future for all New Zealanders. (ibid: p.11)

As a group of people, these Roundtable men powerfully influenced the particular form the discourse of 'the management of quality' took in New Zealand, both in their patronage and promotion of this discourse as well as in their support of the increasingly favoured, neo-classical economic principles. The desire of the Roundtable to re-form labour was actively supported by the state.

33) Notwithstanding the Roundtable's promotion of the values of democracy, there is no rehearsal in this document of the undemocratic way in which Japan achieved its labour relations.

11.4) The State

The state's involvement in the promotion of 'the management of quality' took the form of public promotion campaigns, the underwriting of research and training, and the application of quality management techniques in attempts to cut its own operating costs. This section argues that although the state could have taken an interest in the technical development of 'the management of quality' at a much earlier date, its involvement escalated just at the time when commercial interests sought to globalise 'the economy'. The state is clearly represented as working in the interests of capital through the specific economic and legal conditions it created as the context in which 'the management of quality' was established in New Zealand.

Max Weber argued that the concept of 'the state' has only reached maturity in modern times. What has become known as 'the state' may also be known as that which gives 'binding authority' over those who live in the area of its jurisdiction and to a large extent, all actions which occur within such jurisdiction. The state is given authority to use force against its own citizens to enforce such jurisdiction.

The claim of the modern state to monopolize the use of force is as essential to it as its character of compulsory jurisdiction and of continuous organization. (Weber 1947:156)

In its support of the social changes implicit in 'the management of quality', the state has tolerated high levels of unemployment of its citizens, has aided in the dissipation of unionism, and is available to employers to control or break-up strikes or other behaviour determined to be illegal or undesirable.

11.4.1) State Aid for Capitalist Development

The relationship between capitalism and the democratic state entails some contradictions. While it is in the interest of capitalists that

the state sanctions conditions of employee (human resource) exploitation, the state must also keep faith with its non-employer citizens. The capitalist entrepreneur and the ordinary citizen have a vested interest in the way governments formulate both economic and social policies. These interests are not identical. In the attempt to balance the interests of all its citizens, the state has engaged in a range of interactions. During the early years of factory production, for example, there was a change in the role of the state in relation to business and the wider society:

In the nineteenth century the influence of the state was growing in a patchy way to regulate the conditions of work and the payment of wages. Its growing interest as an arbiter in the labour market is first seen in the various Factory Acts, as regulators for safety, public welfare and provisions for health, housing and education. The Factory Acts were enforced by the state through a central inspectorate. (Tillett et al 1970:35)

In 1895 in England,

the British Government attempted to amend the Factory and Workshop Act in order to expand the protection of the state accorded to employees....Supporting the reforms were the trade unions, the socialist feminists and the factory inspectors. Against the Bill were the vast majority of employers, those individuals committed ideologically to an unregulated labour market...(Nyland and Kelly 1992:394)

This protection of workers against the potential exploitation of employers has also been part of New Zealand's state involvement in the processes of production. From the early 1980s, however, the state responded to increased pressure from employer lobbies to remove the remnants of state protection of employees. The Business Roundtable, for example, argued that the changes brought about through the Labour Relations Act (1987) were not radical enough. The Act still provided for a range of collective bargaining options and still kept many employers in a "straightjacket" of national awards (Owen 1990:68). The

Roundtable maintained that the Act perpetuated "a double standard" which handicapped employers in the deployment of their (human) resources (The New Zealand Business Roundtable, 1987:4). It would go on to achieve the passing of the Employment Contracts Act of 1991 as the ultimate de-regulation of the labour force (discussed further in section 13.3).

Contemporary actions of the state in New Zealand which favour the capitalist segment of the community, include granting favourable access to public assets by some private interests during New Zealand's period of 'privatization' and the state's willingness to pass legislation which diminishes and complicates union influence in industry. Such actions by the state support Marxist depictions of it as an entity serving the interest of the capitalist 'class'. These depictions are challenged, however, both by the doctrines of social democracy and the actions of those leaders who actively seek to construct a state entity which protects multiple interests. The multiplicity of interests evident in New Zealand society, particular in the processes of production, are represented as not in conflict, but as unitary, as common. The capitalist slant on this would be that what is in the interests of capital is in the interests of all. The state was argued to inhibit this development:

Parliament has passed a new Labour Relations Act....However, it is clear that the scope for change is hampered by the restrictive and cumbersome procedures involved. Faster job creation and higher wages are dependent on more flexible adjustments to the opportunities created by an open and deregulated economy.

More comprehensive measures to liberalise labour market arrangements and introduce genuine freedom in employment are an urgent national priority...The cost of not achieving further changes...could be the failure or reversal of the current economic developments which carry the hope of a better future for all New Zealanders. (ibid:11)

The message from the Roundtable to the government was very clear. Legislation should anoint its version of a good social order. At the same time, the escalating discourse of 'the management of quality' provided for employers the technical means to achieve voluntary compliance with the notions of employee participation and flexibility. These notions were not foreign to employees. Many, through a variety of mechanisms, had aspired to them. Employers seemed to be asking for something that many employees had been hoping for. Through its support of 'the management of quality' a number of significant changes to employment practice could be brought about.

Today, 'the management of quality' as a discrete mode of management is supported by the state in a number of overt and covert ways. This support provides occupational/professional opportunities for a number of 'authorities' and at the same time provides the discourse with validation; an aura of truth (Rabinow 1984:72-73). This state involvement which legitimates the activities of the experts and technical promoters of 'the management of quality' is explicitly illustrated in the underwriting of TELARC's activities discussed in the previous section. It will be further illustrated by the comparative state involvement in management and trade union education, its subscription to the original Deming seminar in New Zealand, and subsequently, through several state organizations becoming foundation members of the Deming Institute. Together they form the institutional sites from which the operators of the discourse make their assertions and from which "the discourse derives its legitimate source and point of application" (Foucault 1972:50-51).

The state was involved, for example, in decisions to de-regulate labour and decisions about which businesses would survive or collapse in the 1980s. The ability to use the state to further sectional interests may increasingly be challenged by a new fabrication - 'the global economy'. The introduction of this new and powerful fabrication

is one which is most malleable in the hands of an elite. While represented to the public as an inevitable force on our economy, citizens have been drawn to concede changes in employment policies which have significantly affected their individual security. As insecure, vulnerable entities in 'the global labour market', ordinary New Zealand citizens did not collectively begin to signal their resistance until the 1993 parliamentary elections.

11.4.2) 'The State' and 'The Free Market'

In previous sections of this thesis I have argued 'capitalism' to be a metaphor, indeed a 'myth' (see section 3.3.1); a social construction or fabrication which is most commonly known to experts and ordinary citizens as 'a system' (See section 3.2).

'Capitalism' has been given a number of forms during various historical epochs or within various geographic locations. In the previous section, I discussed the influence of the Roundtable in establishing free market policies and practices over the 1980s.

In the background is the question of the chosen role for the government in the economy. While this is often expressed as a philosophical choice between free markets and planning, this is not a helpful distinction for practical purposes. Powerful government influences are at work in all markets all the time - indeed markets cannot function without a set of rules for governing private transactions laid down by the government... The question for government choice is not whether to intervene but rather to decide what set of interventions is most appropriate for a particular purpose. (Report from Treasury, Economic Management, 1984:111)

The government, in the view of Treasury employees, has an important hand in the construction of a collectively experienced and powerful myth composed of a myriad of fabrications which vary depending on the form of capitalism for which they are being constructed. Allegiance to this myth (even amongst the capitalists themselves) is however, neither constant nor universal. State subsidies payable to selected

industries of allegedly national importance can be made acceptable. Examples of this in New Zealand include the reported Government 'rescue' of the Bank of New Zealand, and the Government support of the Development Finance Corporation (DFC) during the 1980s. Indeed organizational actors may attempt to

avoid the normal operation of the market whenever it does not maximize their profit. The attempts of these actors to use non-market devices to ensure short-run profits makes them turn to the political entities which have in fact power to affect the market - the nation states. (Wallerstein 1974a:403 cited in Clegg and Dunkerley 1980:540)

For the purists amongst the free marketeers, such subsidization must be problematic. While such subsidization may initially stabilise individual enterprises, the outcome may be

profound dislocation at the national state structure level, with the likelihood of increasing 'structural gaps' in revenues and expenses. Again, at this level, hegemonic domination becomes imperative in persuading labour as a class to accept the social costs of the re-structuring of capital - hence the centrality of the social contract in recent British politics.

....the state is both a capitalist state, structurally, in capitalist societies; it is also staffed overwhelmingly by members of the capitalist class (Miliband 1969), and it draws its planning information from the capitalist class and their organizations (Mandel 1975, pp.496-7). In summary one could say that the state is not only automatically a source of vital extra organizational hegemony, it is also the site of a constant battle between different organizations of capital and labour, for control of the resources it has available to it. (Clegg and Dunkerley 1980:543)

As 'the opening of New Zealand's economy' to world competition negatively impacted on manufacturers, the President of the Manufacturers Association featured on the television news magazine, Holmes, (27/8/91). He demanded the Government not take the free market

philosophy to extremes. He argued that the state should intervene to protect manufacturers. The resignation of prominent manufacturers from the influential Roundtable was discussed previously. Although total allegiance to 'free market principles' by the state will be limited in some interesting ways, the manufacturers, by the early 1980s, had lost much of their influence and lost even more through their abandonment of the Roundtable.

Even the very liberally oriented Treasury of 1987, in its Government Management: Brief to the Incoming Government 1987, clearly promoted the responsibility and the power of the state to influence the conditions which provide the context for economic activity. For Treasury, the establishment of "relatively free markets" is crucial because "there is no superior alternative" (p.4). State involvement is required to

- improve the operation of markets...in the pursuit of efficiency (p.3)
- beware of constraints on competitive behaviour (p.4)
- set policy in areas such as levels of government expenditure and taxation, monetary policy; establish legislative frameworks and regulatory regimes (pp 4-5)
- clearly explain the need for changes and provide leadership in the achievement of such changes. (p.5)

Treasury recognised that a capitalist market can never be entirely free, and governments must always choose a set of interventions (Report from Treasury, Economic Management, 1984:111). The decision to promote a 'free market' specifically with regard to 'labour' as a 'commodity' is a myth still under construction but a myth that most certainly has the support of the Roundtable.

As well as providing the context for competition, the state is also required to provide the social context which supports desirable patterns of economic activity. Legislation is one way open to the

state. To achieve labour 'flexibility', the state gradually worked towards the introduction of the Employments Contract Act (1991) which instigated voluntary unionism and changed radically the parameters for possible conditions of employment in New Zealand. Maintaining high levels of unemployment from the early 1980s most certainly enhanced the relatively smooth implementation of this Act and perhaps the willingness of those workers still with a job, to work with the proposed techniques of 'the management of quality'.

It has been argued that the interests represented by the Roundtable influenced what would be determined as desirable rather than, (to use Foucault's (1972:40-42) distinction), what would be deemed pathological. This influence must include the very shaping of the desirable employee and the very desires of those employees. There were quite specific calls for the state to take an active part in the shaping of its citizens and to influence social and working attitudes in New Zealand. The state was indeed actively engaged in doing exactly that. The discourse of 'commonality' or 'unity of interest' was escalated. Citizens were being encouraged to think of themselves as part of a larger entity ('the nation') for which all had collective responsibility. Yet, at the same time, assumptions about atomized individuals were manifest in labour legislation. Individuals were put in intense competition with each other for employment and the social goods that were increasingly linked to it (increased privatization of, and therefore increased individual economic responsibility for, health and education, for example).

11.4.3) 'The State' and 'The Management of Quality'

Given the significant influence the state has in creating the economic and political conditions of organizational practice; the social conditions which sustain these; and the very nature of the citizens who will operate the practices, any significant change in the management process for the production of goods and services would be difficult to achieve without some overt support by the state. Indeed,

the state can be seen to be involved in the discourse of 'the management of quality' through its support of academics and researchers (discussed in section 11.1) and also through the specific discussions of the various Ministries of public affairs. In particular, the Ministries of Commerce, of Overseas Trade and Marketing of Tourism, Publicity and of Recreation and Sport were visibly involved in the nation-wide development of 'quality consciousness'.

In an undated, glossy document looking to the 1990s and reporting on studies undertaken since the extensive economic reforms of 1984, the Ministry of Commerce promoted productivity performance as "crucial in determining economic prosperity". A survey of 200 New Zealand firms carried out by the Ministry found that deregulation had affected nearly all of these firms to varying degrees and "a greater attention to quality and productivity was one major way in which they had addressed this" (Productivity and Prosperity, Ministry of Commerce Document No ISBN:0-477-05989-9, p.10). The report advises that there are many agencies which now provide information on national and international productivity and quality developments, and recommends the reader obtain the 'innovation kit' prepared by the Ministry which provides information on these agencies.

On 14 May 1987, David Caygill, Minister of Trade and Industry, released a press statement promoting a "New Zealand Quality Management Campaign". Caygill proclaimed that this campaign was to be a

'business led' campaign, which is being facilitated by the Department of Trade and Industry. It has been developed through extensive consultation with the business sector and organizations which have as their mandate the promotion of quality in New Zealand goods and services.

This campaign was supported by:

the Manufacturers Federation, Tourism Industry Federation, DSIR, Ministry of Agriculture and Fisheries, Consumer Institute, TELARC, Standards Association, Enterprise New Zealand,

Ministry of Consumer Affairs, Industrial Design Council, Institute of Management and New Zealand Organization for Quality Assurance. Representatives of most of these Organizations will be assisting the Department in an advisory capacity.

It was a "low key, long term campaign which will involve...the publication of business case studies" (Caygill's press release). Indeed the first case study appeared in Management in July 1987. Subsequently a series of case studies which directly referred to the influence of Deming and a number of other 'quality authorities', were made available in glossy 'kit' form. These cases also appeared in the National Business Review. Some of them are used in the construction of the 'typical success stories' in chapter twelve. The targets of the campaign were the chief executive officers "in all business sectors and all sizes of business" (Caygill's press release). The state supported this initiative by providing "a comprehensive structure of support services, embracing education, training, standards, accreditation and consultancy"(Caygill's press release).

In their promotion of A New Zealand Plan for Quality, the joint working party comprising NZOQA and TELARC also recommend state responsibility in the implementation of a commitment to 'the management of quality'. This responsibility entails:

- * influencing national attitudes and motivation
- * ensuring adequate education and training
- * encouraging a cross fertilization of ideas between industry sectors
- * furthering the international standing of New Zealand Quality Assurance accreditation programmes. (pp.3-4)

NZOQ, and its relationship with the state, has gone from strength to strength. In March 1991 the Organization hosted the Asia Pacific Quality Congress Conference in Auckland. The title and theme of the conference was "Quality:The International Language". Speakers at the Conference included Mike Moore as Prime Minister of New Zealand, and

Roger Maxwell, Minister of Regional Development and Minister of External Affairs and Trade.

By 1991, with the support of the state both through the legitimization of the discourse and its funding of training programmes, 'quality' concerns had become part of common 'organizational discourse' in manufacturing organizations and in the service and public sectors. The Associate Minister of Health argued that he supports

the development of quality assurance procedures by the medical profession. Such procedures will enable the profession to monitor and promote the maintenance of competent standards of practice among its members. For this reason I am taking steps to include a clause in the Medical Practitioners Bill to provide indemnity to practitioners involved in quality assurance activities. (Waikato Times: 8 April 1991)

And the Vice Chancellor of the University of Waikato informed his staff:

TQM [Total Quality Management] has developed out of the concerns with quality assurance in manufacturing processes. It is now seen to be highly relevant to the life of any organization, including universities. In essence it is organized common sense. (On Campus, Vol 6, No 13, 6 July 1992:4)

How this 'common sense' was achieved is not the problem of people with the day to day responsibilities for managing organizations. The Vice Chancellor's responsibility is to work within the constraints of his budgets. The constriction of resources by the state, the constitutional requirement to operate within budgets set by the state, and the implementation of techniques and mechanisms to obtain savings, are all part of the formulation of this 'common sense' to be achieved

at the University of Waikato.³⁴ Talk of fiscal crisis and potential redundancies ensures employee compliance to some degree. By December 1993 the Vice Chancellor of the University of Waikato was able to announce a very positive budget:

One must note that this is only made possible by the fact that staff across all sections of the University are carrying much higher loads of work than used to be the case. (Waikato this Week, The New Zealand Herald, 7 December 1993)

As well as setting the economic and political context in which 'the management of quality' is represented very much as a 'common sense' approach to management, the state has also provided monetary incentives to ensure that the nation becomes 'quality assured:

The Government's Business Development Programme is administered by the 21 Business Development Boards around the country. The Boards provide a number of services for the businesses in their areas including the Enterprise Growth Development Scheme (EGDS) . The EGDS provides grants to help businesses become more efficient and effective in the marketing of their goods and services and thus improve New Zealand's international competitiveness.... Component 7 of the scheme relates to the costs of seeking quality systems audit and certification under the Telarc Registered Supplier Programme against the ISO 9002 or ISO 9001 quality systems standards. The grant available is 50% of the fees and charges paid to Telarc up to a maximum of \$3,500 (50% of \$7,000) should applicants meet the criteria of the scheme. (TELARC Information Sheet TIS 003) Issue 6, August 1993)

34) Further, I suggest the academic autonomy of universities will be put at risk through their submission to 'quality auditors' whose prescriptions as to the grounds of ensuring 'quality' may well constitute a straight jacket for intellectual innovation.

Total fees and expenses per applicant to cover all costs from application to registration, paid to TELARC by August 1993, ranged from about \$4,800 to about \$16,200. The average client pays between \$6,500 and \$8,600. (TELARC Information Sheet TIS 003, Issue 6, August 1993).

Increasingly the mission statements and corporate plans of 'public sector' organizations show a familiarity with the discourse of 'the management of quality' previously not visible in such documentation. The New Zealand Treasury, for example, notifies the public that

The Treasury aims to provide policy advice which meets the needs of the Minister [of Finance]. The Treasury's management of quality involves a three-pronged approach: an insistence that the staff are highly skilled and appropriately trained; the design and operation of processes which provide assurance of high-quality outputs; and, finally, the specification of outputs in such a way that judgements about their quality can be made on delivery. (The Treasury Corporate Plan 1991-1992)

The transition from a generally unformed discourse to one which has common currency, one in which the very fabrications of the techniques or the systems which consolidate them, has been largely accomplished. One other important voice in the establishment of this discourse is the W. Edwards Deming Institute of New Zealand.

11.5) The W. Edwards Deming Institute in New Zealand

W. Edwards Deming was a person with both technical expertise and a celebrated history with regard to the development of the discourse of 'quality'. Deming promoted a philosophy which identified both a crisis and a cure. Academics, technical experts, the state, various early adapters of the techniques and the NZOQA were among the interested parties gathered together to support a visit from Deming to New Zealand in 1984.

In the early 1980s, at the University of Otago, interest in 'quality' management was promoted by Professor Ivor Francis. Francis knew W. Edwards Deming and together with Ken Fenjenson, a marketing academic,

planned a visit to New Zealand by Deming. Tim Ball, a statistician employed by the DSIR and an active member of NZOQA, was approached to join an honorary 'two level committee' to arrange Deming's visit. This committee included Ivor Francis and Ken Fenjenson (Otago University); Tim Ball and R. Sinclair (DSIR) and Mr G. Curry (Fisher and Paykel Ltd). Don Rowlands, Fisher and Paykel's managing director, promised to guarantee enough participants for the seminar to break even:

I have a real responsibility; if the chief executive does not drive it [improved quality control] it won't be supported...(National Business Review, 21 May 1984)

In 1984 Deming was brought to New Zealand for a four day seminar at the Auckland Sheraton Hotel. Fisher and Paykel sent 44 senior executives to the seminar at a minimum cost of \$650 each.

The profit made as a result of this seminar in part facilitated the setting up of the W. Edwards Deming Institute, an organization which was intended to spread Deming's philosophy to New Zealanders. The Board of Governors of the Institute are Trustees of the Institute and included Deming himself. Ivor Francis was President, The Chairman was Don Rowlands (then Managing Director of Fisher and Paykel Ltd, President of the Manufacturers Association and past member of the NZ Business Roundtable and Deming's representative on the Board). The Board also included S.J. Callahan (Secretary for Justice), and Mr T.R.P. Gibson (Managing Director, Auckland Farmers' Freezing Co-operative Ltd.), Mr D.W. Benefield (Executive Director of Masport Ltd), and Mr C.G. Martin, (Managing Director of Thorn EMI New Zealand Ltd) (The Deming Institute Newsletter, Issue 4, 1988).³⁵ The

35) Appendix 6 of this thesis provides a list of founding members.

significance of the association of these parties with the Institute, both in financial and legitimating activities, is evidence of a commitment to the promulgation of 'the management of quality'. This is heightened by the senior positions of specific people in key organizations who are committed to the new ways of managing. The web of influence becomes even greater when one considers the influence these organizations will exert on their suppliers and customers.

By 1985, with substantial support from public and private sector organizations, the W. Edwards Deming Institute of New Zealand was up and running. The prospectus introduced and summarised the intentions of the Institute, confirming New Zealand's state of crisis and reinforcing the connection between Deming, Japan's economic miracle and 'Japanese Management Practices' as the solution:

The W. Edwards Deming Institute of New Zealand has been established to promote improved quality and productivity in New Zealand's manufacturing and service industries and in government, and to provide the means whereby this improvement can be achieved, namely the philosophy and methods of Dr W. Edwards Deming, the renowned American consultant.

The adoption of this philosophy and these methods 30 years ago by industrial leaders in Japan transformed the Japanese economy into a leading international competitive force. Today Dr Deming's philosophy and methods provide a way out of the crisis that has overtaken Western industry.

Dr Deming was impressed with the reaction of industrial and government leaders to his seminar and with the local initiative in inviting him to New Zealand and in the planning for ongoing activities. He consented to the establishment of an institute in his name, and offered his help and strong encouragement.

Dr Deming's message is directed at top executives of an organization, for without their commitment to quality and their willingness to take responsibility for

quality, and to make the necessary changes to achieve quality, the efforts of everyone else in their organization will come to nothing.

For this reason the Deming Institute has been established as an organization for top management...

The work of the Institute was defined:

- It is a forum where Chief Executives will meet to learn and to exchange views and experiences.
- It conducts seminars for the employees of member organizations.
- It provides consulting to help member organizations adopt Quality Improvement programmes.
- It provides technical training for staff of member organizations.
- It conducts seminars open to individuals from non-member organizations.

The prospectus goes on to outline the structure and services of the Institute.

A year after its establishment, a newsletter (The Deming Institute News) was launched. This newsletter provided information on up and coming workshops, seminars, training courses and other events related to 'the management of quality'. The publication also provided names of contact people interested in 'quality' and included 'success stories', stories of miraculous recoveries or improvements purportedly resulting from the application of aspects of 'the management of quality'. Deming, endorsed by the state, corporate interests, the NZQO and others, became a household name for many. The appeal to our national identity, our team spirit and determination is linked directly to success in business and in industry. On a domestic flight during my field work, for example, I found an in-flight magazine rallying 'the nation' to unified effort, exhorting New Zealanders to apply themselves:

As a nation we are justifiably proud of our prowess on the sports field, where success

comes from much training, teamwork, and sheer doggedness to achieve our goals. For the lasting good of New Zealand it is incredibly important that we harness this same spirit within the business and industries of our country so that we can be great also in the arenas of international trade. Although it seems almost unbelievable, the Deming philosophy of management offers the rare promise of achieving this goal. (The Hon M.D. Moore, Minister of Overseas Trade and Marketing of Tourism, Publicity and of Recreation and Sport; quoted from Signature: Magazine of Diners Club New Zealand, December 1986/January, 1987)

In a proposal for a symposium of national leaders, sponsored by the Deming institute, to begin a "national offensive", a strategy whereby government, business, and labour combine to create national prosperity, Ivor Francis writes:

We believe that our long-term survival as a nation requires this strategic offensive [a national strategy to achieve long-term prosperity and social harmony for New Zealand] in order to improve our quality and standard of living: we can only achieve this by becoming internationally competitive through the productivity of our hands and minds (Francis 1987:10)

The national co-operation expected failed to materialise. In a NZ Plan for Quality, NZOQA and TELARC anticipated a collaborative approach and they supported the promotion of the Institute in Deming's name. But their role in its work declined. A growing exclusion of the NZOQA from the work of the Institute was reported as an ironic outcome by a member of the NZOQA. This person suggested that with their committee's involvement in bringing Deming to New Zealand in the first place, they had aided the setting up of their own competition! Regardless of this irony, NZOQA opted to co-operate with Professor Ivor Francis though he, according to my informant, was not interested.

He shut himself off from everybody else. He seemed to see it as if there were a club of organizations and that he didn't want to belong to it. (Interview Transcript:1990)

Indeed, according to one informant, it appears that NZOQA went to some extraordinary lengths to speak with Francis, including waiting for him at airport luggage conveyers. In announcing the establishment and intentions of the Deming Institute in New Zealand, Management, September 1984 indicates some of this tension:

President of New Zealand Organization of Quality Assurance (NZOQA) John Barr says his organization feels positively about the Deming Institute. "Quality must start with top management. Therefore we totally support their objectives to get these people involved. At this stage we are not sure how NZOQA will be involved as they are operating pretty independently, but we are trying to establish a good working relationship". (p.15)

Regardless of the apparent friction, the NZOQA continued its business of promoting attention to 'the management of quality', often in direct competition with the Institute. NZOQA retained many major clients. Despite powerful and wealthy organizations supporting the Institute it became ineffectual within two or three years. Explanations for its demise include a perception that the Institute "concentrated on concepts, not practicalities" (Jayne, 1990:23) or that it was ahead of its time, or that the leadership style of Ivor Francis was unpalatable in New Zealand.

At that stage New Zealand Steel's budget for QA (not counting its line control operations) was \$1.2 Million...If he (Francis) could have captured that co-operatively, that may have baled him out. Instead he persisted in this 'me, only me, only my way, God on my side' kind of stuff. Of course he just got laughed off the site. (Interview Transcript:1990)

The Institute was abandoned in 1986. Despite its short life and the inconsistencies between Deming's notion of managed economic activity and the emerging state commitment to neo-classical economic policies, Deming's visit remains an inspirational moment for many managers.

The impetus which Deming's visit and the setting up of the Institute in his name gave to this 'new' form of management was sustained in practical ways. Former associates of the Institute took their versions

of Deming's philosophy to organizations and the public in a variety of ways. Their task was to institutionalise this inspiration. Some organizations remained with or regained the involvement of NZOQA or found new vehicles for 'the message' in the form of invited experts, or by participating in training developed through other 'quality' bodies. The 'quality movement' continued. One example of the many people involved was visiting consultant, Masaaki Imai, author of the influential book, Kaizen. He visited New Zealand to conduct inhouse seminars and displays for such companies as Fisher and Paykel and Tasman Pulp and Paper. Imai was told that Fisher and Paykel executives returned from Imai's own institute in Japan with all the zeal of "born again" Christians (The New Zealand Listener, 19 September 1987).

The NZOQA continued to run its courses, certification became increasingly significant, and 'quality' consultancies prospered. By 1989 a Total Quality Management Institute was set up in New Zealand. Its emphasis was on practice rather than theory (Jayne, 1990:23). In 1989 the Pacific Education Development Trust "formed its quality management service into an autonomous subsidiary company, STRATEMM PACIFIC LIMITED, specialising in the implementation of Total Quality Management Programmes". In 1990 the NZOQA changed its name to the New Zealand Organization for Quality (NZOQ) to reflect the broadening of the concerns associated with the management of quality (Q-NewZ, October, 1990:7). A number of individuals also saw an opportunity to make a career out of the quality doctrine. Training programmes and consultancies specialising in 'quality management' multiplied. Promulgation of 'knowledge' or 'truth' about 'the management of quality' was conducted on many fronts.

In this chapter I focused on the participation of business elites, the state and quality specialists. By no means were these groups unanimous in their approach or their interpretation of the ideas promoted by Deming or other 'quality gurus'. Nor were the groups I discuss isolated from the quality discourse engaged in by other groups. In

many cases state support of 'quality' proselytisers is evident. Union interpretation of the discourse and the impact of academics on the formation of future managers through business schools and training courses will be discussed in chapters thirteen and fourteen. I use the next chapter to illustrate the implementation of 'the management of quality' in a selection of New Zealand organizations. Aspects of this discourse were integrated quickly into work practice. They were often supported by moral exhortations in the form of calls for 'unity', 'co-operation' and 'participation'. A recognisable lexicon was quickly developed and in less than a decade, numerous strategic plans and mechanisms were established in which 'quality' was 'centre stage'. They became 'show cases' for others to emulate.

Chapter 12: 'The Management of Quality';
Applications in New Zealand Organizations

In chapter six the fabrication of 'unencumbered individuals' was discussed. These entities were deemed most suitable for the further development of industrial capitalism. Ironically, these individuals did not automatically choose to submit themselves to the rhythm of the factory. In order to enhance their compliance, the production techniques associated with the work of Frederick Taylor were implemented. In this tradition, the human being was treated and studied as a cog in the machine of productivity. Failure to fully achieve this metaphorical machine was met with various attempts to refine that system, or alternatively, to re-integrate aspects of humanity into 'the worker'. Several examples of this were discussed. The tension that comes from the contradiction embedded in the fabrication of free individuals who need to be constrained (the enslaved sovereign) (Foucault 1970:312) to meet the labour requirements of capital, remains to this day. The introduction of 'the management of quality' in New Zealand highlights this tension and makes explicit the interests to be served through this contradiction.

Throughout the 1980s New Zealanders were increasingly constrained to behave in ways compatible with the myth of 'laissez-faire capitalism'. Competitive, self-serving individuals are a centre-piece of this myth. The macro economic discourse of the 1980s assumed their existence as real. However, at the level of the enterprise, a team oriented employee was posited. This contradiction is evident throughout much academic and professional training literature. Of special interest in this chapter is the experimentation with the techniques of 'the management of quality' which assumed the 'collective' rather than 'individualistic' nature of employees with regard to their work-place behaviour.

Chapters ten and eleven discussed a number of specific interest groups and their contribution to the promulgation of 'the management of quality' and its implicit social fabrications. In this chapter I examine the experimentation with the associated techniques in specific industries and the way in which these experiments could be used to re-enforce the rhetoric of conversion. This chapter examines the way in which workers and managers came to know of 'the management of quality' and of the need to submit themselves to the discipline of the new routine.

At the level of the enterprise, 'the management of quality' was introduced to workers and managers as an improvement on traditional ways of organizing work. Its advantages were already well rehearsed by a number of parties with a vested interest in the manifestation of aspects of this discourse. The rewards of compliance were promised to be increased productivity and an improved well-being for all. It was heralded as an approach to management from which all New Zealanders would benefit. Workers and managers were encouraged to see the techniques as new; as a contrast to the approaches associated with Taylor and his form of de-skilling. Adoption of the techniques implicitly promised a solution to the growing concern about high rates of long term unemployment feared by New Zealanders:

...quality management is a refreshing tonic to the more traditional, Taylorist approach to management. It generates enthusiasm and commitment from its proponents, and has stimulated many of the world's best business intellects and communicators.....

It also produces results. There must now be a weighty catalogue of companies that have been turned around, markets that have been saved or gained, and individuals, particularly on the shop floor, whose working lives have been improved, all through the introduction of Quality Management. (Maxwell 1991 - Opening address to the Third Conference of the Asia Pacific Quality Control Organization, Proceedings, Volume 5)

This chapter provides examples of New Zealand organizations who contributed to that catalogue of companies. I have chosen the particular organizations discussed here, not because they are a representative sample, but because they contributed publicly and prominently to the promulgation of the need for change, and the promotion of 'the management of quality' to meet this need.

Conversion of others to the discourse was important to those committed to the philosophy because successful implementation in one's own enterprise was dependent on and enhanced by the presence (or construction) of a community of like-minded citizens. Such conversions provided an assurance that the techniques were being practised in all phases of the process of production; including those of supplier organizations. These conversions were among the preconditions for the establishment of a nation-wide, globally compatible quality accreditation system.

12.1) Early Applications of 'The Management of Quality' in New Zealand

Quality control circles were among the earliest and most visible implementation of the techniques associated with 'the management of quality' in New Zealand. They required a sense of employee participation and commitment to the processes of production not typically associated with production-line work. In 1982, Glyndwr Jones reported that "the quality circle movement seems set to take off in New Zealand" (p.70). Jones describes quality circles as voluntary membership by employees in self directed teams. This formation of workers

attempts to tap the pool of unutilised knowledge, skill and experience that undoubtedly resides at the workplace in many organizations. (Management, June 1982:70)

This recipe for management must surely have appeared attractive to a number of managers already under pressure to increase productivity and

reduce costs to meet the increasingly threatening international competition. Their response to a practical solution entailed their submission to a new identification for themselves, their employees and their notions of 'work'.

In New Zealand the promotion and studies of the proliferation of 'the management of quality' often hark back to its association with the Japanese. The western conception that higher quality meant higher cost and price was challenged by Japanese producers who had demonstrated that higher quality can actually mean lower cost and competitive pricing (Enderwick 1991:2). The justification for participation in 'the management of quality' followed easily from the assurance that the highest level of product quality and reliability had supposedly allowed price and promotion to become secondary variables in the competitive mix. This supposition led to a new conception of product development and marketing. The relationship between price and quality appeared to have changed.

Sally Pewhairangi (1991) for example, investigated the use of Japanese style management practices in New Zealand organizations. She examined eight companies, with annual sales turnovers ranging from \$20 million to \$600 million, that used such management practices. A wide range of management techniques associated with the Japanese were identified. These techniques included TQM, QCC, In Process Controls, team working, the employment of multi-skilled, single status workers, and a preference for enterprise unions. There were variations in the way these techniques were adapted to specific work-places. Quality control circles, for example, were not the continuous work groups of the text books but were project specific and disbanded on completion of the project. Group meetings were not always held in company time. Managers' explanations for the introduction of these practices included the need to be internationally competitive, the need to improve operations and the need for increased flexibility, quality and productivity (Pewhairangi 1991).

Peter Enderwick, Professor in the Department of Marketing and International Management at the University of Waikato, also investigated the extent to which 'Japanese Management Practices' have been integrated into New Zealand enterprises (Enderwick 1990). He confirmed that commitment to quality, and the role that training played in this, was not limited merely to the companies in his sample but was also carried outside the organization into supplier relations. Three subsidiaries [of Enderwick's sample of 6] implemented programmes with suppliers to assure component quality. One instigated a total supplier improvement programme (TSIP). In this programme, any components found to be substandard were brought to the attention of the supplier by the quality assurance department. This department had to be assured that the problems had been remedied in order for the supplier to retain the business. A second subsidiary required vendors to provide goods that fell within certain specifications; checks were made by employees in the assembly process. A third company implemented a programme where a supplier's processes and cost structures must conform to ISO 9001 status, the specified quality level of the international standards organization (or must be working towards same) to maintain the relationship.

One subsidiary operates a preferred vendor system which acts on the premise that the supplier is part of the company's internal operations. Visits to the vendor ensure that processes and output specifications are up to standard. Respondents [to Enderwick's survey] indicated some initial resistance, although many suppliers have now made significant investments to improve quality in order to retain their supply relation. (Enderwick 1990:14)

The need to be aware of a customer's quality requirement was essential. In many cases, a customer may be another manufacturer.

Particularly if the 'Just-in-Time' inventory technique was to be successful, customers needed to be assured of the quality no less than the timing of their incoming goods. In many cases, Deming was used to as the authority because of

the importance he [Deming] places on the need for organizations to build and live the ethos of continuously striving to improve their services and products to their customers. Management must not push their problems away but rather see them as an opportunity - an opportunity to improve. Tim [Ball the statistician involved in the early days of the Deming Institute and then one of the many independent Quality Consultants] went on to discuss Deming's chain reaction and how quality improvement can lead to decreased costs and increased productivity and market share. (Q-NewZ, December 1990:3)

The setting and policing of standards outside the organization facilitated the construction of long term alliances, alliances both within domestic boundaries and with enterprises in other nations. Indeed, if New Zealanders intend to trade on the international market, their trading partners can insist on the certification of New Zealand organizations.

As well as the projected benefits which would come from working with 'the management of quality', there were significant changes to well established processes of production. For example, workers have been redefined as 'human resources'. Resources generally are considered to be at the behest of employers' to maximise private profit. These two fabrications (the 'employee' as human resource and 'the employee as a 'participative, empowered member of an enterprise' were put together in the promotion of Total Quality Management ('TQM') in a seemingly unproblematic philosophy for 'good management'. Private ownership as a valued fabrication can also be put to good use in the rhetoric. IBM (NZ), Director of Staff Services, Doug Matheson, for example, reports:

We established a concept that every process had an owner and that the owner had a responsibility for making it efficient and effective. (Jayne 1990:23)

But the responsibility was always a monitored responsibility. The right to determine whether workers would have work, and the broad parameters of how that work was conducted, were set at a level beyond the view of those who did that work.

Careful monitoring of business processes became part of the IBM culture, says Matheson, and as TQM evolved the company embraced it. "I see TQM as the management of business itself". (Jayne 1990:23)

Thus the worker was re-fabricated as an 'owner' with limited control. The limitations of that control, and the general control over the worker was infused in and applied through the submission to 'the system'.

The process and extent to which new and altered fabrications had become part of everyday conversation, theorising and manifestation in routine practice is illustrated by the four case studies outlined below. On the one hand these case studies illustrate the 'discourse in the making'. On the other hand, their display in discussions, meetings, brochures and conferences, the experimentation with the techniques themselves, as well as the growing pressure to have compliance with aspects of 'the management of quality' certified, contributed to the process of making increasingly concrete the fabrications implicit in the philosophy.

12.2) 'Success Stories'

'Success stories' were an essential aspect of the promulgation of 'the management of quality'. By 1990 the preference of story tellers for post war Japanese examples had changed noticeably. The reasons are complex, but already a number of New Zealand examples depicting dramatic success were at hand. Their success was promulgated among the population through newsletters of various kinds, government sponsored publicity material, journals, magazines and books. With each example,

the re-fabrication of 'work', 'workers' and 'managers' was enhanced. The next four subsections provide examples of such cases.

12.2.1) Trigon Packaging Systems (NZ) Ltd

Trigon Industries Ltd (Trigon) consists of fifteen domestic and international subsidiaries and joint venture companies with world-wide sales of \$100 million per annum. This company builds its own production equipment for making packaging films, and develops and builds packaging equipment for world wide markets. It provided a case study of 'the management of quality' to the campaign led by the NZOQA and the Ministry of Trade and Industry in the early 1980s. As early as the 1970s, Trigon was emphasising that quality is an operator's responsibility. Quality Control Circles were introduced at Trigon in 1980, well ahead of many other organizations, and were rated as highly successful. All operators at Trigon carried out work traditionally the preserve of skilled technicians (in the form of 'inspectors' or managers). As part of the government's campaign to promote 'the management of quality' this company provided the following information:

A formidable list of accomplishments by Trigon Quality Circles range from a small project to design a tool pouch for an operator's belt, to a huge project that took 18 months to develop and 4 years to implement, and involved a \$50,000 redesign of the factory layout to improve materials handling and reduce product damage.

Completely designed by the Quality Circle members, this project has resulted in improved tidiness and safety, significant reductions in damaged products, less heavy lifting.....

Another exercise reduced the number of errors in specifications issued to the factory, from 30% to between 1-2% over a three year period...(The New Zealand Quality Management Campaign, Department of Trade and Industry)

Despite Trigon's already progressive position, Deming's visit to New

Zealand in 1984 proved inspirational. Technical Director Russell Cassey and Production Director Brian Higgins attended Deming's seminar in Auckland.

"We came away believing this guy had something for us," recalls Higgins. "But I had difficulty in seeing how some aspects would fit into the culture we already had within Trigon" (National Business Review, No 23, 1987)

With the need to be 'quality compatible' with contractors and suppliers, and with international demands to meet, Trigon managers sensed the benefits of conforming to international standards. In 1990 it achieved ISO 9002 certification.³⁶ Ms Anderson publicizes this achievement through the newsletter:

the company is accredited to NZS 9002 in line with N.Z. Dairy Board recommendations for the packaging industry...(Q-NewZ, December 1990:4)

This achievement was the outcome of a decision in 1988 to introduce a Total Quality Improvement programme.

A Quality Improvement Committee was established, with the Quality Improvement Manager and CE [company executive] as permanent members. Other members were senior management executives and representatives from each functional area within Trigon... In 1989 the QIC developed a Quality Policy which aimed "To encourage the commitment of all staff to total quality consciousness and improvement of our products, processes and

36) Although employees are not rewarded for their contribution to improvements in quality in the form of a pay increase, I was told that when Trigon achieved ISO certification, all employees received a box of chocolates.

services and to meet or exceed our customers' expectations". (Crawford 1993:60)

In attempts to implement the techniques of 'the management of quality', the conversion of top managers is essential. For Juran, the involvement of non-supervisory staff in a successful quality revolution comes long after the commitment and training of senior management. This was not well understood by some of the early implementors of the discourse in New Zealand. I spoke to many middle managers who had been sent by their senior management to "get the new technique". These middle managers were left with the impossible task of winning on the one hand the commitment of a disinterested top management and, on the other, the engagement of shop-floor workers.

At Trigon, despite the work of a 'quality champion' and the commitment of top management,

middle management initially were less committed because.... they lacked information and training about TQM and saw it as conflicting with their real jobs. They also did not like involving people on the shop floor in decision making which they regarded as their prerogative. (Crawford 1993:61)

Through discussion with one of its largest customers (the New Zealand Dairy Board) Trigon expanded its quality management focus by formally introducing Total Quality Management (TQM) in 1991. While the previously used techniques associated with TQI (Total Quality Improvement) and ISO certification were focused on product quality

TQM offered the opportunity of extending quality improvements to management and service functions in the organization as well.
(Crawford 1993:60)

Despite the zeal with which Deming's philosophy was promoted, and notwithstanding Deming's own faith that attention to quality creates jobs, in November 1992, 8 senior people, including 1 Director, several

engineers and other managers were laid off at Trigon. These people (some after 12 years of service) were advised of their redundancy 10 minutes before the whole staff were advised (Interview transcript, 1992). The promise of job security through participation in 'the management of quality' must have rung hollow for these people.

12.2.2) Interlock Industries

Interlock Industries Ltd is another company very prominent in the promotion of 'the management of quality' as the key to New Zealand's economic salvation. With export interests in Japan, Interlock Industries was required to meet the rigorous requirements of the Japanese Industrial Standard. It introduced

programme of continuous improvement [which] has enabled the company to grow to a 300 plus employee, five factory operation with a further manufacturing facility in Malaysia....Quality extends from product design to the design of the manufacturing process itself. A fully documented quality system to CZ 299 Level 3 has been established and application for registration has been made with the accrediting body, TELARC. (Q-NewZ, December 1990)

Process workers at Interlock are given much responsibility for quality in their own work. A further common element is staff training which

is generally a key element in maintaining a commitment to quality. Everybody above shopfloor level is expected to invest some time each year in Polytechnic or University training courses paid for by the company. In-house training courses are provided for all staff... (Q-NewZ, December 1990)

Stuart Young, the Chief Executive at Interlock, believes in the value of internationally recognised standards. His emulation of the Japanese preference for long term arrangements with their suppliers and their attention to quality, has 'paid off' for Interlock.

In 1991, Young took part in a state promoted Trade Development Board seminar, "Market Focus:Japan". Young was introduced as the person

responsible for the establishment of his company in the Japanese market. His interests include staff training and quality management techniques. Young, in his promotion of the Just in Time (J.I.T.) technique provided his audience with the following comparisons illustrating the benefits of introducing J.I.T. to one of his company's plants in 1987:

	<u>1987</u>	<u>1991</u>
staff levels	129	67
weekly outputs	25,000	24,000
material delivered	6/8 weekly	2 weeks
throughput time (working days)	21	3
finished goods held	8 weeks	2 weeks
raw material storage area	126m2	36m2
w.i.p. storage area	99m2	5m2
cost of goods airfreight	\$425,000	0

(seminar handout)

A notable difference between this and earlier promotions of such 'success stories' is the willingness to indicate the attrition of staff as a 'saving'. Deming is again used as the authority. Young's handouts to the participants also included a reprint of Deming's 14 points, the context in which J.I.T. in his company was nurtured.

The recent construction by Sanyo, Japan of a \$300 million fully automated factory which will use Interlock products is seen by Stuart Young as an endorsement of his products' superiority. "It cost us relatively little to operate our quality management system. It could probably be proved that it has paid its way in the production cycle alone, through reduced defects and wastage. It has certainly more than paid for itself in the international marketing situation, where we are now well established in probably the most demanding but long term, most profitable market in the world". (Seminar Handout:undated)

The understanding that participation in the lucrative global market may depend on submission to this discourse is made explicit here.

12.2.3) Fisher and Paykel Industries Ltd

Fisher and Paykel Industries Ltd was founded in 1934 mainly as an importer of washing machines and refrigerators. By the 1960s links

were developed with well known firms such as Kelvinator, Bendix, Shacklock and Hoover. Fisher and Paykel Industries Ltd, the holding company, became a public company in 1979. In its 50th Jubilee Annual Report, Fisher and Paykel attributes its growth and success to a history of placing importance on people, team work, co-operation, and a tradition of providing employee amenities and benefits well ahead of award conditions. Various activities are carried out on a divisional basis, each headed by a General Manager whose responsibility it is to carry out the direction and the philosophies set by the Board of Directors.

Links between Fisher and Paykel and the Japanese began early in the 1960s and have developed into a long standing connection with such companies as Matsushita Electric Industries, the largest Japanese electronic company. By 1984, among the suppliers singled out for special recognition in the company's Annual Report were the Matsushita Refrigerator Compressor Plant, Nippon Kohan Steel Corporation, Kawasaki Steel Corporation, Mitsubishi and Mitsui from Japan (Annual Report 1984:7).

By 1984, (the year of Deming's visit) the strength of the U.S. and Australian dollars as well as the Japanese yen put pressure on the cost of imported components, costs which were to be offset by improved operating efficiencies. In the face of such difficulties, Technical Director, Graeme Currie attributes Fisher and Paykel's success to progress in the new "philosophies and techniques" associated with the Japanese through the influence of Deming during the 1950s. The early training of managers in this "superior quality management approach" was expanded in the 1980s to extend "this knowledge" to all sectors of the company (Fisher and Paykel Annual Report 1984:9).

The temporary protection offered by the increased costs of imported goods was expected to disappear with the projected lowering of import duties. Indeed, group profits fell from \$25.3 million in 1985 to \$10.2

million in 1986. The drop was associated with difficulties experienced in the changing business environment (namely, increased imports, floating exchange rates, high interest costs and changes to indirect tax and duty regimes). Stock levels were also deemed to be too high. Again, scope for increased efficiencies was promoted through 'the management of quality'. Total Quality Control (TQC) was recorded as the most fundamental concept in the 1985 Annual Reports:

To find the correct way of applying this concept requires a special understanding of statistical process control. The old myth that high quality is expensive and that compromise is necessary in order to keep costs down has been discredited. Good quality management attacks and eliminates waste of material, labour, capital, time, knowledge and other prime resources. (Fisher and Paykel Annual Report, 1985:4)

Among the tools listed as contributing to the success of the Group are 'Just-in-Time' and training in the use of statistical quality control. By 1987, Group profits were up to \$27.8 million. In that year the full board went to Japan to study 'Japanese Management Practices' more directly.

12.2.4) Nissan NZ Ltd

Another company in the forefront of the 'quality discourse' in the 1980s was Nissan NZ Ltd, a car assembly plant at Wiri, Auckland. The Nissan Company originated in Japan as the Kwaishinsha Automobile factory in 1931 and was renamed as Nissan in 1934. Nissan is one of the very large Japanese firms which straddle industrial sectors and entire industries. In 1965 Nissan Motor Distributors N.Z. Ltd was formed and a foreign investment policy was adopted relocating major production facilities in a host of countries. By 1980 Nissan had 25 plants located in 20 countries (Williams et al 1991:58). In 1989 Nissan NZ Ltd reported that Nissan Motor Company of Japan owned 90% of the New Zealand Operation (The Dominion Sunday Times, 12 March 1989).

Nissan explains its introduction of the new management methods as the

response to an impending crisis:

Failure to be successful, failure to be able to compete with the same or like industries, failure to be efficient, failure to make a profit, and failure to be able to produce a quality item at a competitive price and sell that article...Nissan in New Zealand were faced with this dilemma, this crisis... (Q-NewZ, June 1990:8)

Bruce Owen, Personnel Director at Nissan explains the decision to bring changes to the way Nissan was to be managed. This change involved a restructuring of the company, an improvement in staff relations and the need to convince all employees that Nissan was in a perilous situation (Q-NewZ, June 1990:8).

For a time, the Nissan car plant in Wiri, South Auckland, became a show case for a number of issues associated with the introduction of practices associated with 'the management of quality' in New Zealand.³⁷

Promotion of the type of changes implemented at the Nissan plant at Wiri for a more generalised application in New Zealand organizations, was fostered by enterprise leaders, union officials and academics. Alan Williams, a Professor of Industrial Relations and Labour Economics, Bruce Owen, the Director of Personnel at Nissan, and Alan Emerson, a Director of a communications company, published a book in 1991 called The Nissan Way, From Conflict to Commitment. The book

37) The case is also significant as through it New Zealanders got a small glimpse of attempts not only to resist the changes, but also attempts by some parties to bring to the attention of all workers what they believed to be negative outcomes of the changes. This is more fully discussed in chapter thirteen.

promoted the need for changes in the way work was organized in New Zealand. The authors purport not merely to report on the changes deemed necessary at Nissan, but suggest these issues were indeed pertinent to "modern resource management as the central factor of production":

The Nissan Way points the way ahead for all workers from the shop floor to the boardroom.
(Williams et al (1991) back cover)

In their introduction of the 'Nissan Way', Williams et al stressed that managers

must actively seek not only the loyalty of its staff but also serious commitment to the goals of the organization. (Williams et al 1991:48)

To achieve this type of loyalty and commitment leaves "no traditional practice or habit of organizational thinking untouched" (Williams et al 1991:49). Increasing the difference between profit and loss, they argued, would increase employment through efficiencies involving all aspects of industrial life. At the Nissan plant in Auckland, worker participation is

institutionalised into a shared corporate philosophy built around commonly held objectives with the workforce and it is reinforced by the everyday work practices of the company. (Williams et al 1991:18)

In the attempt to close the gap created between 'managers' and 'workers', promoters of this management philosophy argued that there was no reason to believe that 'blue collar' workers had different needs and aspirations from their white collar counterparts. Training was not only associated with technical skill but became the vehicle for attitudinal formation:

Successful training builds not only the skills and abilities which empower workers to take control of the decision making about their

jobs, but also establishes the common purpose necessary to drive the continuous change process. (Williams et al 1991:29)

In the Nissan plant in Auckland, managers were required to provide the practical means for employees to contribute to continuous improvement through their manual and intellectual skills and their enthusiasm.

But in providing the means, management must change first and empower all employees with the responsibility, the skills, and the confidence to make considered and timely decisions about their work. In effect this means turning the organizational pyramid upside down so that managers now become responsive to, and employees responsible for, decisions about their work (Williams et al 1991:18)

From the point of view of Nissan management, the re-integration of manual with intellectual skill was being rapidly achieved.

...one of the most interesting results in human terms is the high level of shopfloor analysis and decision making, and the real abilities and confidence developing on the shopfloor, which have been unlocked through the involvement and decision-making process. There is now a real thirst developing to be informed and involved: to handle everything possible within the production team and to contribute not only with their manual skills but with their brains and enthusiasm too. (Williams et al 1991:36)

There were parallel changes required in managers. More delegation was required, a change which

many managers back away from because they confuse delegation with loss of control over subordinates. (Williams et al 1991:41)

Delegation requires trust. The undesirable consequences of traditional, Tayloristic forms of management have been argued to encourage quite the opposite relationship between workers and managers. Non-responsibility and even worker control over the work process by informal (illegitimate) means (Williams et al 1991:42) were often exhibited.

In 1986 the Deming quality training philosophy was introduced at Nissan. On 5 February 1988, Nissan N.Z. and the Auckland Engineers Union signed a revolutionary work-flexible agreement. This finally heralded the acceptance of the 'Nissan Way'. The full Nissan News Release is given as Appendix 7.

The Nissan Way (a version of Deming's Way) soon came to be promoted as a management philosophy of which the key principles are team-work, flexibility and continuous improvement (Kaizen). This union-company agreement was the first such amalgamation between a company and a union in New Zealand.

The Nissan Way refers to a management method used at Nissan plants world-wide. Key elements of the techniques practised here are the broadening of all jobs and the instigation of self managing groups in which middle managers have a facilitating function. The emphasis has been moved from vertical to horizontal relationships, more stress is placed on the shop-floor as a problem solving area and the 'worker' is redefined as a 'partner' in the company. To achieve awareness of and compatibility with international developments, some shop-floor staff from the Nissan plant at Wiri attended overseas training courses, conferences, product launches and so on; usually at Nissan plants in Tokyo. Between 1988 and 1991, 40 such people were taken overseas (Williams et al 1991:32). ³⁸

38) Fisher and Paykel Ltd, in their attempt to assimilate their company 'from top to bottom' in the 'one language' (of quality management Deming style) also sent shop stewards and union management to Japan "to see where the real competition is" (Signature Undated:37).

In the introduction to The Nissan Way: From Conflict to Commitment (Williams et al, 1991), the Director of Manufacturing, Nissan, New Zealand, is quick to point out that principles such as team work, flexibility of work practice, and Kaizen, are not uniquely Japanese practices; they are principles which have been practiced

in many areas of human endeavour ever since man first began to observe the interaction of people, process and materials to achieve a specified result...these human resource management principles have become an essential ingredient for successful business and industrial organization. In many respects they have become an accepted international view of modern human resource management. (Williams et al 1991:3)

The theme of co-operation was crucial in the introduction of the 'Nissan Way' at the Nissan Auckland car plant.

"Co-operation" can be a somewhat emotive word in the industrial sense and again one which is hard to quantify. For some trade unionists, it will inevitably imply a "dangerous worker identification". (Williams et al 1991:22)

For this reason, Nissan (Auckland) prefers to use the words "common interest" to express a secure and quantifiable concept which recognises that the sphere of self-interest of the parties may best be achieved through those interests which coincide (ibid:22). The concept of 'common interest' which depicts both shared and diverse interests is represented by Williams et al (1991:23) as follows:

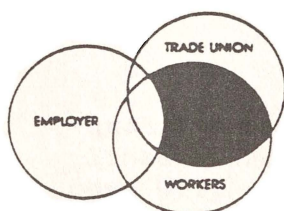


Figure 1: In this model there is little common interest between the three parties. It is a traditional conflict model of industrial relations. The union is almost totally in control of its membership, and the only common interest of these two groups with the employer is in the provision of jobs.

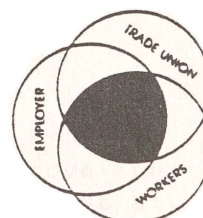


Figure 2: In this model there is a high degree of common interest between all three parties. Although they are not totally coincident, and probably will never be, the area of common interest is maximised and can be seen by all parties as satisfying their self interests.

'Common interest' was promoted at Nissan (Auckland) through participation by all employees in the creation and maintenance of a mission statement; an involvement by which an obligation to comply is also constructed. The involvement required is specified in the collectively agreed upon 'mission statement'.

The Mission Statement at Nissan reads:

Nissan New Zealand
Corporate Philosophy

The Nissan Way
Taking Charge of Customer Care

Our aim is to build and market with pride, products of the highest quality and to continuously improve those products and services to ensure total customer satisfaction with everything we do.

Our aim will be achieved through teamwork, trust and the involvement and contribution of everyone.

The Nissan Way will ensure the prosperity of our company and staff and make Nissan New Zealand a place where job satisfaction can be achieved.
(Williams et al 1991:10)

No longer would Nissan speak of management implementing a policy (such as a mission statement). Rather, senior people have the responsibility of empowering people to implement the required policy or practice (Williams et al 1991:24). At Nissan there are no quality control inspectors. Quality is assured through the process established and continuously improved by the work teams.

If the process is right, the quality is assured.

At Nissan

quality and job satisfaction are closely linked. Whatever can be done to improve the one will improve the other. (Williams et al 1991:35)

The 'evidence' of such job satisfaction can be found by a walk around the plant:

This was amply demonstrated recently when a very learned professor of quality control from Tokyo University had a brief tour of the Nissan plant during a stopover in Auckland. Asked about his impressions, he said the quality was very good. When pressed about how he could make such a snap judgement, he said he could see it on the faces of the workers. (Williams et al 1991:35)

Measurability as a desirable, and objective technique of quality control, need not be of the statistical variety proposed by Deming!

While the Nissan Factory is clearly associated with Japan, the 'Nissan Way' is promoted as a "Kiwi style of modern human resource management" and includes some features developed through the U.S (Ford) and the Swedish (Volvo) work ethics. The principles of the Nissan Way as practised in their human resource management techniques are accessible to people from any culture: i.e. they are not culturally specific (Williams et al 1991:4). The promotion of the 'kiwi style' Nissan Way was not implemented without some (temporary) 'kiwi style' resistance. This resistance is discussed further in chapter thirteen.

Implicit in 'the management of quality' is the notion that resistance can be overcome through training. Rather than empowering the worker, as the rhetoric of 'the management of quality' implies, Sewell and Wilkinson (1992) argue that, from their observations, the associated techniques are designed to exercise, with a minimum of supervision, the minute control of work conducted with a minimum of deviation from management defined norms. This in turn benefits from positive divergences resulting from the participative problem solving ethos which

both creates and demands systems of surveillance which improve on those previous

factory regimes by instilling discipline and thereby enhancing control...by the operation of two complimentary forces. The first of these is the discipline which derives from the scrutiny of one's peers in a manufacturing cell, quality circle, etc. - a horizontal process which is supported by the organizational structure associated with JIT/TQM. The second, and key disciplinary force is that which derives from the use of increasingly powerful management information systems which provide extensive shop-floor surveillance - a vertical process which provides an overarching controlling mechanism. (Sewell and Wilkinson 1992:271)

The case studies illustrate the extent to which old and new fabrications have been woven into a discernible discourse. The organizations chosen for this illustration are not only interesting because they exhibit the logic of the discourse as unproblematic rhetoric, but because they, each in their own way, were participants in the conversion of others. Themes of worker 'participation', 'increased productivity through attention to quality', 'just-in-time' and 'zero defect' philosophies, 'multiskilling' and 'flexibility', 'trust' and 'the unity of interests' feature as unproblematic states to be achieved - largely through training. The assumption that employees can be trained to exhibit these attitudes requires a parallel change in attitudes by and towards traditional trade union involvement. The next chapter describes the collaboration of some and the resistance of other unions towards achieving this change. Ultimately, the co-option of unions generally can be seen in the face of the economic conditions driving all other social and employment policies from the mid 1980s.

As the techniques associated with 'the management of quality' became better known globally, and as a more critical group of people began to examine 'The Japanese Way', Japanese firms themselves became more selective about what was to be shared. Bill Ford, a campaigner for the

need to train and skill New Zealand workers argued that

Japanese managers, aware their method of developing and organizing workforces is their competitive advantage, are becoming tight lipped. Western visitors are increasingly being restricted to "catwalk" tours of production sites which allow them to observe processes from above. The interrelationship between technology, skills and workplace organization can be seen, but not understood. A closer view of job rotation, multiskilling charts, group activities and group project material is missing.... (Management, November 1990:119)

By the end of the 1980s the sharing of the faith but not the techniques was preferred. In New Zealand there were enough employers, teachers, consultants and politicians who had 'got the idea' to move the process forward. 'Standardization' and 'certification' became the accepted rule for doing business on the international market. New Zealand manufacturers were dependent on international trade. It was inevitable that employers and employees alike would see the sense in submitting themselves to the new discourse and, by doing so, become complicit in their own redefinition. The standardization and certification process promised to provide a chain effect of certainty; supplier to purchaser could be assured that all aspects of production were compatible in process and in quality. Employers who did not subject themselves to the discipline of standardization and certification risked cutting themselves off from a large chunk of business. The so called 'free market' had, in effect, given way to controllers of quality in a network of certified collaborators.

Chapter 13: The Unions

'The management of quality' was introduced in this thesis as a "fabrication in the making" (p.2). As with all social fabrications, it must be treated as a real thing so that people will act with regard to it. Also in common with other social fabrications, its meanings and its uses are not fixed. The fabrication may be employed for a variety of purposes. Indeed, 'the management of quality' proved not only useful as a technical instrument for the improvement of productivity in any specific industry, but was able to be used to enhance a change in employer-employee relationship throughout the New Zealand economy.

I have argued in this thesis that the development of 'the management of quality' in New Zealand was initiated by a group of technical experts but that it gained its impetus through the sponsorship of those who were determined to establish a liberal economic agenda in this country. The reduction of wages was a key item on the agenda of the liberals. To achieve their intention, the strength of unions had to be redirected or undermined. This chapter examines the process of undermining that occurred in the decade of the 1980s and provides an explanation for the limited resistance to it.

This chapter is set out in four sections. The first section provides an historical contextualization of New Zealand unions as acting in generally cooperative ways with employers but with strong business-state pressure to do so. It is argued that this reputation of cooperation was selectively held up to public view in the escalation of unitarist approaches to employer-employee relations during the 1980s.³⁹ The introduction of 'the management of quality' both needed

39) The word unitarist is used in this thesis to refer to the notion that the labour process serves 'common interest'. It is contrasted with 'pluralism' which is a notion that interests expressed through the labour process are multiple and at times competing.

and engendered such co-operation.

In the second section of this chapter, I explore the parallel attack made on unions from the late 1970s. While on the one hand discussions revolved around the cooperative possibilities, on the other hand unions were increasingly described in the media as self centred, grasping and a hindrance to the economic recovery of the country; the recovery which, enhanced by 'the management of quality', would restore wellbeing for all. In the political arena there was a tension as to the most expedient approach to the involvement of the unions. While both major political parties were committed to establishing a liberal economic agenda, the Labour Party was largely dependent on the votes of employees. Their historical alliance with the union movement needed to be reshaped. Much union energy was directed at the potential of this reshaped relationship to meet long held aspirations of influence in the processes of employment. The Engineers' Union was a key and highly visible player in the re-negotiation of this relationship.

The possibility that the promises of employee empowerment and participation implicit in 'the management of quality' might be bogus, was drawn to public attention through the strike by Nissan workers at Wiri, in South Auckland. In the third section of this chapter I argue that while Nissan NZ has been used as a show-case for the successful introduction of 'the management of quality', critics of the process there attempted to draw attention to its effects on workers' position generally. The Engineers' Union was prominent in its promotion of 'The Nissan Way' - the epitome of 'the management of quality'.

The chapter concludes by suggesting that the promulgation of a 'crisis mentality' amongst the population, the continued increase in unemployment, the decline in real incomes for the majority of workers, and the increasingly tighter relationship between levels of personal

income and access to health, education and retirement services, ensured a compliant population. People had little real choice but to accept the pre-eminence of the relationship between individual employee and employer as allowed under the Labour Relations Act 1987 and confirmed in the Employment Contracts Act 1991. In both the Employment Contracts Act 1991, and in the ethos of 'the management of quality', there is only limited space for unions. The occupation of this space is reserved for those who comply with a unitarist approach to the relationship between employers and employees. In a capitalist context, this space is reserved for those who concede a capitalist imperative.

13.1) A Co-operative History Between Employers and Employees

Collective efforts by New Zealand workers to influence the process of employment was formalised in the early days of colonization. Traditionally, New Zealand enterprises were smaller than the manufacturing industries of Britain and the United States but some larger scale operations, especially meat-works, timber-related enterprises and shipping, were present. Employees of even small enterprises formed societies for their protection. The first recorded trade society in New Zealand was the Benevolent Society of Carpenters and Joiners formed in Wellington in 1842. Under the Industrial Conciliation and Arbitration Act 1894, arbitration became compulsory for employers and employees (Hince and Vranken 1991:475). Registration for unions under the Act meant that union rules had to be approved by the Registrar of Industrial Unions. The separate nature of the registration process tended to divide the movement because a variety of wages and working conditions could be granted to different unions in the same trade.

In times of economic growth, such as in the first decade of the twentieth century, a small group of militants ("Red Feds") struggled against "labour's leg-irons" (as the Industrial Conciliation and

Arbitration Act 1894 was known). Between 1949 and 1951 the more militant unions (watersiders, seamen, drivers and freezing workers) again attempted to break out of the constraints of the Act but a powerful combination of political and business interests "crushed the 'free-wage' bargainers" (Trotter 1989a). During periods of economic downturn, however, there was a marked determination on the part of state and employers "to eliminate the arbitration system" (ibid). In 1932, for example, the coalition government of the United and Reform parties abolished the compulsory arbitration clauses of the Act, "precipitating a rash of wage cuts that materially worsened the already deepening slump" (ibid).

Although workers were not required to register under the Industrial Conciliation and Arbitration Act, many workers tended to overlook the surrender of autonomy which registration involved (Roth 1973:20). To many unionists elsewhere, this readiness to accept the state as industrial arbitrator seemed unwise and at best naive for another reason. They believed that, should public opinion side with employers, it would not be in the interest of politicians to support the case of a particular union. Critics argued that the Act enshrined docility in the work place (Olssen and Richardson 1986:6). Despite its critics, the Act was consolidated further through the introduction, during the depression, of compulsory unionism in 1936. This is argued to have pre-empted

the Left before Marxism got a toe-hold in the
[New Zealand] working class movement. (Law
1991:5)

Indeed, as late as 1970, success in achieving a General Wage Order by the Federation of Labour in the Arbitration Court was criticised by the Communist Party as merely taking "the rebellious working class pot off the boil" (People's Voice, 2 September 1970). The arbitration system became known for its inability to meet worker expectations and often resulted in workers' organizations turning directly to the government for intervention (Roth 1973:152).

New Zealand has not been without its labour heroes, prominent unions and bitter battles from waterfronts to shopfloors. Many leaders of labour councils and unions have been members of one or other communist organization. However, from very early on, conciliatory legislation to resolve disputes and a tendency to organize through specified skills and interests of workers set the tone, in theory if not in practice, for a tripartite approach to industrial development: workers, employers and the state were argued to be key interest parties.

The arbitration system was criticized on the one hand by liberals (amongst employers and unions) as being an interventionist mechanism which unduly interfered in the employer/employee relationship. On the other hand it was criticized as a sop to employees, diverting their attention away from the exploitive intent of their employers. Regardless of its critics, the arbitration system

continued through the first 70 years of the twentieth century without any significant change in fundamental philosophy and structure - a status quo which was generally endorsed by worker and employer unions. (Hince and Vranken 1991:475)

The political component of arbitration as a means of compromise occurred in a context of a formal party system of left and right and an informal struggle for influence within the company and the workplace. ⁴⁰ From the 1970s some unions attempted to move towards a more formal influence on policy making. For example, at its 1971

40) The Labour Party was openly 'socialist' while the National Party claimed a 'middle-of-the-road' position.

conference, the Federation of Labour endorsed

the principle of the right of trade unions to a voice in the control and major decisions of industry. (Minutes and Report of the Proceedings of the 34th Annual Conference, p.69; cited in Roth 1973:165)

During the following two decades this right was both selectively promoted and selectively challenged by various employers, governments and unions.

13.2) An Attack on Unions

The relatively cooperative relationship amongst unions, employers and the state is compatible with the cooperative ethos of 'the management of quality'. Indeed, a number of employers interested in experimenting with the new techniques were willing to engage the unions in these experiments. This willingness, however, must be seen in the context of a more generalised attack on unions from the late 1970s and into the 1980s. Attempts to improve conditions of employment by some unions was publicly labeled as 'selfish', 'grasping' and 'militant'. Such activities were argued to put whole industries at risk and with it the security of their members. Unions were openly accused of being greedy, unreasonable and disinterested in 'the well-being of all':

Many unions have pushed up the cost of labour not just for wages but for many fringe benefits, improved holidays, transport and meals.

Now there is talk of demands for a four-week annual leave... (Management, June 1981:17)

It was argued that in crucial industries, such as the meat industry, the

power of unions has been channelled into padding the take-home pay of workers without any compensating improvements in productivity...We deluded ourselves into

thinking we could pay ourselves more without
any comparable rise in productivity...
(Management, April 1983:19)

Ordinary citizens were being conditioned to see as 'excessive' the standard of wages and conditions of service achieved in some areas of employment. During the 1982-1984 period, the Muldoon administration froze all workers' wages for two years (Trotter 1989a). Active union defence of employment conditions was soundly condemned. Michael Law examined the language typically used to address workers - schooling them in desirable attitudes throughout the 1980s - language appealing to 'common-sense'. He parodies such a tone:

New Zealand is a small, fragile, isolated economy that relies on overseas trade. It cannot afford industrial disruption; it is against the 'public interest.' Most workers don't want to get involved in strikes and disruption; it costs them money and hurts their families. People should also obey the law and the courts. Those who think otherwise are 'militants', 'communists' and 'wreckers'. Of course we have to see that people are fairly treated and not exploited. That's why we have a framework for wage negotiations, and the settlement of personal grievances....(Law 1991:6)

These messages were promulgated both by some employers and some politicians. As unions struggled to retain their influence in the 'partnership' between capital and labour (Law 1991:3) the less than 'partner-like' nature of the relationship between the state and unions became more apparent. The intention to achieve submission of unions to the state was made explicit by the then Prime Minister, Robert Muldoon, in the 1980s:

It is a pity that internal struggles in the trade union movement have weakened the Federation of Labour. But there is still hope for the future if we can get those at the top to accept the fact that the government will always win, even at the cost of immense damage to the New Zealand economy, and that the best thing that they can do for their members is work in harmony with their employers and government to get a fair go for all parties.... Naturally we would wish to get

back to a form of free wage bargaining but that term in itself implies an absence of standover tactics in either direction and unfortunately that has not been the situation in the past... (Management, September 1983:12)

Such an explicit attack from a politician might have served to warn those citizens who believed the state would protect their interests against the self-interest of any government and, for some people, union support was already a dim hope. At that time union influence could be, and was, minimised by employers in numerous ways:

Workers in the low paid sectors...were exposed to the subtle and not-so-subtle pressures of employers who had suddenly become the beneficiaries of a potent new weapon to limit trade union effectiveness.

In one Dunedin supermarket job delegates were forced to remove union posters from notice-boards, on the grounds that they constituted "undue influence".

Another case disclosed a department store manager who would only permit union officials to meet with workers one at a time! (National Business Review, October 1,1984)

Despite the increasing attacks on the very legitimacy of union activities, at the start of the 1980s there was still a verbal commitment from the Labour Party (which was seeking election) to involve unions in finding solutions to work related matters:

The Labour Government will also seek the co-operation of unions and employers in seeking just and effective procedures for determining wages and settling other industrial matters. (Management, September 1983:46)

Although there was growing determination amongst some in the union to move away from their traditionally limited role to influencing policy initiatives in favour of working people (Harvey 1992:60-61), on the whole, when the 1982-1984 wage freeze was lifted, unions were "clamouring for free wage bargaining" (ibid:62).

At this time, the necessity of opening the economy to international trends was a key feature of the policy directions of both major political parties. The inevitability of the need to internationalize the New Zealand economy, however, was challenged by the steering committee of the Federation of Labour and the Combined State Unions. In preparing their papers for the 1984 economic summit they asked:

What is the most appropriate way to react to international economic changes? Is it to make our own economy more adaptable or to consolidate existing strengths, so outside factors have less influence? (National Business Review, 3 September 1984)

In the mean time, it was argued by business leaders and government officials that in the context of a heavily indebted economy relying on a narrow range of highly subsidised exports, restructuring was inevitable. From 1984, the liberalisation of the New Zealand economy was rapid. Job losses in manufacturing and the public sector escalated (Harvey 1992:62-63). This was the environment the Roundtable needed to achieve economic growth based on "a permanent lowering of wage costs"(ibid:63).

Further moves towards self-reliance for the direct parties (unions and employers) were brought about through the establishment of the Labour Relations Act 1987 and the State Sector Act 1988. Increasingly overt government involvement in the support of unions was withdrawn. For example, financial assistance to conciliation councils ceased and any element of compulsion in the processing of disputes of interest was abandoned (Hince and Vranken 1991:476).

Nevertheless these developments in the 1987 Act still occurred within the framework of an overriding principle of collectivism...On the employee side it was not only dependence on a

collective that remained central, it was dependence on a registered collective, viz. a union, which acquired rights and responsibilities, and levels of accountability and internal regulation, as part of its involvement in the industrial relations process. (Hince and Vranken 1991:476-477)

In this spirit of collectivism, a number of unions (including most of the members of the former Federation of Labour (FOL), the State Sector Unions and a number of previously unaffiliated unions) formed the Combined Trade Unions (CTU) in 1987. Such a large body, with its principle of 'unity is strength', was believed to be an advantage in dealing with government and national employers organizations. Their hope was to affect the Government's liberal economic direction, popularly known as Rogernomics, which they believed was depressing economic and employment growth.

Implicit in the CTU's analysis was the notion that the economic forces unleashed by deregulation had created a new economic order from which there was no turning back. (Harvey 1992:65)

Their response was to organise, to make a play for a seat of influence at the policy making tables. The hope of the CTU was to achieve new channels of communication, greater flexibility and effective participation at every level of the economy (Harvey 1992:68).

The growing stature of the CTU in the eyes of the government (or Lange and a few of his allies, to be more precise) created the possibility of constructing a new alliance. For the first time there existed a single national union centre, articulating a coherent strategy in a language that some within the government could understand and apparently capable of being the delivery vehicle for a feasible policy counter-offensive against the waste and destruction of unbridled monetarism.

Lange in particular was attracted to the re-emergence of talk of consensus and participation in the policy-formation process,

now that the major pillars of the new economy had been constructed. Protections, subsidies and inefficiencies had been rooted out, the public sector had been almost completely overhauled, the decks were cleared for a cooperative effort to boost productivity and growth. (Harvey 1992:67-68)

Amongst some at the left of the Labour Party, this was a trend to be encouraged. A number of politicians endorsed the notion that a compact be formed which formalised a tripartite approach to managing the economy.

13.2.1) The Compact

In July 1998 the then Deputy Prime Minister, Geoffrey Palmer, called for a 'social compact' between the government and the trade unions on wages and conditions (Harvey 1992:68). Harvey identified 3 groupings of opinion towards the compact:

- 1) Lange's supporters who believed the compact to be useful for economic recovery and establishment of their broader concerns against hardline monetarists
- 2) Those in the Labour Party who believed the compact offered a possibility of restoring a relationship between governments and unions which would be useful in electoral terms
- 3) Roger Douglas's disciples who believed the compact could be used as a vehicle for complaint delivery. (Harvey 1992:69)

With the ascendancy of Jim Anderton in union support, the government needed a mechanism to bring the labour movement to cooperation. At the Engineers' Union conference in August 1988, Deputy Prime Minister, Geoffrey Palmer, again floated the notion of a compact. This conference was followed up with an offer of co-operation from Ken Douglas, of the CTU, whereby the Labour Government could "forge a unity in government with Labour in industry", and the government in return offered a 'compact'. Mike Moore (then Minister of Overseas Trade) was brought into the finance area and given responsibility for

negotiating the compact.

The parties to this alliance possessed quite different agendas. By defeating Anderton, the Engineers and the Socialist Unity Party president of the CTU had retained their dominance within the labour movement and were now free to coordinate the internal Labour Party campaign to oust both Douglas and Prebble from the cabinet while consolidating their hold over the Prime Minister.

The government, on the other hand, having successfully derailed the party's left wing, could now concentrate upon the task of transforming the CTU into a "transmission belt" for their plans to restructure the labour market" (National Business Review, June 2, 1989)

The proposed compact inspired a government proposal for a joint union/government promotional campaign. To Ken Douglas, the president of the New Zealand Council of Trade Unions, the compact represented the trade union movement's last chance to win a place for itself in the engine room of power. The campaign would include the promotion of the slogan "Respect Me!" emblazoned on union T-shirts to remind the voting public that workers are worthy of respect. Chris Trotter⁴¹ argues however, that

Ken Douglas's compact has little more to offer working people than a fancy t-shirt demanding that the boss respect me. (Trotter 1989b:16)

41) Chris Trotter was a freelance journalist who wrote numerous and detailed accounts of the changing relationship between and amongst unions, unions the state and employers. He was also a New Labour Party councillor, and Southern Industrial Officer for the Distribution Workers' Federation.

Stan Rodger, Labour Minister, argued that such an agreement would fail for four reasons;

- 1) FOL [the Federation of Labour] was not strong enough to secure the compliance of its affiliates
- 2) agreement on wages would be undermined by traditional structures of wages between occupational groups
- 3) experience had made unions wary of 'wage top-ups'
- 4) any power sharing between the Government and unions would spell electoral death for the Labour Government. (Trotter 1989b:17)

These arguments were accepted by Mike Moore for the Labour Party. It was decided that such a formal agreement was not worth pursuing at that time.

Clearly, the Labour politicians were unwilling to embrace the idea of a compact until the labour market had been substantially reformed and the central organization of the trade union movement had been significantly strengthened. (Trotter 1989b:17)

Before the compact was completed, there were 'left wing' attacks on what was considered a 'corporatist' approach. As in the early days of union history, it was the Socialist Unity Party (SUP) who circulated warnings. Other opponents of the compact also claimed that the proposed models would not maintain real wages or strengthen union organization. Trotter quotes Brian Easton's view of the compact as "convincing the unions to smile as they are beaten to death" (Trotter 1989b:43). Trade unionist activist against the compact, Terry Stuart, of the Seamen's Union, said the compact "is like a haemophiliac going to a vampire for a blood transfusion" (ibid).

The 1988/89 wage round included pressure on overtime and penal rates. Trotter reports that

it was clear that employers were expecting major changes in these areas to be high on Moore's agenda. (Trotter 1989b:40)

During the mid 1980s, from the point of view of some unions, it seemed that a 'partnership' between major unions and employers still appeared achievable. Peter Denny, assistant general secretary of the Engineers' Union at the Auckland union office, believed that over time, companies and their unions can "grow in each others confidence". He argued that through consultative agreements like the one being developed at Nissan:

We can, perhaps have some input into the company at local and senior level about what they're going to do, where they're going to do it and what it will eventually mean. (The New Zealand Listener, 19 September 1987)

These were the years in which 'the management of quality' was promoted most actively. I argue that this discourse was able to be used as 'Introduction' - the moment in rhetoric which prepares the hearer to accept the subsequent arguments. The language of cooperation, salvation from the crisis and so on, contributed much to the preparation of communities to accept messages about the need to change beginning to emanate from Treasury, and the receptivity of those communities to Treasury formulated solutions.

The changes required to achieve the construction of a participative, co-operative and flexible work force were argued and accepted by both sides of 'the partnership' to require extensive re-training of the labour force, especially in the direction of 'multi-skilling' and 'leadership' in management. Use of the 'commonality of interest' metaphor in 'the face' of 'an economy' which put 'us all at risk' is clearly evident in the rhetoric of both parties. That the necessary changes would reorganize workers into company or enterprise unions was publicly discussed. That the 'commonality of interests' would be directed by the employers was also quite public. Steve Marshall, the

chief advocate of the Employers' Federation says:

Some employers, I know, see that [the company union] as very desirable; mainly the larger firms. They can get a community of interests going, and with that company union approach they can get into risk sharing, profit sharing and so on. (The New Zealand Listener, 19 September 1987)

To enable this form of unionization to happen, he continues

There will need to be a free market in the establishment of unions... (The New Zealand Listener, 19 September 1987)

Although such close association with employers was suspect to many unionists, a number of powerful unions were willing to be actively engaged in learning what would be involved and how this might be put into practice 'in the interest of all'. The Engineers' Union in particular took a leading role. At the time when many corporate executives were travelling to Japan to learn 'the secret' of their 'economic success', so too were members of this union.

During my first approach to a large Waikato meat processing enterprise in 1986 a senior executive provided me with an enthusiastic description of the benefits the 'management of quality' (in Japan and New Zealand) was going to bring to his industry. Site representatives in some industries took a more skeptical view than the officials of, for example, the Engineers' Union. The union site representative at the meat processing plant was much less keen to speak with me than the site executive. Although he reluctantly agreed to meet with me, I was not to come to the site. He would rather meet me in the pub or come to my home. He was fidgety and suspicious. He expressed some anger that the discussion of a major change to the way in which work at this plant was to be managed was being considered with no involvement from him or the people he supposedly represented. When I approached the organization a year later the union representative was not willing to

talk to me at all. The Industrial Relations Manager however responded with a letter advising me that not much had been achieved at the plant and referred me on to Ivor Francis of the Deming Institute.⁴²

The progressive 'laying down of arms' by unions over this decade, in the hope of winning a seat in the power centre, may have seemed appropriate to many workers in New Zealand whose historical experience of this position up to the mid 1980s was reasonably favourable. They could not have foreseen the extent of the impending re-structuring. Then, to people with jobs, many of the unemployed appeared to be out of work by choice and indeed, were believed to be a drain on 'the economy'. The major concern of those still with jobs was the preservation or improvement of their own positions. They were constantly reminded that their positions were best protected by participation in the new experiments on the shop floor through increasing their productivity by becoming ever more efficient. This association of 'the management of quality' with the protection of jobs' was discussed more fully in chapter ten.

Despite efficiency gains achieved through the discourse of 'the management of quality', unemployment did not diminish. Yet, faith that it would was repeatedly embedded in the rhetoric. The rhetoric of 'the management of quality' was well established by the latter half of the 1980s. The relatively optimistic position of labour was fully undermined by intractable unemployment and a general feeling that

42) Attempts to involve unions in these changes appear varied. While the representative I spoke with felt completely excluded and I learned that at Trigon there was also no direct union involvement in the selection of an approach to 'the management of quality' (Crawford 1993:62), in other instances, union involvement did occur.

people were doing 'more for less'. In the services such as nursing and teaching, 'the management of quality' was suspected of being merely a cost cutting device - not improving but jeopardising quality. Many workers took their chances where they found them. Andy Lea of the Woollen Workers Union reports of

the reality of workers with other jobs jacked up who will vote for a closure or job-stripping so that they can take the money and run. (National Business Review, 8 May 1987)

The atomised individuals created by the macro economic policy makers needed to look after their own obligations.

Unions continued to come under attack from some employers and some politicians to a point where, in 1991, with the introduction of the Employment Contracts Act, the co-operative position perceived of as a radical change in the early 1980s, could be interpreted as a 'moderate' position, one which unions were now struggling even to retain. Even had they the will to do so, it is unlikely that the union movement could have gathered up the resources to rebut effectively the well resourced rhetoric of 'the management of quality' transmitted through work place training. In some cases there were pockets of union support for flexibility and the empowerment implicit in it. As well unions were becoming increasingly preoccupied with internal political conflict. The perception abroad among workers that the interests of unions and of workers were not the same was growing. The individualism so essential for the creation of an army of unencumbered, globally compatible workplace was being achieved.

Business interests (increasingly expressed in neo-classical economic terms) became more involved in the education of policy makers, educators and ordinary citizens. Australian academic, Alec Carey, in his study Managing Public Opinion: the Corporate Offensive, argues that the polls and research generated by such think tanks as the Centre for

Independent Studies ⁴³ (and similar bodies in America, England and Australia) narrowed the boundaries of public debate:

As the free market [again] becomes equated with the public good, Carey writes, the very notion of an interventionist government is depicted in a negative light, regardless of whether that intervention is in the form of consumer protection laws or labour protection laws.

Carey: "So the debate ceases to be about how far it is necessary for government to be involved in the economy and instead centres on arguments for reduced involvement and ways of achieving it." The same for unions. "The debate is not now whether unions have too much power - or too little power given the power of contemporary corporations - but about which is the best way to reduce that power." (The New Zealand Listener, 27 February 1988)

Increasingly, in the above discourse, the interests of contemporary workers are represented by the workers themselves or through the 'corporate', the 'site' or the 'company' union. This re-shaping of workers and of what was once called 'organized labour' goes hand in hand with the re-shaping of 'managers'. Chapter 14 explores concurrent developments in management education and training. This training will create managers who will largely take the liberal, globalising direction of the economy for granted. They will build and apply mechanisms they deem appropriate for the control over work and workers in that context.

43) Among the Board of Trustees of the Centre in 1988 were Sir Ron Trotter (Fletcher Challenge Ltd) Doug Myers (Lion Corporation) and David Richwhite (Fay, Richwhite), key members of the New Zealand Business Roundtable discussed in section 11.3.

13.3) Changing Attitudes at the Nissan Plant in Wiri

The Nissan plant at Wiri, in South Auckland, was one of the 'success stories' presented in chapter twelve. These stories were frequently used to promote 'the management of quality'. Prominent among those supporting the changes at the Nissan plant at Wiri was the Auckland branch of the Engineers' Union. The former District Secretary of this union, Jim Butterworth, provides the foreword for The Nissan Way: From Conflict to Commitment (Williams et al 1991). In the manner of a testimony, Butterworth recalls how he had attended an International Labour Organization Conference in Geneva. Not unlike the Japanese industrial leaders who attended the MRA conventions (discussed in chapter seven) Butterworth had an "enlightening experience". He was convinced that

we could not continue the old traditional way;
that the union must broaden its base and be
seen as a positive force in society. (Williams
et al 1991:1)

The choices for New Zealanders, according to Butterworth, were either to develop an

internationally competitive industry that stresses mutuality of interests between management and employee through formal consultation and which allows the trade union movement more input into macro, micro, and individual enterprises and economics. We can continue moving down a path of steady reform of bargaining process and implement modular training systems to upskill the workforce...Alternatively, we can descend into the somewhat rude and barbarous process of confrontation, strikes, lockouts and bitter divisions, for technology will continue pushing society along at a pace previously unknown. (Williams et al 1991:2)

The Nissan plant at Wiri was characterised by Butterworth as a firm which suffered from constant stoppages, had not made a profit for five

years and suffered from high absenteeism. The new way of managing would require changes in

methods of bargaining and methods of work...to provide flexibility and whole skilling, that made the job more interesting for the worker and that would make the workers' jobs secure and bring about attitudinal change. (Williams et al 1991:1)

These attitudinal changes could be achieved by building on the moral reasoning implicit in 'Japanese Management Practices' to be adapted for the 'Kiwi style' Nissan Way. In the moral climate created in Japan after World War Two, unions were to be associated with and loyal to their company. The manifestation of this loyalty was well encapsulated by Nissan's company union motto in 1953 which is established world-wide:

Those who truly love their union love their company. (The New Zealand Listener, 19 September 1987)

On 5 February 1988, Nissan and the Auckland Engineers' Union signed a revolutionary work flexibility agreement, joining company and union in a recognised partnership. It was promoted as one of the most important industrial agreements of the decade. The agreement was noted by Diane Billing of the National Business Review as "one of the country's most revolutionary productivity agreements" and to Graham Small, the car industry advocate for the Employers Federation,

the Nissan agreement also marked progress towards a more decentralised form of bargaining: one not constrained by the national awards and strict job gradings. It [the Nissan kind of agreement] won't just mean people will get better jobs and have more interest in them. It won't just mean that the number of people working will decrease. It's actually what's needed to ensure survival in a number of industries at this moment. (The New Zealand Listener, 19 September:1987)

Peter Denny, a union assistant secretary, writes that there are definite gains for the Engineers' Union in this agreement and that is why they went into it in the first place (National Business Review, 26 February 1988). Jim Butterworth, District Secretary of the Engineers' Union, also welcomed the agreement

because it opens up a whole new relationship for our union members with the employer. Our union now has a clearly identified role in the company's future. Our members can achieve greater job satisfaction through being able to develop additional work skill, having more involvement in planning and organising their work, and significantly better pay rates. All our members can now achieve the top pay rates in the plant, which previously they could not. But most importantly, the agreement recognises that the company and the Union have a mutual interest in ensuring the survival of the plant and our members' jobs in an industry under considerable threat. (Nissan News Release 5 February 1988 - Appendix 7)

The New Zealand Listener reported that while the Nissan agreement was promoted by Bruce Owen, (the company's general manager for plant operations and employee relations) and Peter Denny, (assistant general secretary at the Auckland Engineers' Union office), when it came to a secret ballot, the engineers rejected the agreement by 130 to 39. "And the engineers' two site delegates opposed the deal, despite the branch office enthusiasm for it" (The New Zealand Listener, 19 September 1987). While the company was claiming that there would be no direct job losses as a direct result of the introduction of the agreement, Alec Morgan, site delegate for the stores section of the Northern Distribution Workers Union, itemised the losses expected as a result of the 'multiskilling' aspects of the agreement alone:

The cleaning up responsibilities for each team for its work area would have, he says, eliminated jobs among cleaners. The 17 charge

hand positions would have been reverting to only 10 "team leaders". The multiskilled nature of each team would have meant over time, fewer staff. (The New Zealand Listener, 19 September 1987)

The Auckland Engineers' Union released a document again defending the deal on 25 February 1988. The National Business Review, published the next day, said it understood that the engineers went along with the system partly because the union believed Japanese work methods were inevitable in New Zealand and that a contract would help protect workers' interests (National Business Review, 26 February 1988).

Unions other than the Amalgamated Engineers did not respond favourably to the new ideas. The advocate for the store workers, clerical workers and cleaners, Bruce Fowler, told the National Business Review that the agreement was an "industrial cancer" and called for the resignation of the union officials who had negotiated with Nissan N.Z. Ltd.

Negotiations for the new methods of management at the Nissan plant trickled into public consciousness as part of the normal reported tussles between unions and management. For example, in December 1987 The Waikato Times reported that Nissan manufacturing was on the brink of a deal which would introduce 'Japanese Work Practices' to its Wiri assembly plant. And, indeed, it was doing so with the support of a notoriously militant union.

The company has been campaigning for its Nissan way proposal with the active support of the engineers union since the beginning of the year. [The company] sent 3 separate letters to the homes of Wiri workers promoting the proposal and offering financial inducements. The effort and expense appears to have paid off. Last week Engineers' Union members at Wiri overturned their earlier decision and backed the plan 90 votes to 70...It [the Nissan Way] introduces the concept of team work (quality circles) and while present

employees' earnings would be protected, all new staff would go on a minimum rate, irrespective of qualification or experience. Wage increases would be dependent on merit assessment by team leaders. (The Waikato Times 15 December 1987)

Bruce Owen, on behalf of the company, conceded that under the agreement all workers would be paid at the bottom of the income scale, from which the workers would advance at the company's discretion. But he counterposed that all workers at this plant could achieve at least a 9% better than average wage than other assembly plant workers, in a minimum period of five years.

By 1988 the agreement, involving 85% of the workers and 3 of the 7 plant unions, was signed. Within three weeks of the agreement, the remaining four unions took strike action to overturn the deal. The strike lasted 10 weeks. The company claimed it recovered quickly from the strike, a recovery ironically attributed to the increased efficiencies gained as a result of the changes in work practices which prompted the strike (Williams et al 1991:18). Although the Nissan Agreement purported to protect the union's right to industrial action, on 25 February 1988, 65 striking storeworkers, clerical workers and cleaners who were objecting to the changes implicit in the agreement, received dismissal notices.

In 1989, thirty-eight stores and cleaning staff, six cafeteria staff and six clerical workers were still refusing to sign the "Japanese modeled agreement":

They say they are better off under a composite agreement because they have retained traditional and other non financial benefits abandoned under the Nissan way. (The Dominion Sunday Times, 12 March 1989)

The early attempt to establish the new approach to 'the management of quality' at the Nissan car plant in South Auckland, brought its

contestible features temporarily to the attention of the public. Momentarily the "site of struggle" (Van Dijk 1985:44) was very visible.

The concerns of those who were suspicious of the directions 'the management of quality' were being taken would be supported by those in Japan who are not enamoured with 'Japanese Management Practices' as solutions to their country's economic problems. Rather than a general condition of working life for the majority of working people, (as so often portrayed in 'the management of quality' literature), Ben Watanabe, a member of the National General Union of Workers in Japan, defines the corporist culture of the Japanese as consisting of a few powerful companies who employ only 0.5 percent of workers. These companies are all powerful with a myriad of subcontractors at their service.⁴⁴

Watanabe describes a different picture of 'Japanese Management Practices' to the romantic one disseminated to New Zealanders in the early 1980s.

It is crucial he says, to understand the pyramid on which the Japanese economic miracle has been built - "the Japanese structures of companies is quite different from your society." The best paid, best treated workers on which the myth of Japanese management has been built, he says comprise only the tiny elite who are directly employed by the giants like Toyota. A mere 0.5 percent of Japanese workers, he explains, work in such huge enterprises; everyone else is spread out below in an array of subsidiaries, subcontractors

44) Watanabe describes what theorists are now inclined to call the division of labour into 'core' and 'periphery' or 'primary' and 'secondary' divisions. The 'core' consists of relatively secure, multi-skilled employees. They are 'secured' by the pressure of a less secure, sometimes unemployed peripheral group, always willing to do more for less merely to survive.

and sub-sub contractors.... these subcontractors, Watanabe murmurs, are little more than colonies on the Japanese economic landscape.... When ordering parts, the parent company reserves the right to dictate the price and to defer payment for as long as it suits the financial health of the parent. Toyota has 3000 such companies at its beck and call. (The New Zealand Listener, 19 September 1987)

Watanabe is attempting to organize among the middle groups of subcontractors, but finds it an uphill battle.

If the bottom or the middle level workers try to fight, if they try to organise over a labour dispute, they are expelled from the structure. The parent companies can drive a small contractor into bankruptcy. Since the profits of the parent depend on low labour costs and low charges by their suppliers, they simply force the contractors to crush dissent, by threatening to take the entire contract elsewhere. (The New Zealand Listener, 19 September 1987)

While in The Nissan Way, Nissan NZ is depicted as moving towards a form of industrial democracy, Watanabe warns New Zealand employees to learn from the activities of Nissan in other countries. There are numerous depressed areas in the world which would welcome the jobs. Training in the use of the techniques ensures a globally consistent operation no matter where it is located. From The Economist, for example, readers learned that in 1984,

Nissan Motor Manufacturing (UK) was a hole in the ground in a disused airfield. Now it produces 50,000 Bluebird cars a year...More significantly, Nissan will have shown what can be done in British manufacturing if you start afresh...With a 700-acre greenfield site, deliberately far away from traditional carmaking centres, Nissan could put such ideas to work in Britain. It imbued in its first employees the importance of techniques like just-in-time delivery of components by flying them out to Japan to teach them there. Back in Britain...1,800 people are buzzing with the

new craft of car making.... The managing director, Mr Toshiaki Tsuchiya, and three other directors are Japanese. About 40 technical advisors have been seconded from Japan temporarily, but the 25 managers who report to the directors are British.... But the underlying belief, happily, is that the most flexible robot in the Nissan factory is a human being... (The Economist, 8 October 1988)

It is not an accident that the metaphoric representation of worker as robot contradicts the explicit reference to workers, in the rhetoric of 'the management of quality', as 'multi-skilled' and 'participative in' the process of work management. A 'multi-purpose', collaborative 'robot' is created.

The voluntary nature of the commitment and the 'empowerment of workers' are constantly emphasised. It is clear, however, that such choices, especially in times of high unemployment, are limited:

After each working day, the QCC has a voluntary meeting. In practice it is not voluntary. If workers refuse, they cannot get a good reputation or the kind of evaluation that will lead to a promotion. Moreover, an individual's income may depend on performing well in the circle. If they cannot get a good evaluation their bonuses will be slashed. So the circle becomes a way of detecting and stifling dissent. (The New Zealand Listener, 19 September 1987)

Watanabe argues that the decimation of unions is implicit in the techniques associated with 'the management of quality'. In The New Zealand Listener (19 September 1987) he says flatly "The QCC, [quality control circle)...is a tactic for union busting."

The Nissan Way: From Conflict to Commitment (Williams, Owen and Emerson) was published three years after the strike. Here the story of the strike is told. Nissan New Zealand was keen to bring in the Nissan U.K. model to New Zealand. The concern was that in New Zealand there were seven different unions and strongly entrenched traditional

attitudes:

It was against this background that negotiations with the Engineers' Union and a committee of shopfloor representatives began in late 1986. The agreement was implemented in February 1988, covering around 85 per cent of the workforce and three of the seven plant unions.

However, within weeks of its implementation three of the remaining four minor plant unions took strike action in an effort to have the deal - voted for willingly by the majority of plant workers - thrown out. The dispute ran for ten weeks, and was notable for being probably the longest strike conducted by trade unions over an industrial agreement they were not parties to. At the conclusion of the strike, the agreement was in tact, the workforce remained committed to it and the company was able to recover quickly from its effects - largely due to the increased efficiencies resulting from it. (pp.17-18)

Whether unions are responsible for their own members or for the general wellbeing of all workers is a moot point. Selective union participation or submission has been a key factor in the establishment of 'the management of quality' at Nissan New Zealand. But Nissan was quite open about managers' ultimate right (couched in terms of their responsibilities) to control work and workers. At Nissan NZ, the employee empowerment so simplistically represented in the new genre of managerial texts, was more clearly limited. Although managers and workers were constantly represented as moving (albeit with some difficulty) towards some notion of 'industrial democracy', the intent was not one of power sharing. More explicit than in other places, is the 'giving up' of power:

The move towards "industrial democracy" between unions and employers (which really just means joint consultation between the parties on all decisions) must therefore be associated with a high level of common interest to become a viable working

arrangement. Some countries and some industries around the world have managed to achieve this "power sharing". In reality, however, it is not a sharing of power at all as this implies a kind of balance of power which, like international policies, is a fragile institution. What some believe to be a utopia of "industrial democracy" can only be achieved when all parties are prepared to subordinate their individual powers for the agreed common purpose of the organization as a whole. (Williams et al 1991:28)

In the end ultimate accountability for what is done lies with the manager. What cannot be tolerated at Nissan is the formulation of informal rules devised by employees because, if managers do not accept the power to have the final say, then it will be taken away from them on the shop floor:

That is fine if the organisation is a work trust or co-operative, because that is the nature of such arrangements, but in modern industrial organisations there are responsibilities for final decisions that simply cannot be avoided. (ibid:45)

The managerial prerogative to make decisions is indelibly stamped on the process. As well as minimising the skilled collective responsibilities required to reach decisions in co-operative ventures, the above quote from The Nissan Way: From Conflict to Commitment, makes explicit that control over the industrial enterprise in the capitalist context does not lie with employees.

Control over the job and its tasks are the real issues, and not some larger and hypothetical notion of rights over decisions in the larger world of the organisation (ibid:44).

Union participation in key decisions in New Zealand was visibly reducing not only at Nissan but across all segments of the economy. In 1993, the reduction of union influence was reported unproblematically by a researcher focussed on the implementation of Total Quality

Management (TQM) in Trigon:

Unions were informed the same way as everybody else that TQM was to be implemented....Now that all Trigon employees are on contracts there is no real union power within Trigon. Employees know that their job security is linked to the quality of the goods they produce and there is a general acceptance that company survival in a highly competitive environment depends on the quality of its products. (Crawford 1993:63)

And at the University of Waikato, another institution promoting 'the management of quality' attempts to negotiate a collective contract for staff was reported in the Association of University Staff Newsletter, February 1995,

...the VC [Vice Chancellors] keeps telling us that "the University" doesn't support collective contracts for academics. Who is the University? Clearly those of you who do support collective contracts are not seen by the VC as being a part of it...".

The reference to the very close affiliation of individual workers and managers, the linking of individual job security to outputs and a veiled reference to a threatening external market which is appeased by 'quality' are linked 'logically' and unproblematically, in a discourse which became 'taken for granted' by the 1990s. A compatible type of unionism appears to have been achieved; indeed welcomed by some. According to the Combined Apparel Union secretary, Stewart McCaffley, a

quiet revolution is taking place in New Zealand, but don't be surprised if you have not heard about it. Good news seldom makes headlines and the fact that the country's confrontation based industrial relations structure is crumbling isn't the story most news media are after. (Management, November 1990:72)

While the incremental introduction of aspects of the management of quality may seem sensible to many employees, it occurs in the absence of a theory which elucidates the connection between specific

improvements for individuals or enterprises, and the well-being of workers in general. The inevitability of high unemployment and the protection against a possible backlash were already well known at the very outset of the decade. The 'unitarist' approach in which those who were employed saw their personal interest directly linked with their employer was promoted calculatedly amongst management.

13.4) Re-viewing the Decade

In New Zealand, at the end of the 1970s, the use of 'quality' as an organizing metaphor was not unheard of. It was a key concern for a number of technical experts. By the early 1980s 'quality' in its new metaphorical constellation (as the management of quality) was becoming more prevalent. What little critique there was, was couched most frequently in terms of the already familiar discourse of 'quality of working life' (QWL). For example, early in the 1980s, Michael Law argued that regardless of the language it is dressed in, management has three principal concerns:

- a) to get the job completed as cheaply as possible
- b) to avoid absenteeism, sabotage, carelessness, industrial action or other acts of resistance by workers
- c) to pick the workers' brains in order to aid production

While some managers may tolerate the humanization of work to some extent, these managers do not seek worker involvement in the critical decisions affecting their long term employment - such as decisions over mergers and takeovers, new plant, new products and processes. Quality of Working Life (QWL) programmes are not about a job for tomorrow, or one next year for the school leaver. Rather, they are managerial strategies for the moment, ways to reduce labour costs today (Law 1983:6-7).

Although a critical perspective on the developing discourse of quality was being generated early in the 1980s, it had little immediate impact. The discourse of 'allegiance to the employers' through

commitment to 'increased productivity' in the service of the 'common interest' was accelerated. The breaking down of the primacy of union affiliation was an essential component of this rhetoric. Subsequent resistance of small groups of workers at Nissan, for example, was reported as not too big a problem because, according to one theory

workers under the composite agreement...are more transient than those in other unions and so are likely to leave the Nissan plant within two years (The Dominion Sunday Times, 12 March 1990)

This somewhat cavalier approach was also noted by James McCann, the Engineers' Union shop steward at the Kinleith pulp and paper mill. He parodies what he understands to be the approach of managers at his plant:

[Management's] attitude is 'we want your consensus opinion. We want to pick your brains, we want to use the system and check it out legally, and then basically order you to do what we want you to do'....Consultation is where we call you in, we will tell you what we are going to do and that's your participation. Now bugger off... (Management, November 1990:70)

Institutional control includes the power to announce the acceptance of a change in procedure, without necessarily needing to refer to, or acknowledge, contesting voices and their subsequent elimination. The introduction of the Nissan Way at Wiri was soon integrated into everyday life; the unproblematic reality:

The principle of continuous improvement is given effect in the Nissan-AEU agreement as a joint commitment between the unions and the company, and is built into the system of work practices...Quality improvement becomes part of everyday work of the company's employees. (Williams et al 1991:13)

A new taken for granted reality was achieved. New employees would accept the new conditions as they found them. A new generation of business graduates, discussed in the next chapter, were being prepared

to take the helm - unencumbered by the old ways. They were being taught the techniques of TQM, largely at the tax-payers expense. These techniques are represented as sensible strategies for the improvement of quality and productivity. The disruption caused by the Nissan strike would belong to history and its interpreters.

Calls for increased participation and flexibility during the 1980s were met with some ambivalence by unions because, as in the earlier days of the union movement, these required increased collaboration with management. However, these were not contentious concepts for those who had trust in a cooperative approach to the management of labour. Those who supported traditional notions of industrial democracy, those who promoted 'the management of quality' and those who favoured a unitarist approach to labour management to meet with aspirations of reducing real wages, found something of value in 'employee participation', 'flexibility' and 'the unity of interests'. All agreed that these would increase productivity and ensure well-being of all. Every party to the debate seemed to find this a useful myth - even if the social outcomes envisaged by each group were not identical.

Attempts at co-operation between sections of the state and sections of the union movement may be given a variety of interpretations. On the one hand, they appear to be setting genuine preconditions for 'the management of quality'; namely 'unity', 'flexibility' and 'participation'. On the other hand, attempts to achieve a compact may be seen as an invitation to 'lay down arms' and to come into 'the enemy camp' on the pretext of a 'common interest'.

In neo-classical economic theory, 'the market', 'individual freedom' and 'rights to contract' are pivotal fabrications. In order to achieve their agenda, the Roundtable needed to 'repaint the world'. Their brush would be the Employment Contracts Act 1991. It was the antithesis of the compact (Harvey 1992:76). Unions were denied their exclusive rights of representation and their ability to force

employers to reach an agreement with them as the employees' representative.

In her support for the economic reforms, Penelope Brook informs the public that the establishment in history "of rights to certain outcomes, and through the extension of democracy into the workplace, by means of the creation of unions with government like powers" leads to the suppression of individual autonomy and freedom (Brook 1990:viii). Having made the case against compulsory unionism, Brook advances her argument for a market approach based on the ethical case of "the protection of individual freedom". Free individuals contract themselves to an employer. Such individuals may use the union (or any other agency) as a facilitator. Law suggests that the language used by members of the Roundtable, the Employers Federation and both the National and the Labour Parties from the 1980s has reflected a

fundamental ideological break with the past [a necessary break to] establish the legitimacy of their agenda and of legislative changes such as the Employment Contracts Act. To do that they had to redefine fundamentally the assumptions about work, its organization and the rights of those who engage in it. (Law 1991:1-2)

For employers who recommended 'the management of quality', with its attendant 'flexibility' as a solution to economic problems, unions could represent a significant obstacle if organized in the traditional way. In his research into the penetration of 'Japanese Management Practices' into New Zealand, Enderwick observes:

Respondents indicated that efforts to encourage functional flexibility within New Zealand have been hampered by union resistance. One subsidiary had negotiated a trade off. In return for union acceptance of TQM the subsidiary promised no redundancies. All subsidiaries interviewed had two or more unions with the average being six. Union density in all subsidiaries was 100 percent. One company had 85 percent of its unions operating under one agreement signifying the

company's commitment to establishing single union representation. One subsidiary had attempted, but failed, to rationalise union representation and another was anxious to pursue this if they could obtain assurances that quality and productivity issues would be addressed. All subsidiaries believed that government legislation was needed to facilitate union rationalisation. (Enderwick 1990:13)

While unions are free to play a role under the Employment Contracts Act, the Act abolished the exclusive right of unions to represent workers in collective negotiations and in processing grievances (Hince and Vranken 1991:478). Law suggests that these appeals to individual rights underestimate the commitment that working and middle class people have to such values as 'democratic rights' and a strong sense of 'social justice'; values which 'the market' cannot deliver (Law 1991:14).

From a position of relative influence (evidenced by the achievement of the conditions of work taken for granted as normal by many occupational groups) in which too much familiarity with employers might be deemed suspect, by 1993, the close allegiance of managers and unions was no longer remarkable. It is not unusual now, for 'quality managers', (or similar chain-of-command positions) to double as union-delegates or shop-stewards. ⁴⁵

During the 1980s, the state, unions and employers were engaged in a struggle for control. Unions, seen as a significant source of political votes, for some time believed they were working with the state to ensure some say in the economic directions of the country. But, there are other ways politicians can win votes and more direct reasons why unions need to retain the confidence of governments. Politicians can appeal to workers directly - circumventing their

45) The Quality Manager at Trigon, for example, is also the shop steward for the Engineers' Union (Crawford 1993:62).

traditional organizations. A union's obligation to keep the confidence of the state derives from the politicians' power to disband them. This aspect of union identity is crucial in terms of understanding the negotiations between the state and unions during the decade under discussion. The traditional link between unions and the New Zealand Labour Party was compromised over 1984-1990 by the Labour Party's leadership in the reformation of the economy, the civil service and what are called Quangos, (Quasi-nongovernmental organizations). For example, David Trebeck, a consultant commissioned by the Business Roundtable, welcomed the scrapping of the Waterfront Industry Commission in 1989. The Commission had been responsible for the employment of waterside workers. Waterside employment had then to be negotiated between port companies and employees. The waterfront work force declined by 50% within 12 months although the same volume of cargo was processed. More generally, breaking down demarcation barriers within the workforce was a key feature of increased labour productivity (Management, November, 1990:21).

The introduction of 'the management of quality' to New Zealand gained impetus from two distinct developments. On the one hand, technical experts had long been promoting a positive relationship between quality and productivity. On the other hand, those who were keen to establish a liberal economy found value in the way in which this discourse rallied the population to accept responsibility for economic outcomes and to undermine any union rebelliousness that might be expected as a result of their intent to cut the real value of wages. The decade of the 1980s saw a distinct rise in unemployment and an increase of part-time work at the cost of full-time jobs. What was promoted as 'employee empowerment' has led to increased employee compliance. Few workers would wish to swap their newly enlarged, multiskilled job for no job at all.

In my view, the generally cooperative historical relationship between New Zealand's workers, employers and the state, in part, helps explain

the relative ease with which a discourse of employee participation and co-operation came into currency during the 1980s and early 1990s. Despite some attempts to raise the alarm about the growing influence of unitarist rhetoric, particularly by the Socialist Unity Party (SUP), potential union resistance was dissipated early in the 1980s by the generalised belief that the historical involvement of unions would be retained in the development of contemporary approaches to management. Apart from the work of the SUP, the subtle changes occurring in the organization of work and workers at the level of the enterprise, was frequently promoted as a 'common sense' approach to the solution of the economic crisis. The familiar language of participation and mutual responsibility were not more generally examined in the context of the contrasting metaphors associated with radical individualism concurrently generating from Treasury. The 'voluntary' nature of the relationship between employer and employee turns out to be a controlled 'voluntarism' (epitomized by Foucault's enslaved sovereign). Workers and managers appear to have little choice but to engage in 'the management of quality' as a global discourse for managing work. The future roles of unions are as yet unclear. For the de-unionized, the peripheralised and the unemployed, for those whose conditions of service and wages have been successfully curtailed in line with the explicit aspirations of the New Zealand Business Roundtable, the union movement is a toothless tiger. In the context of liberalising economies, they are diminishing not only in influence but in number. The the U.S. union density is apporoximately 15% of the workforce (Visser 1992), in the UK it dropped from 55% in 1980 to 38% in 1990 (Purcell 1993). In New Zealand union density dropped from 44% of workers across a total of 259 unions to 27% of workers across a reduced total of 67 unions (Harbridge and Honeybone 1995:235). It has been suggested that upto 75% of the New Zealand labour force is now on individual contracts (New Zealand Herald, 6 September, 1994).

Whether pressing on with 'the management of quality' or some similar approach will ultimately secure jobs, wage increases and provide well-being for all is yet to be determined. In the meantime, its

promulgators, educators and trainers continue to promote the techniques with no or limited social analysis. They are preparing the next generation of workers and managers to practice these techniques and through the techniques establish new rhythms, new practices and thus new types of workers. Their contribution to the establishment of 'the management of quality' is examined in the next chapter.

Chapter 14: Conversion, Education, Truth and Control

In what Weber (1968) refers to as times of "distress", when "everyday routine" cannot meet the requirements of the new situation, a charismatic figure may provide the new direction (Weber 1968:18). Charisma is the gift of grace which followers believe inheres in a new visionary leader, and which in turn, provides the authority the leader requires to put order and discipline into new ways of behaving. In this chapter, I examine the attribution of charisma to Deming and the way in which the visions and recommendations of Deming were consolidated and made routine. I argue that through training 'on the floor' and through the increasingly popular business degrees offered in universities and polytechnics, new generations of workers and managers do not need converting. They learn the technical 'truth' that the techniques of TQM will enhance productivity. This chapter concludes by suggesting that what are essentially state-sponsored 'Workplace Reforms', National (and International) Standards and National Frame-works (for training and education) are codes to be learned. They provide the safe parameters within which workers and lower level managers can be trusted to participate in the making of certain decisions.

14.1) Deming as Charismatic Leader?

Weber argues that charismatic leaders are

holders of specific gifts of the body and spirit; and these gifts have been considered supernatural, not accessible to everybody.
(Weber 1968:18-19)

In a spiritual context, association of the leader with the divine is a useful way to achieve confirmation of authority. Deming, however, operates in a secular world; a world in which some version of

democracy is still a prized and sought after ideal.⁴⁶ Democratic icons Deming frequently calls upon are 'respect for the individual' and 'service to the nation'. Deming's rhetoric appeals to the icons of the secular; 'the economy' and 'the market', 'productivity' and so forth. In terms of his appeal to managers in the context of their practices, appeals to mechanistic metaphors or technological symbolism appear to be as effective as appeals to 'grace' are in a religious context. Deming also has a reputation as a statistician. Important aspects of his mission were cast in statistical terms which had an immediate appeal for a generation of managers and workers brought up in the traditions of 'scientific rigour'.

A further feature of charismatic leaders is their need to prove their charisma in the eyes of their adherents (Weber 1968:20). In New Zealand, early in the 1980s, Deming's references to 'a crisis' were easily recognised by managers and workers alike. For many, jobs and security were becoming increasingly vulnerable. The 1980s were frequently portrayed as years of crisis. Managing enterprises during this decade was stressful and made no easier by the limitations now conveniently associated with traditional management training or experience. In the context of New Zealand affairs, the source of despair was often named as the apparent ineffectiveness of traditional management styles to bring about a productive capacity sufficient to improve the country's internal and external economic position. The country's political and economic affairs were increasingly represented as being in crisis.⁴⁷ Deming offered a solution.

46) Prized enough to be imposed on post-war Japan.

47) This situation is illustrated in the way Sir Robert Muldoon, almost single-handedly, at the end of his prime ministership, used the rhetoric of 'managing the economy'. The people reacted to his management by the most decisive victory at the polls ever for his opposition, the Labour Party, in 1984.

The bearer of charisma

seizes the task that is adequate for him and demands obedience and a following by virtue of his mission. (Weber 1968:20)

Deming did have a mission. It is expressed quite clearly in Out of the Crisis as the reformation of management. His intention was the transformation of the typical style of American management. This message was transferable to New Zealand, not only because New Zealand had been part of Deming's missionary 'patch', but also because New Zealand managers have long been trained in the rhetoric of American management principles and in the service of increased productivity. Deming's approach, although new in some ways, was consistent enough with what could be trusted in terms of the already established, 'typical' management discourse.

The typical is a deeply rooted feature of the very organization of experience into knowledge. From the very outset of the epistemological process, the world is constituted in typified form. The natural standpoint is a locus of typifications. (Berger and Luckmann 1966:150)

From his mission Deming strongly advocated action in his cryptic, ironic manner:

He is a very pithy, didactic sort of speaker, take it or leave it. He says things like "You don't have to do this...survival is not compulsory..." Deming talks like that all the time. If you hear it the second time or the third time you're beginning to realise it is a record, he's learned a script, a spiel, but the first time you hear him, it's very refreshing. You tend to catch him out when you see him on videos and so on. You think "Here he goes again" and sure enough "What the management have to do...", "But trying your hardest isn't good enough..." Very paternalistic, extremely demi-god, type of

person. Sets himself up as the fount. He intones like a preacher. "I told the Japanese...that if they were to do what I told them.... within five years...they would join the prosperous nations of the world..." He quite clearly sees himself as having THE answer, won't deal with companies unless he deals with top management. (Interview Transcript; Academic and member of NZOQ:1990)

The charismatic leader derives authority from proving his power in practice or through offering solutions to currently felt problems.

If he wants to be a prophet, he must perform miracles; if he wants to be a war lord, he must perform heroic deeds. Above all, however, his divine mission must 'prove' itself in that those who faithfully surrender to him must fare well. (Weber 1968:22-23)

Deming achieved some of this 'authority' from the ongoing association of his work with 'the Japanese economic miracle'. Japanese post war economic gains in the face of adversity were presented as enviable and able to be replicated here. Particularly in Deming's introduction to New Zealand, the crisis and the solution were drawn together. For many firms who experimented with his message, wellbeing was indeed achieved in the form of increased productivity and reduction of costs. Their testimonies added credence to the growing rhetoric of 'the management of quality' with or without direct reference to Deming or other quality leaders.

Deming and similar leaders of 'the management of quality' do not, however, fit all Weber's characteristics of ideal charismatic leaders. These men were not popular political or religious revolutionaries as were Weber's examples. Weber's charismatic leaders generally would not be professionals who relied on specific training and expertise. Unlike professionals such charismatic leaders would not be compensated for their routine and official work. Deming and subsequent leaders of 'the management of quality' are often highly trained and highly paid. Although Deming himself often worked for 'the cause' (of rebuilding Japan for example) with no direct compensation to himself, most of his

technical work was done in a paid and professional (expert) capacity of statistician, a form of expertise consistent with a typical, rational control mentality of scientific management.

It is my view that Deming's representation as a charismatic figure in New Zealand was the result of an orchestrated appearance constructed on a dubious rendition of history. The following excerpts from my interview transcripts illustrate the confused nature of the charismatic qualities built up about him:

Deming has become a charismatic figure. He has become quite embittered because the Americans didn't take up things he wanted. He has had some very strong success in Japan, but on a much more flimsy basis when you look at the reality. He wasn't in Japan initially working at the invitation of Japanese industry. He first went to Japan with the American Census Bureau, and was party to tearing the Japanese economy apart and counting all the heads stuff. Then he talked to industry and got some interest and he got invited back to do the thing in 1950. That seems to have been a launching pad for him. So there is a myth around Deming and he has done a lot to cultivate it himself. Deming then is a man who has created a personality. He uses his hearing aid (in my opinion) or the fact that he doesn't wear one (a vanity) for effect. A member of the audience will begin a question "Dr Deming.." - "I beg your pardon...?" He picks up about three words of it and then he goes into a diatribe. It has nothing to do with the question and it always puts the questioner down. The basic message is "That is a silly question. You are stupid because you have not learned point three". And that sort of formula is used: A) it stops criticism of him, and B) it makes him extremely formidable. It seems to enhance the charismatic effect. He is definitely a charismatic figure. (Interview Transcript; Academic and member of NZOQ: 1990)

Although he was gruff, abrupt and sometimes rude in his responses to managers, this was part of his appeal:

He shouts and yells and rants at people. And what is he saying? He's saying things like: "break down barriers between managers and workers"; "Return pride and ownership". He is almost like a trade unionist. He is

championing the ability of the average worker.
"What do you think they do? Goof off? Why
would they Goof off?" (Interview Transcript;
Academic and member of NZOQ:1990)

Managers were and felt chastised. It seemed a right and proper manner to go with his message. The economic crisis in New Zealand had already been defined. It had already been well documented and advertised. In the view of some, the crisis was the fault of managers. Deming's gruffness, seemed appropriate and convincing to many. It was tempered however, by his celebrated concern for humanity, for suffering, whether they be post war Japanese or under employed westerners. In my view, this concern for humanity was skilfully built into his public persona, and enhanced the appropriateness of Deming as a change-agent during a time when many individuals could be justifiably concerned about their personal security through the prospect of increasing unemployment.

While searching for pragmatic solutions to their work place problems, many managers could relate to Deming; a crusty old man; a man whose reputation preceded him; a man who spoke in the no-nonsense language of the workplace; a man who interspersed his technical jargon with humanitarian concerns. Managers could be comfortable that the techniques promoted were consistent with much of contemporary 'common sense'.

Deming's message was recognisable by 'typical' managers with 'typical' problems. In the early days of my field work, I came across many managers who were inspired by Deming or his book, Out of the Crisis. They would offer to lend it to me. They told me stories of how they applied Deming's philosophy to other aspects of their lives. Two company executives told me, for example, that in 1984 they had attended the Deming seminar. They were looking for ideas to integrate with their 'company culture'. They referred to the seminar as being

like a religious experience:

I went to the seminar with no particular ideas or particularly strong feelings about quality, but I came away knowing something had to be done. (Interview Transcript:1990)

To which his colleague responded:

Yes, though you were converted more than I was. I'm not saying I was skeptical... (Interview Transcript:1990)

There were 'degrees of conversion' for both men but only a limited amount of information was picked up. Deming was recognised as the inspiration that set them on the path of searching out more information and confirmed their own conviction by transmitting this to their colleagues. They watched videos, passed around Deming's book and had many discussions:

We pieced together what we heard from Deming and what we heard subsequently and talked about how we might put it into the company culture. (Interview Transcript 1990)

Despite some initial interest in the discussion generated by these two executives, other employees in the firm would leave those discussions and "go back to their life". This was construed by these executives as a major problem. They continued their own enthusiasm for 'quality management' by working with the NZOQA and developed transferable techniques implemented under a variety of names.

People who experienced a 'conversion' to Deming's philosophy understood their task was to convey this experience to their colleagues and subordinates. Many of the managers I met in the field could hardly be described as having charismatic qualities in themselves. Their ordinariness meant they had to work in a way that was not reliant on a conversion experience. What was required was a

transformation of attitude and behaviour into routine practice. The new techniques, universally established, alter

the situation of actions, and hence its problems, finally in this way changing men's attitudes....(Weber 1968:53)

Deming was never received as a hero by all managers or industrialists. His philosophy was not taken up in its entirety anywhere. However, sufficient converts were generated from his one and only four day seminar in New Zealand in 1984, to take up the promotion of 'the management of quality' on a nation-wide basis, and to train new people in the use of the associated techniques for the next decade. Believers were protected from the influence of unbelievers by the ongoing stream of testimonies, 'evidence' and warnings against back-sliding. There was no concerted opposition to him or his ideas; not even from the union movement.

Charismatic leaders are influential. Their influence, however, is generally limited to a small and immediate group of disciples. For the changes envisaged by leaders to become more generalised, they must be routinized. In the case of Deming's philosophy, and similar approaches by other 'quality gurus', this was achieved by the translation of his message into techniques and systems (Parsons 1968:664). These techniques and systems, like Weber's bureaucracies, become almost indestructible. Their application is intended to change the very situation of work activities, the problems that can be formulated, and employees' attitudes towards their employment. All affected employees become "integrated into the mechanism" (Weber 1968:75). The next section examines the use of training in the new techniques to gain the conformity of those not directly exposed to, convinced or affected by the charisma of leaders in 'the management of quality'.

14.2) Routinization of Charisma

Training has been extensively discussed earlier in this thesis as a way of disciplining populations. It was argued that along with the legitimation of appropriately conducted tasks a 'natural attitude', a

taken for granted implicit in a particular social order (Berger and Luckmann 1966:36) could be established or maintained.

The management practices commonly associated with Taylorism were generalised both through training on the job, and increasingly through professional training of managers, frequently in universities. I use the word training rather than education deliberately. Traditionally, this 'training' provided organizations with 'managerial workers' who took for granted the principles of organization that sustained the economic rationality within which they worked. Business and management schools became

the institutional site for the reproduction of the contemporary dominant ideology of late capitalism, which stresses above all else, rational methods: of marketing, finance, forward planning, of design of organization structures, etc. (Clegg and Dunkerley 1980:537)

Building on the work of Gramsci (1971), Clegg and Dunkerley argue that the most important function of business schools and management education is their reproduction of middle class careers in the form of large cadres of managers. This is achieved through the reproduction of ideology;

This ideology is what these people do at these institutions, which is to learn the rational science and techniques of modern management....By providing concepts of 'the organization', for instance, which are absolutely independent of any political economy, but related only to presumed universal systems of structures of organizations, and by stressing the universal applicability of these 'rational precepts' (which on closer inspection are not always so ideologically pure as they might seem) these schools reproduce, on the whole, sound and reliable ruling class functionaries who have complex rules built into them. (Clegg and Dunkerley 1980:538)

Thus, by the end of the 1970s, professionalised management training, based on competency in mathematics, statistics, finance and accounting had already been legitimated through increasing numbers of business schools. Professional journals had already been established as avenues for further development of rhetoric, technique and principle.

On the job itself the mundane repetitive skills required of workers by earlier methods, coupled to the automatic assumption of a managerial right to control left as a legacy to Taylorism, were proving disastrous. The specialist was proving cumbersome. In the newer organizations, where 'the management of quality' had become established, training was directed at increasing the numbers of tasks a person can undertake, expanding their technical flexibility. People were paid accordingly. One rate of pay for the plant - plus merit pay based on annually assessed skills, with no job description (Q-NewZ, June 1990:8).

During the transition of the production process not only 'workers', but also 'managers', the Frankensteinian construction of the scientific management theorists, were 'a problem'. The traditional managers of the 'modernist' model were now redundant. Such existing managers could subject themselves to transformation under restructuring or find themselves unemployed. A new role for managers was "to become teachers and coaches rather than giving orders" (Williams et al 1991:9). Says Bruce Owen, Personnel Director at Nissan, in his address to the Waikato branch of NZOQ:

Supervisors became facilitators - don't come to me with problems, come to me with solutions. (Q-NewZ, June 1990:8)

Although the teacher and coach analogies could be seen as borrowed from Taylor, the empowering of workers implied in the new doctrine outdated the traditional managerial texts and research programmes. As in Taylor's day, it was the experiments on the shop-floor, coupled to

the analytical and systems oriented academic contributions that ensured the effectiveness of the new approaches. They found their way into new student texts, professional training courses and new research programmes.

But training is not only about technical skills. Interpersonal relations, commitment to the common purpose embodied in the mission statement, cause-effect analysis, statistical methods, data collection, decision-making skills and so on, are crucial for a team-work approach. Such an approach supports the firm's commitment to continuous improvement as an everyday, common approach to the work process. Skill and process training, as in Taylor's factories, provide the discipline necessary to minimise mistakes. Discipline was not of an authoritarian, punishing variety but was provided through 'guidance'. Experts, techniques and systems have been designed to achieve just that.

More recently Nissan has included the formation of a guidance team and the development of a network of quality advisors. The guidance team comprises senior staff who act as a focus for the selection, resourcing and progress of specific quality improvements projects. In effect, the quality advisors are in-house quality consultants, able to assist others with projects, problem solving and technical advice. (Williams 1991:31-32)

Leadership is required to co-ordinate this group of self managing teams. Leadership too can be achieved through training. To provide a leadership model compatible with the mission statement, Nissan chose to implement the Blanchard leadership model "Situational Leadership II"; a model in which

the organizational pyramid is turned up side-down so that leaders become responsive and followers responsible for decision making in their jobs...(ibid 1991:32)

In the emerging, post-modern organizations, flexible workers are coached by team leaders (Appendix 1). But there is no doubt that in this post-modern organization, employee autonomy, employee participation and involvement in decision making is bounded by corporate interests. The embeddedness of corporate interests can be achieved through appropriate training. Indeed, at Nissan, training is required to be

carefully tailored to support the organization's mission statement or corporate purpose. It must also be supported by the corporate culture. (ibid:29)

Once established, this corporate culture can be used to ensure recruitment, selection, human resource management and career development procedures can be designed to stimulate and guide an individual in a way that is consistent with organizational needs (Beer et al, 1984:86). The empowered employee will freely make decisions which will work in the interest of the employer.

As new types of workers and managers are being produced, business schools, as sites of ideological reproduction, have had to change. Professor Peter Enderwick, from the University of Waikato, argues that developments in the emerging model of management will require not only new learning, but "unlearning traditional ways" (Enderwick 1991:121). Texts cast in the traditional mould, teachers tied to old mindsets became a problem. Given their role of ideological reproduction and the difficulties associated with achieving institutional change quickly, it seemed more expedient to devise new institutions less likely to be hampered by tradition, conservatism or lethargy. Enderwick supports the creation of a new national Graduate School of Management. He proposes a new initiative in management education in New Zealand, an education not merely focused on business responsiveness to the needs of all New Zealand organizations but international businesses as well. The need to serve business, particularly international business, is of central concern to Enderwick and others. Enderwick argues that worker

flexibility is desired by companies who use 'Japanese Management Practices' not as an end in itself but as the contribution flexibility makes to quality and productivity aspirations.

14.3) Contradictions or Ambivalence?

Despite some of the less than 'scientific' ways in which 'quality' can be identified or 'measured' (for example as read by Imai "in the faces of the workers", Williams et al 1991:35); despite the superficial and inaccurate connection between 'Japanese Management Practices' and the Japanese economic miracle; despite the inconsistencies between the 'managed economy' promoted by many of the originators of the 'quality discourse' and the contemporaneous allegiance to the myth of the 'free marketers' in New Zealand, the exhortation to increase productivity through attention to 'the management of quality' continues to accelerate.

In New Zealand, from the early 1980s, institutions associated with employment and employment education were required to cope with the integration of the individualistic, independent, competitive social fabrications of the increasingly powerful monetarists. At the same time, management approaches consistent with 'the management of quality' required a teleology of human interdependence and collaboration. Such a seeming contradiction did not appear to require a resolution, at least not during the 1980s. Human existence is rarely understood or experienced as a logically connected world view. Rather such contradictions allow human beings to deal with aspects of their lives without a 'grand narrative' as explanation; without a need to orchestrate for themselves a 'bigger picture' of consistencies and interrelated, interdependent issues.

This human ability to function in a sea of contradictions and ambivalence is the very basis of western civilization and effective use of technological knowledge. It is therefore crucial that management schools in particular, where such 'knowledge' is 'systemised', acknowledge this transient, fashion-like attribute of

the managerial process. The entrenchment of what appears today to be the epitome of the practice and perfections must be countered. Yet, today, the principle of increased productivity through 'the management of quality', is consolidated and manifest in the training and practices of workers and managers. It is a principle which has been successfully inculcated as a 'natural attitude' for numerous western managers and workers. This principle was reinforced and made all the more attractive in the particular way in which Deming and his followers associated increased productivity with job security and well-being for all during the reformation of labour in the 1980s.

This principle was relatively unchallenged even when increased productivity resulted in unemployment for many. The contradiction might be deflected by the claim that without the new techniques, all jobs in a particular industry or workplace may have been lost. This provides a compelling argument why the remaining employees should not 'rock the boat'! Immediately loyalty to class or union is replaced by loyalty to employer - an essential ingredient of 'the management of quality'; a loyalty implicit in the unitarist approach to labour process exhibited in the work of both Taylor and Deming.

In firms whose leaders were converted to the new ways of working, it seemed a simple matter to introduce new techniques of training and rewarding work. For those not yet exposed or converted, external accreditation requirements will ensure the general population will accept, even seek out the techniques through training offered privately and publicly. Quality audits and national and international accrediting bodies (described in chapter eleven) were created for manufacturers, and extended to government departments, universities, hospitals and so on. Opportunity to 'compete' in 'the market' came to depend on whether such organizations conformed to the standard(ization) prescribed for them. Authorities in the public and private sectors, whether appropriate or not, have come to use

'quality' as the essential ingredient for competition. Extended yet further, competition in 'the market' is made to become the mechanism for constructing a just and fair social order.

Thus, through the introduction of and training in new techniques, existing routines can be revolutionised and then re-routinized. This can be achieved by retraining existing workers and managers either through their conversion to the beliefs of the change agent, or through behavioural constraints and inducements imposed along with new systems, routines, training and certification. It can be achieved more readily by training workers and managers in the new ways right from the start, on the job and through the professional training schools.

Through training in the newly 'typical' forms of work, the new "domains of objects and rituals of truth" (Foucault 1977:114) can be embedded. The interconnectedness of training with national and international qualification schemes, standards and auditing prerogatives ensure a new "regime of truth" (Rabinow 1984:73). Participative, empowered employees, are trained to use their discretion within parameters set by the employers. The overtly controlling (expensive) managers can be taken away. In the words of an Interlock Industries representative: "The asylum can be turned over to the inmates" (Workplace Reform Seminar, 22.8.94).

PART FOUR: DISCUSSION AND CONCLUSIONS

Chapter 15: Discussion and Conclusions

In western democratic societies, imposed, radical social changes run the risk of resistance, especially if those changes are perceived to benefit disproportionately a select segment of the population. Imposed changes of this sort are unlikely to be sustainable unless ordinary citizens can be brought to concur in them (Weber 1968:16-17). Intent to influence the taken for granted reality of people entails shifting or modifying ideas and values used to regulate conduct, because, as Max Weber knew, compliance can never be guaranteed. How, then, during the decade of the 1980s, could New Zealand workers and managers be encouraged to concur in the pursuit of 'efficiency' which cost many of them their jobs or reduced their conditions of service? I conclude that the radical changes in the way 'work', 'workers' and 'managers' were considered was achieved through the coincidence of liberal economic approaches to labour market reform and the discourse of 'the management of quality'.

Sustainable social changes are most readily brought about as a result of incremental, scarcely perceptible adaptations to 'what is taken for granted'. Such changes may be hastened through the exhortation of a charismatic leader, or less noticeably, through the implementation of new techniques, logic or reasons for the way in which things are done, or said, or justified. The development of such techniques, new logic, or convincing reasons, is the domain of theorizers or experts. In the context of contemporary western societies, economic and organizational experts have largely replaced the theologians of the European middle ages.

In the search to identify the continuous negotiation of people in that which comes to be their reality, Foucault's archaeological method invites researchers to seek the voices of the past which helped formulate those objects of discourse which have now become taken for granted. By understanding their origins we may better understand the

present. Taking a broad historical perspective, I argued in Part One that 'work', 'workers' and 'managers' are social constructions which have their origins in the earliest attempts to manifest capitalist principles of economic activity in England, Europe and later, the United States. In Japan, such objects of discourse were also negotiated. Some subtle differences between the configuration of western and Japanese social fabrications were identified. In all cases such entities were argued to be the outcome of negotiations between interested but unequal parties. In all cases, the contemporary notions of 'work', 'workers' and 'managers' are integral, but not immutable, features of economic discourse.

The transition from feudal forms of social life and the decisions to manufacture in large scale, machine driven enterprises (the industrial revolution) in America, England and Japan are examples I have used to illustrate the possibility of achieving radical social change. In the early chapters of this thesis, I argued that what we commonly call 'capitalism' is a mythical entity, a social fabrication which is given material, life-like attributes. It is constructed from a myriad of other social fabrications which have long since been integrated into 'common sense' as real things; a seemingly natural order. The details of that order have been modified from time to time but the general principles associated with that myth have dominated economic and social discourse the world over. New definitions of work, new patterns of work-related conduct, new patterns of power and control, increasing state intervention in the worst cases of exploitation in early capitalist societies were examined. In the transition, whole categories of people were re-shaped, shuffled like a pack of cards to meet the challenges of new production processes. Each new process promised increased productivity and thereby the generation of more wealth. The processes became systemised and once established, these systems themselves could be used to justify further changes in the interest of 'the system'.

What has now become known as the capitalist form of production indeed created wealth at an unprecedented rate. In New Zealand it began with the early colonial settlers, with Wakefield's New Zealand Company, and the British administrators. How to distribute the wealth generated by many, but owned by a few, and how to arrange the rewards of the different people engaged in the process of its production, have been contestable issues ever since.

In turn, along with the new production processes, new responses were required from the state; the right to tax, to protect by tariff and quota, to regulate monopoly, and to legislate a minimum wage are examples of enduring and concurrent institutions. Within the manufacturing plant, a variety of income distribution mechanisms, trade union demarcations, status labels and so on were established to represent the plethora of answers to contestable issues of work allocation and wealth distribution. Political slogans and public rhetoric have encouraged the use of such terms as 'socialism', 'the welfare state', 'state socialism', and so on, to express these attempts at distribution.

Especially since the advent of the industrial revolution, academic interpretations of human affairs took on an evolutionary, scientific cause-effect theme. This is well illustrated in eighteenth century German thought in the work of Georg Hegel and in the later materialists led by Marx and Engels. This mechanical, structural attribute to the understanding of human affairs is scientific in appearance. This thesis is not an attempt to resolve the classical issue of idealism versus materialism. Each may be employed in the continuous process of reality construction by people of all types at all levels of a community. Materialist versions, however, have been made predominant especially in western economic and organizational discourse. Its users tend to play down, though not deny, the use of discourse and rhetoric in the identification of and solutions to problems. Rarely is capitalism, as a social system, open for

discussion - especially not in the colleges and institutions largely responsible for the training of business graduates.

Specifically, a liberal, capitalist, market oriented ontology is argued to be the root metaphor used by economic policy makers in New Zealand during the 1980s and 1990s. All other social schema are required at least not to undermine it. The taken for grantedness of capitalism as the most efficient economic system is used to set the context for subsequent social discourse. O'Neill (1986:50) argues that agreements which work in the interests of capital can be achieved so long as the disciplined society can be relied upon to operate with quasi-natural effect, i.e. removed from historical and political consciousness.

Whether ascribed to technological imperatives or 'progress', explanations of this type obfuscate the 'calculating rationality' of skilled social engineers at work both within and outside the manufacturing plant. The pre-established evolutionary discourse, a discourse of inevitability about human affairs was and is well established, much taken for granted and infinitely exploitable in attempts to orchestrate human commitment through compliance or acquiescence.

It was common to see selective representations of 'Japanese Management Practices' made in the rhetoric of 'the management of quality'. Many of these representations did not make visible the political or violent episodes in their shaping. The Japanese have shown themselves to be ruthless and skilled in the achievement of social order during the various historical epochs described in this thesis. Their wealth is the envy of the world; their economic power is feared. Envy and fear are exploitable emotions. They can be used to unsettle security in what has previously been taken for granted; these emotions help unfreeze established conditions and make it easier to introduce other ways of thinking, working and being.

The coincidence of an interest in 'the management of quality' in New Zealand from the end of the 1970s, and the acceleration of right wing economic policies particularly from the mid 1980s, provided an opportunity to re-shape the New Zealand work-force. The discourse of 'the management of quality', as argued in this thesis, was the discourse for which, and by which, the struggle over the labour process in New Zealand throughout the 1980s and into the 1990s was conducted. The discourse was generated by technical experts in search of solutions to technical problems. It was co-opted by those who sought to reform and control the labour process. Much of the 'control' was derived from 'the system' embodied in the techniques and processes themselves (Atkinson and Checkland 1988:710-711).

Established institutions turned easily to modify their traditional conduct to incorporate 'the management of quality' or to turn it to good account. The New Zealand Business Roundtable found little difficulty in furthering a rather extreme form of liberal capitalism and was a powerful influence in extending its philosophy across the nation. Some unions, still aspiring for a voice in work-place management, worked with the 1980 Labour Party in office. A citizen-wide acceptance, even support for, 'the management of quality' appeared to be emerging. The nation-wide rhetoric, magnified by its prominence in many forms of public and professional media, the need to globalise and the urge to 'pull together', 'to save the national economy', all combined to entrench the rationale for change on the national level.

Creating working conditions in which team spirit and team commitment become felt is an essential component of 'the management of quality'. Employees are required to think of themselves as a team with management. The old 'enemy' is transformed. Together they engage in meeting the objectives set. The objectives may even be set by employees themselves - within the parameters of their responsibility to meet the 'company objectives' which, again, they may have helped define with guidance and the necessary information supplied by

management. Teams (or sub-teams) are encouraged to discipline members of their team who are not co-operating. To become 'self managing' employees become collaborative in the disciplining of colleagues. At Nissan, voluntary worker participation in quality and productivity improvement is construed as an indicator of worker satisfaction, employee morale and motivation (Williams 1991:35). The voluntary nature of this involvement has been challenged in this thesis.

Team-work is an essential ingredient in 'the management of quality'. The notions of collective responsibility for a task, and of collective responsibility for the well-being of work-mates are attractive concepts. In the larger context, however, where the efficiency of a team ensures the redundancy of some of its members, it is difficult to avoid seeing an irony in the situation.

While 'participation' of workers in the management of work was a seductive aspect which won the commitment of a number of union representatives, union participation is not invited at the strategic level of national economic decision making. Workers, rather than coming closer to a notion of shared power, perhaps more fully expressed in the ideal of industrial democracy, have been wooed into submission by the paternalistic promise of 'well-being for all' through their commitment to the interests of the enterprise, through their 'team effort'. The notion of 'team effort' and even of 'unity of interest' is co-optable by people believing that they have mutual interests in maximising efficiency. Such interests may be contextualised in the designing of a sense of community.

Unified interests of fellow collaborators in a productive process have long been touted to promote a relationship between employers and employees. To those with the authority to hire and fire these may seem to be convenient expressions of a fundamental common interest. The increasing diversification of the productive process in recent decades, however, may encourage management and workers both to dispense with the concept of 'class' and generate a new rhetoric to

express the new reality as they discuss it. Indeed, if the 'working class' is that group of people which "does not own or otherwise have proprietary access to the means of labour, and must sell its power to those who do" (Braverman 1974:25), then management and labour may be deemed to be of the same class. But this categorization requires the specific association of managers with employees rather than with employers. Managers did see themselves as a breed apart. But, as many middle-managers found themselves 'outplaced' through the 'restructuring' of the 1980s, their particular relationships with employers have now become more explicit. Their privileged employee status was deemed too expensive for the tasks a re-trained, up-skilled, self-managed cadre of employees was expected to achieve.

From the mid 1980s, it became apparent who was to pay substantially for this change. Unemployment increased. Social services were increasingly under attack. Every citizen was either themselves, or was related to, someone who had been made redundant, was unemployed, or was suffering severe cuts to welfare receipts. Child allowance, age pensions, public services and so on were cut in the interests of 'efficiency'. Those who had jobs made sacrifices to keep them. Doing more for less became the new norm. Voters were kept loyal by the convincing tale that exclusion from opportunities for some was the price to be paid for 'living beyond our means in the past'.

The potential for social conflict was great. Conflict which might lead to industrial unrest could undermine the process of reform. One solution to the dilemma appeared in Management (July 1983:56) where, in an article entitled "Learning from the Japanese", the following advice was offered:

The social crisis that unemployment poses falls outside the scope of the article. But the business community can ensure that those who are employed are involved and united with management, thus providing a buffer to the ground swell of unrest.

It is in such times of potential resistance that charismatic leaders may be employed to re-order the world. They are often useful in achieving a shift in common values or conduct. This is so especially if the changes to be made appear radical in the light of existing 'common sense', or, if the changes are required to be made rapidly. In this regard, Deming's introduction into New Zealand as a charismatic leader was a timely one. I suggest that he was used to speed up the transformation of 'work', 'workers' and 'managers' into forms deemed more appropriate for the 'inevitable' globalisation of the economy. From their studies of Just In Time in an electronics firm most advanced in its use of 'the management of quality', Graham Sewell and Barry Wilkinson (1992) use Bentham's model of the panopticon to illustrate its power as a control mechanism. The gathering and storage of information, the means of supervision, monitoring of behaviour, and compliance with instructions are forms of supervision based on 'visibility'. The increasingly sophisticated technological means of institutional assimilation of information reduces opportunities for informal control of the work process by workers.

Once submitted to the new ways of working, (through the rhetoric of 'the common interest', 'participation', 'inevitability', 'global economic demands' or 'solutions to crisis',) employees themselves provide the information necessary for their control while making it visible for all to see. In New Zealand, Trigon's version of 'the management of quality', for example, was initially communicated through regular team briefings. Later, manufacturing director, Eli Jankelewitz, introduced a system of graphing to make employees more aware of their output and work processes:

This involved employees at each work station on the shop floor graphing their output, the quality of that output, the number of accidents, the amount of product out of specification and so on....A visit to the

factory reveals graphs with daily results displayed at every work station, plus large noticeboards displaying monthly and annual data for all to see. (Crawford 1993:63)

Such techniques go beyond exploitative and controlling principles for the management of the enterprise. They are also used to reduce any critical influences on these principles. Quality Control Circles, for example, provide some intellectual involvement for 'workers' in the processes of production but they may be understood also to help uphold the authority of the order. In this context, the industrial manager's rhetoric impinged upon leaders of the state to bring about a new 'common sense'; a social order more compatible with modern manufacturing processes. In a reciprocal process, the state leaders impinged upon the citizenry a rhetoric of compliance to patterns of social life which would secure the industrial process. This process became self perpetuating and expanded incrementally.

Subsequent changes within an established manufacturing process are progressively achieved through adaptations of the techniques of work(er) control. Profits have to be maintained despite the changes. In such circumstances leaders resort to using rhetoric and imagery to generate a climate of acceptance of the new. This too achieves worker acquiescence to the altered network of relationships and obligations that have maintained the status quo. New rhetoric, new techniques, new obligations and work patterns emerged and were made central to the work ahead. There was a large amount of 'sharing of information' amongst business in the 1980s. Factory tours and public speeches by industry leaders about the success of these techniques were common. National frameworks and national standards were achieved.

For the immediate future, those who had jobs could be more safely trusted to stay in them and to accept greater employer discipline. Enlarged jobs were accepted and even looked attractive for those employees with financial commitments and those who were unwilling or

unable to re-locate. Towards the end of the decade, an increasingly clear distinction emerged between so called secure employees on the one hand, and the reserve pool of more movable, more exploitable workers on the other.

By the 1990s, individualised contracts, often with lucrative 'achievement' clauses were offered to key personnel. Generally employees were given 'freedom' to negotiate individual or collective contracts. The manifestation of this employment pattern at the enterprise level could be justified in terms of its effectiveness and efficiency. In global considerations, such patterns would make New Zealanders 'fit' for (or into) the global labour market.

The material conditions for compliance with a global rather than a local 'economy' were set in place. The rules of employment were the rules which suit those who trade on the international market. The discussions amongst theorists reinforced the inevitability of globalisation.

For all practical purposes, all business today is global. Those individual businesses, firms, industries and whole societies that clearly understand the new rules of doing business in a world economy will prosper; those that do not will perish. (Mitroff 1987:ix)

Increasingly influential Anglo-American texts for undergraduate, technical and professional teaching contributed to the establishment of liberal capitalist values. These emphasised global economic policies as an inevitable, natural climate for economic activity in the New Zealand context. Such activities have a hegemonic influence through a constant, normalising presence in daily practice and the

mass media.⁴⁸

The so called 'Japanese' practices, now embedded in an Anglo-American economic and social philosophy, and avidly promoted in the 1980s as transcribable into 'Kiwi culture', are better read as facilitators of international or global capitalist discourse. They came to be established through increasing requirement on any trader to meet a global standard. The standards were directed at product quality and manufacturing processes. Techniques designed to meet such standards carry with them the labour process and the political interests of the global capitalist in one package.

'The management of quality' has now been extended from manufacturing to service industries. It was intended that everyone would eventually be required to submit themselves to some form of national standard. However, as this study shows, the process has its limitations. Despite the care with which imagery of unitarist approaches to 'work', 'workers', and 'managers' were portrayed; despite the hegemonic influence during this decade of only two political parties with almost indistinguishable economic philosophies; an undercurrent of resistance did begin.

Field analysis in New Zealand for this thesis showed the management of The Nissan Way (the archetypal example of 'the management of quality') had considerable difficulty in persuading some groups of people steeped in 'old ways' to change their perception of 'their work' and the ways of doing it. The resisters contested the facts as they were being laid before them. I argued in chapter thirteen that employees at

48) As an educator in a School of Management, I am constantly amazed at how few students have thought beyond the management and improvement of the technical process alone. The capitalist ethos is rarely questioned.

Nissan were converted only by sustained pressure from their employers. This included personal letters addressed to their homes and the sacking of recalcitrant colleagues. At other sites, public displays of a struggle were largely avoided.

The strike by Nissan workers was an attempt to stop the implementation of the proposed techniques; a near failure to assimilate the imagery and rhetoric of 'the management of quality'. To the strikers, The Nissan Way represented a change in the order of the labour process to which they, as participants, had not agreed. They recognised that The Nissan Way was not just about changing techniques. For the moment they have lost. Nissan has become a show-case.

Earlier in the 1980s the inevitability of the globalisation of the New Zealand economy was challenged by the Combined Trade Unions (CTU):

New Zealand's full integration into the world economy gave us no option but to be internationally competitive by producing new quality products for more sophisticated markets. Achieving sustainable economic growth was an essential pre-condition to job growth.
(Harvey 1992:65)

The intent of New Zealand politicians to internationalise what they call 'the economy' enhances the attractiveness of the promises associated with 'the management of quality'. They promised a solution to matters relating to productivity, standardization and industrial relations. New Zealanders could be seen to be taking their place in the world. A voluntary submission to the standards implied 'the need' to become certificated and a willingness to submit to the discipline required to do so.

Throughout the various contests for employee loyalty in the development of capitalist enterprise in New Zealand, union officials were in an uncomfortable position. They needed, on the one hand, to

retain the loyalty of their members and thereby support their own economic base and political legitimacy. On the other hand, they needed to retain the confidence of employers. This confidence was essential in a climate where employers were closely aligned with politicians and union influence was dependent on the goodwill of the state through the terms of its legislation.

The moral rhetoric and anti-communist sentiments, so visible in the anti-union campaign in post war Japan, were prominent in the attack on New Zealand unions. "Union busting" (The New Zealand Listener, 19 September 1987) is not an explicit intent of 'the management of quality'. Indeed, many proponents of the techniques promote some form of constructive relationship with unions. The Nissan company union motto, for example, suggests love for a union is expressed as love for a company (The New Zealand Listener, 19 September 1987). But, as in Japan, this attack developed in conjunction with the acceleration of the rhetoric of 'unity of interests'. Some employees did need persuasion to 'recognise' that their and their employers' interests are common and compatible (section 13.2.).

A discourse of work management explaining a unity of interests in the service of productivity proved effective. The initial encouragement but subsequent breaking down of a trade union movement in Japan by the United States Occupational Forces was discussed in chapter seven. Echoes of the selective and controlled support offered unionization in that period can be heard in the attacks on unions in New Zealand, particularly during the last decade. As in Japan, the Engineers' Union in particular, became a significant voice as the discourse of 'the management of quality' was developed. Unions were placed in an invidious position. They were made almost redundant. Their traditional role, based on trade specific loyalty, was transmuted by an appeal to re-shape into a flexible and sympathetic entity.

One could speculate that as the key industries in a country voluntarily comply with international standards, the task of persuasion has been effectively won. Quality became managed through variously labelled versions of 'Japanese Management Practices', 'Total Quality Control', 'Total Quality Assurance' and so on.

The Deming philosophy envisaged a new joy and respect through work. But to many New Zealand employees the transition was a period of fear, not trust; one of more work for less security and fewer rewards.

As in Japan, increased productivity through an effective use of new technology was promoted to New Zealanders as the answer to its economic and social 'crisis'. The economic reformers and those promoting 'the management of quality' went hand in glove. They formed a winning team in constructing the discourse of work management for the next decade and beyond. The popular experience of the process was more unemployment, shorter work contracts, the loss of pension facilities and careers, workers' uncertainty over their personal financial commitments such as mortgages, hire-purchase agreements and so on. The popular response included radical swings of voter support for political parties and changes to the electoral system through two referenda.

Differences of opinion about the extent to which organizations ought to be protected for their own and the nation's long term economic security were minimised, or merely not discussed for the moment. Massive sales of public assets to private interests, many from overseas, went effectively unchallenged. What was discussed and experimented with were 'the techniques'. 'Successes' (meaning increased productivity) were broadcast far and wide with or without attention being drawn to the actual or potential loss of jobs or control over resources. Agreement that the new ways of working would indeed secure our economic future appeared to be general. Even some unions came to agree.

The 1991 Employment Contracts Act attributes the concept of 'empowerment' as a characteristic of a 'free labour market'. All parties were to be empowered "to make a deal that suits" (Public Statement, Anne Knowles, Employers Federation, 12 February 1993). The concept was common to both the liberal economists and the promoters of the discourse of 'the management of quality'. High levels of unemployment were argued to foster individual initiatives or 'human atomization'. An example of such 'atomization', and compliance with it, included the acceptance of clauses requiring non-disclosure of the conditions of service as part of employment contracts (Interview Transcript, 1991). The acceptance of issues such as 'the right to privacy' that prevented employees from comparing their conditions of service with those of others, working extra unpaid hours to meet employer or team expectations and, in the case of unemployed youth, working for no wages at all in an attempt to accrue 'experience' or 'skills', all came to be argued as enhancing an individual's rights.

The willingness of some to work for no (or very low wages and rewards) offers the opportunity to employers to weaken the conditions of all workers in a competitive situation. The linkages among company directors, senior managers and other executives unavoidably offered the opportunity to identify appropriate general wage levels in their businesses and for the country. Their context of work became one of collaboration and collective responsibility. They identified the individual as becoming part of a collective interest, a myth of national salvation in a competitive, international climate. Ironically, state policy-makers were generous with their use of collective metaphors in their rally of the nation to collective responsibility for its well-being while constructing employment legislation in which the primary unit of interest was the 'atomized individual'.

The resolution of the irony was thought, at least by politicians, to come about through a 'trickle-down' effect of improved collective wealth. More jobs, it was thought, must be available as 'the economy' picks up. A 'unity of interests' would spread to the whole community as added wealth derived from 'the management of quality' and higher per capita productivity, filtered down to the peripheralised workers and to the even less fortunate jobless.

A Labour Party, elected to power in 1984 with a massive majority, started the formal introduction of a management driven government, within laissez-faire business philosophies. This administration (1984-1990) came to affirm the dominant position of organized capital over the gains western workers and the public at large through the welfare state had previously attained. Examples of their actions included a resolve to depress the wages of workers, impose 'user-pay' social services, change arbitration legislation in a general preparation for the implementation of the Employment Contracts Act 1991, and a determination to sell off publicly owned assets to private interests. The curtailing of the power of the trade unions, under a supposedly socialist administration, and the formation of corporate unions in the early 1990s, beg serious questions about the disempowerment of workers.

In itself, 'Japanese Management Practices', or even 'the management of quality', is not oppressive. Much of this thesis has been devoted to this issue. Concepts such as worker participation in the problem solving of the production process, or a more prudent management of resources in order to reduce waste, for example, may be determined as desirable social 'ends'. Techniques to secure such outcomes may indeed benefit any form of enterprise. However, when these techniques are applied in a context that exploits one group for the benefit of others, when alternative access to the means of survival becomes increasingly narrowed, such techniques may become effective 'tools of oppression'.

The downward pressure on real opportunities for many individuals, the pruning of conditions of service and the increased vulnerability of large sectors of the population through the contemporary division of the population into 'core' and 'peripheral' sectors must be a cause for concern. As 'class', or 'trade' commitment is replaced with a discourse of 'individual' responsibilities; as the employed, through their increased efficiency, lose community with those they displace; as 'certificated' organizations get 'favoured' status over uncertificated organizations, we see global capitalists gain control over the discourse of work.

The securing of a core group of well rewarded employees who will sing the company song and who will be disciplined by the mere fear of being expelled from the core, is part of a global trend to affirm the dominant position of capital. 'Japanese Management Practices', or the various techniques now associated with 'the management of quality', were used to bring sufficient numbers of employees 'on board' to change not only the way work is done, but also the balance of power between employers and employees. The change in the mode of production is more than a mere technical innovation. Changes, ostensibly about re-organizing workers in organizations, were grasped as the opportunity to re-formulate the entire set of public obligations and expectations in the community as a whole. All human services and formal relations of one group to another became obliged to show a profitable balance sheet after a process of continuous restructuring. The means that made this massive transformation possible were, throughout the process, a series of symbolic 'realities' and rhetorical patterns of discourse.

'The management of quality' was promoted by promising social rewards for all. Such general rewards cannot possibly be delivered in an implicitly exploitative context. If it is deemed 'efficient' to get more from less, it becomes right to do so. The proponents of 'the

management of quality' are deluding themselves and ordinary citizens if they believe the move to efficiency in production through these techniques is, by decree, a move to wellbeing for all. When these techniques are used to achieve organizational cost cutting or production increases, these will not necessarily guarantee jobs or a better standard of living for everyone. Neither under the capitalism developed in the Japanese post war context nor in the contemporary decisions that expose New Zealanders to global capitalist economic activities, have the interests of all citizens been equally served.

As indicated in Part One, any rhetoric is always contestable, yet always re-formulated to express a new truth, a new reality. Ordinary citizens always have a part, but, in their capacity as non-expert, their participation is always limited by partial and pre-selected and filtered information. In the rhetoric of changes in the ways 'work' was construed and conducted in New Zealand, individuals had limited power to question, a limited logic with which to 'prove' their case, limited resources to voice their concerns or to offer an alternative. This ensures limited control over individual and public destiny. This limited influence is, in turn, emasculated by couching the discourse of change in terms of economic and social progress, in a language of inevitability derived from the use of naturalistic paradigms.

The process of conversion to another way of operating in the world, has been argued in this thesis to involve the work of technical experts, an economic (or otherwise powerful) elite, governments (or formal, legitimate power holders), the representatives of interests or pressure groups, and ordinary citizens. But significant influence and responsibility must be attributed to the theorizers and academics who systemize the metaphors. The persuasive root metaphor and its rhetoric was one of technical improvement to serve 'the economy', a god which would look after us all. The metaphor contains an implicit moral component, an ethos, a philosophy in which employees' first loyalty lies not with fellow workers in other industries, not with unions, nor

with the mass of unemployed people. Such loyalty is said to properly lie with 'the organization' (and perhaps 'the nation', both of which are increasingly put to the service of 'the global economy'). Faith in the promised outcomes of these techniques only makes sense in the context of a pre-established faith in the operation of a mythical market place as the fair distributor of the rewards of that productivity.

Employees, by virtue of their agreement to submit themselves to the discipline of 'the management of quality' will largely take on the responsibilities for quality of product, process and thereby the responsibilities of staff control, previously the clear domain of managers. Rather than conceding that the employment context is most accurately represented as a site uniting a common interest (as the discourse of 'the management of quality' has presented it) I represent the employment context, especially as it has been constructed over the last decade in New Zealand, as a site of struggle and essentially exploitative. The anomie and the alienation described by Durkheim and Marx still persist. But there is no coherent left-wing root metaphor remaining upon which to build an alternative.

Those employees whose jobs have been protected or whose employment conditions seem to have been improved are indeed 'secured'. That their position is made all the more insecure by virtue of their submission to the dictates of a global labour market in which the winds of opportunity may some day blow in another direction, has not been made as explicit in the rhetoric of 'the management of quality' as the promise of economic salvation through increased productivity.

Ironically, the more faith employees place in salvation through productivity, the more vulnerable are their jobs, because the more efficient they become the more likely it is that some of their number will become redundant. The more 'multi-skilled' (and therefore more expensive) they become, the more likely that the organization (in the

never ending search for profit maximization) will find 'green-fields' where people will do more for less.

In chapter eleven, I drew attention to the activities of the state both in its close relationship with the Business Roundtable and in its activities associated with the promotion of 'the management of quality'. Such activities are not normally experienced by citizens as an orchestrated set of undertakings in the way they are represented in this thesis. Citizens may not necessarily have reason to select and examine these activities from amongst the variety and sometimes contradictory possibilities which form the employment context of their daily lives. This is to be expected. Such activities, especially those of control, are not immediately visible in an order generally taken for granted.

Contemporary society is not maintained by a visible state apparatus as a capitalist state, with its implicit support of an exploitive form of economic life. Such apparatus is subtly obscured. Neither is a capitalist state held together by an explicitly agreed upon value system. While the rhetoric of 'common interests' was exploited during the last decade, the democratic ideology which coexists, celebrates the rights to individual and differentiated interests. Despite democratic ideology, contemporary society is controlled through the hidden techniques of discipline available to those few elite who have the power to impose their particular economic preferences as employment practices for many.

As global capitalists flex their economic muscles, and can demand standardised practices and specific outcomes, New Zealand's economic and social conditions of production have been modified in order to be included. The coincidence of a technically driven interest in 'the management of quality' and the occupational re-arrangements required for this to happen, resonated with those who were determined to re-

shape union activity in this country. Global capitalists are re-negotiating the entities deemed most useful for their enterprises. The eventual shape of these entities may be an amalgam of the western and eastern concepts of 'the citizen', 'the employee', 'human rights' and 'well-being'. I speculate that ordinary citizens of the future, like those of the past, in the east as in the west, are at risk of being voiceless in this re-negotiation of their very identity.

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A COMPARISON OF THE TRADITIONAL AND EMERGING MANAGEMENT MODELS

TRADITIONAL MODEL	EMERGING MODEL
ORGANISATIONAL STRUCTURE	ORGANISATIONAL STRUCTURE
Hierarchical, high degree of specialisation. Compliance assured through supervision. Inflexible structures.	Flatter, smaller units. Team concept, multiskilling, flexibility. Compliance assured through commitment. Flexible structures.
Clear organisational boundaries.	Diffuse organisational boundaries extending to suppliers, customers.
Top-down information flow.	Bottom-up, top-down and lateral communication.
Professional, highly specialised management responsible for planning, decisionmaking and evaluation.	Leaders articulate and diffuse shared vision.
Significant differentials (pecuniary and non-pecuniary) with little gain sharing.	Single-status, limited wage differentials, high levels of shared risk and gain sharing.
Adversarial relations between functional departments, labour, management and the Government.	Harmonious relations between functional departments, labour, management and the Government.
Rapid decisionmaking. Difficulties in implementation.	Lengthy decisionmaking processes. Rapid implementation.

MANAGEMENT STRATEGY

Centralisation of planning. Separation of planning and implementation. Implementation achieved through coercion.	Decentralisation of planning. Integration of planning and implementation. Implementation achieved through consensus.
Primacy of management and technology.	Primacy of all employees.
Competitiveness achieved through technological innovation. Centralisation of innovation process.	Competitiveness achieved through constant improvement in products and systems. Production plant team now centre of value-added through improvement.

HUMAN RESOURCE MANAGEMENT

Labour a direct cost to be reduced or eliminated by substitution of technology.	Employees a major resource and stakeholder in the organisation.
Management undertakes decisionmaking, control and supervision of employees.	Management empowers workers by facilitating their desire to learn, contributing to personal and organisational growth.
Employment security determined by economic circumstances and individual performance. Low commitment to training and development. Recruitment superior to retraining.	High commitment to employment security, training and investment in employees.
Innovation and problemsolving the task of management specialists.	All employees involved in problem-solving, innovation and constant improvement processes.

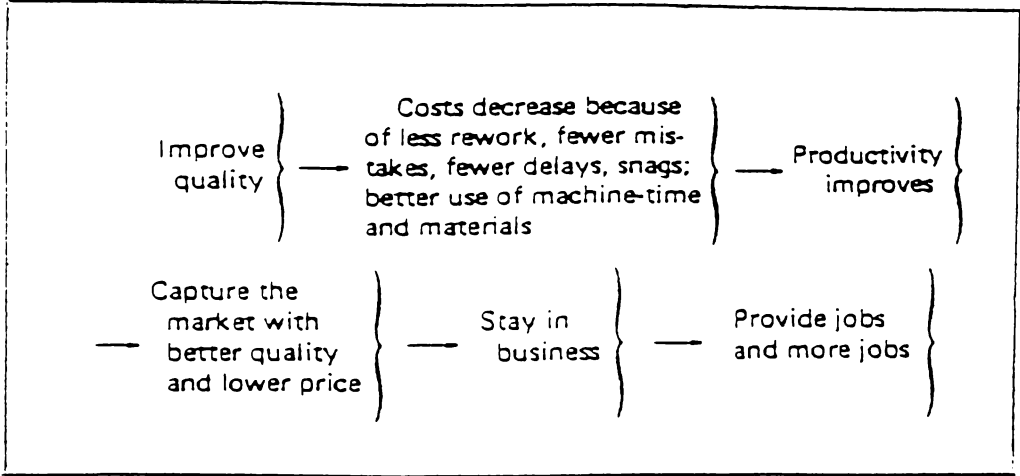
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Modern versus Post Modern Principles of Management

	MODERN	POST-MODERN
	☐ Short term profit goals. ☐ Mass production. ☐ Worker is a cost. ☐ Vertical planning. ☐ Top down focus. ☐ Planning leads to order.	☐ Long term profit goals. ☐ Flexible production. ☐ Worker is an investment. ☐ Horizontal planning. ☐ Internal and external customer focus. ☐ Planning leads to disorder and confusion.
Organizing	☐ One man, one job and de-skilled jobs. ☐ Labor-management confrontation. ☐ Division of departments. ☐ Tall is better. ☐ Homogeneity is strength. ☐ Too has voice & diversity is tolerated. ☐ Efficiency increases with specialization, formalization, routinization, fragmentation, division of labor.	☐ Work teams, multi-skilled workers. ☐ Labor-management cooperation. ☐ Flexible networks with permeable boundaries. ☐ Flat is better. ☐ Diversity is strength. ☐ Many-voices and diversity is an asset. ☐ Efficiency decreases with specialization, formalization, routinization, fragmentation, and division of labor.
Influencing	☐ Authority vested in superior. ☐ Extrinsic rewards and punishments. ☐ Surveillance mechanisms everywhere. ☐ Women paid 68% of men; minorities paid less. ☐ Discourse is white male-based. ☐ Individual incentives.	☐ Authority delegated to leaders by team. ☐ Intrinsic, empowered, ownership over work process. ☐ People are self-disciplined. ☐ Women and minorities equally paid. ☐ Polyvocal/polylogic discourse. ☐ Team incentives.
Leading	☐ Theory X or Y. ☐ Centralized with many layers and rules. ☐ Boss centered. ☐ White male career tracks. ☐ Tell them what to do.	☐ Theory S (Servant Leadership) ☐ Decentralized with few layers and wide spans. ☐ People centered. ☐ Tracks for women and minorities. ☐ Visionary.
Controlling	☐ Centralized control. ☐ End-of-line inspection. ☐ Micro surveillance. ☐ Red tape. ☐ Lots of procedures, rules, MBO and computers for surveillance. ☐ Train top of pyramid. ☐ Measure result criteria. ☐ Hoard information. ☐ Fear-based controls.	☐ Decentralized control. ☐ Quality control is everyone's job. ☐ Two-way surveillance. ☐ Cut red tape. ☐ Dump procedures. ☐ Train people. ☐ Measure process criteria. ☐ Information is given to all. ☐ Self-control.

From: Boje, D. and Dennehy, R. (1993) Managing the Post Modern World: America's Revolution Against Exploitation, Kendall Hunt Publishing Co, Iowa, p.xxix.

Deming's Productivity Chain:



Deming 1986:2

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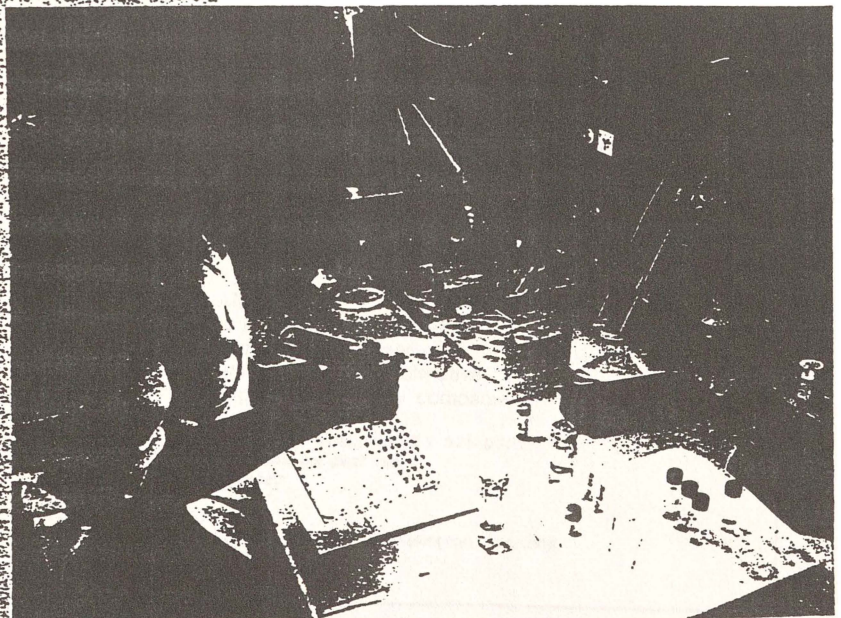
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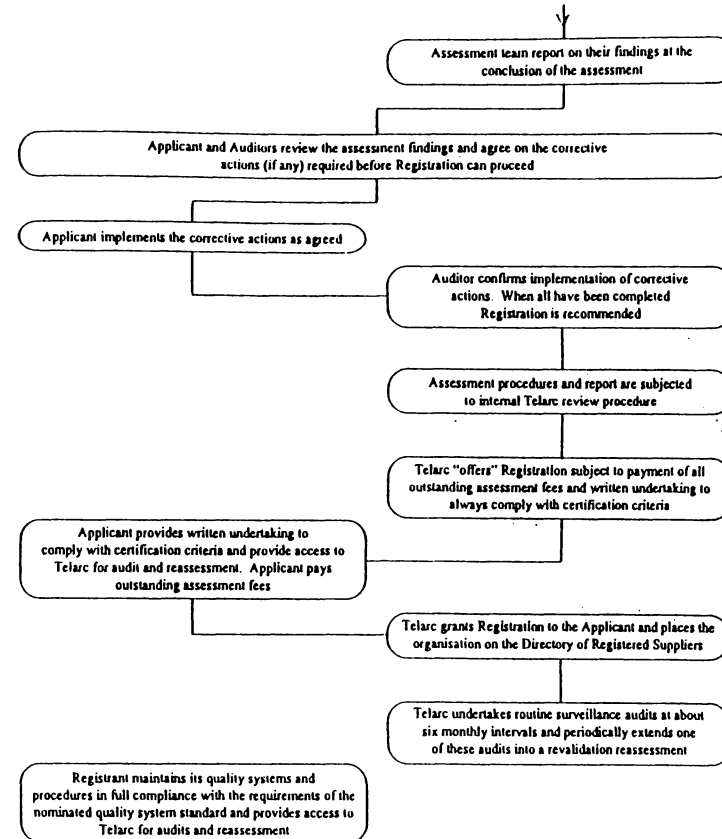
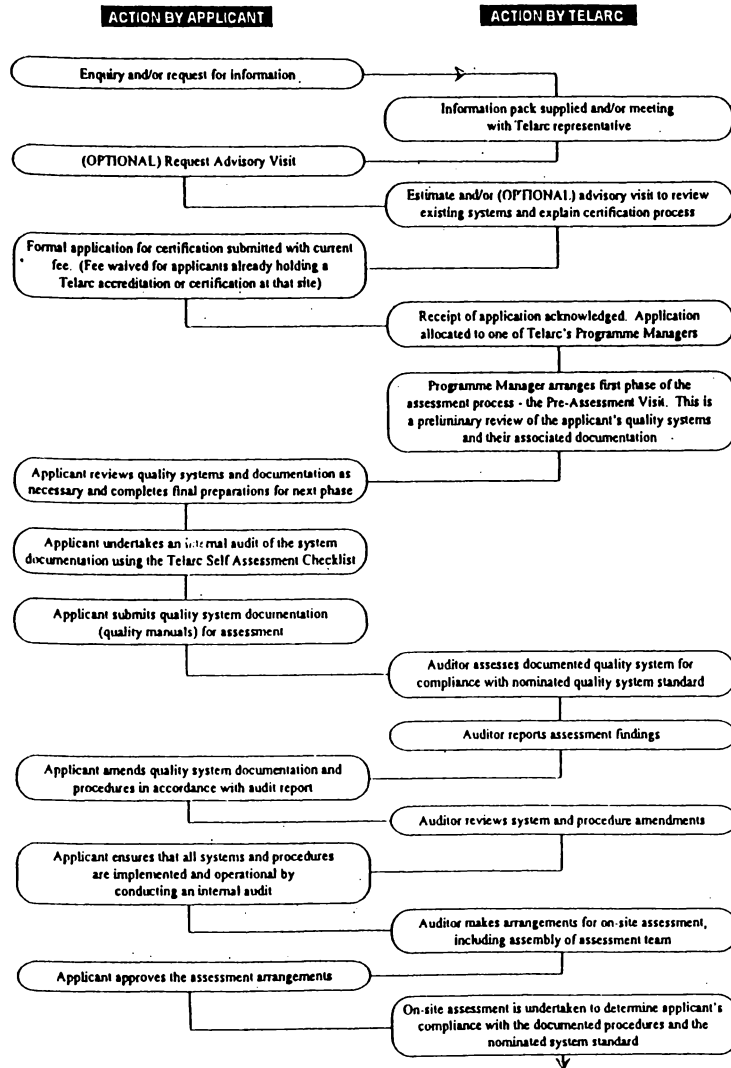
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Those organisations marked with an * were directly associated with the Roundtable. A number of government organisations are also represented. The association between the Roundtable, the government and the new Institute is much greater if the web of relationships outlined by Venables (1988) is considered.

NISSAN NEWS RELEASE

5 February 1988

JOINT STATEMENT

NISSAN NEW ZEALAND AND THE NEW ZEALAND AMALGAMATED ENGINEERING UNION

Nissan New Zealand and the Auckland Engineers Union today signed a revolutionary work-flexibility agreement which can be considered one of the most important industrial relations agreements of the decade.

The agreement, which is based on a model industrial relations programme already working successfully at Nissan plants in other parts of the world, was signed on the factory floor at Nissan's Manukau City plant.

The agreement effectively joins the company and the union in a recognised partnership.

It will provide Nissan New Zealand with the means of improving production techniques and efficiency in its New Zealand assembly operation.

It secures Nissan's future in the motor industry in New Zealand and will benefit buyers of Nissan product by ensuring that local Nissan product gives away nothing to the exacting standards achieved in other Nissan plants operating under the "Nissan Way".

Staff will benefit from higher wages, better promotion opportunities and more flexible work patterns.

The "Nissan Way" agreement is regarded by both the Engineers Union and Nissan New Zealand as a major breakthrough for industrial relations in New Zealand.

The agreement will deliver significantly better pay rates to union members. It will also establish between Nissan, the Engineers Union and its members in the plant, a commitment to a co-operative partnership of effort and decision making to achieve new levels of quality and productivity for Nissan, previously unachievable in New Zealand under the traditional style of agreement.



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P.O. Box 61133, Otara. Telephone: 274-5083. Telex: NZ2683

Mr Bruce Owen, Director of Industrial Relations for Nissan New Zealand, signed the agreement on behalf of the company with the comment:

"The agreement marks a significant move away from the conflict model of industrial relations to a system of co-operation based on common interest.

"What we are doing is turning the job back to the shopfloor and giving people the opportunity to directly influence their working environment.

"This agreement will enable the company and its employees to tackle the challenge of deregulation of the motor industry with some confidence. We now have a new ability to compete with CBU imports on both quality and price, and therefore give ourselves the best possible chance to continue to survive as a manufacturer in New Zealand. I believe our employees can compete with the highest quality and productivity standards anywhere. This agreement will give us the opportunity to show what can be achieved at Nissan in New Zealand."

Jim Butterworth, District Secretary of the Engineers Union, said that he welcomed the agreement, "Because it opens up a whole new relationship for our union and our members with the employer. Our union now has a clearly identified role in the company's future. Our members can achieve greater job satisfaction through being able to develop additional work skills, having more involvement in planning and organising their work, and significantly better pay rates. All our members can now achieve the top pay rates in the plant, which previously they could not do.

"But most importantly, the agreement recognises that the company and the Union have a mutual interest in ensuring the survival of the plant and our members jobs in an industry under considerable threat."

The company paid tribute to the work put into the development of the agreement by the union members on the negotiating team and by the Union officials. Owen said, "This agreement has taken around 12 months of almost continuous, detailed and careful negotiation. It has not been easy to graft a totally new system onto an entrenched and traditional one. It is a measure of the Engineers Union's commitment to the future of manufacturing in New Zealand."

The major points of the Nissan Way agreement are:

- Total flexibility of labour covering all production workers
- Reduction of job classifications to a single pay scale for production workers, team leaders and engineering tradesmen.
- Pay increases to individuals based on job performance.
- Elimination of all condition allowances and service pay.
- Establishment of a consultative committee between Union members and the company.
- Clearly identified and mutually agreed objectives.
- Work organised in teams of 10 under a team leader. Teams are responsible for achieving quality, productivity, cost and safety targets.
- Responsibility for continuous quality improvement as part of everyone's job function.