

**EMPLOYEE PARTICIPATION IN THE
AUSTRALIAN TAXATION OFFICE:
A STUDY OF MIDDLE AND FRONTLINE
MANAGEMENT RESPONSES.**

A Thesis

**Submitted to the Faculty of Business of Victoria University of Technology
for
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BY

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TABLE OF CONTENTS.

| | |
|--|-------------|
| ABSTRACT. | IX |
| LIST OF TABLES. | XII |
| LIST OF FIGURES. | XVI |
| LIST OF ABBREVIATIONS..... | XVII |
| CHAPTER 1 - INTRODUCTION. | 1 |
| 1.1. Introduction. | 2 |
| 1.2. Context and Background..... | 3 |
| 1.3. Overview of thesis. | 7 |
| 1.4. Conclusion..... | 8 |
| CHAPTER 2 - EMPLOYEE PARTICIPATION AND MIDDLE AND FRONTLINE MANAGERS: A REVIEW OF LITERATURE. | 9 |
| 2.1. Introduction. | 10 |
| 2.2. The Notion of Employee Participation. | 12 |
| 2.2.1. Industrial Democracy | 13 |
| 2.2.2. Employee Participation..... | 14 |
| 2.2.3. Employee Involvement..... | 15 |
| 2.2.4. Forms and Degrees of Participation. | 17 |
| 2.2.5. Levels of Participation..... | 19 |
| 2.2.6. Issues and Decisions: the scope of Participation. | 20 |
| 2.3. Recent Trends in Employee Participation..... | 22 |

| | | |
|--|--|-----------|
| 2.4.1.2. | The impact of Middle and Frontline Management on Employee Participation and Involvement..... | 36 |
| 2.5. | Key Research Issues..... | 39 |
| 2.5.1. | Managerial Commitment to Employee Participation..... | 40 |
| 2.5.1.1. | The provision of Organisational Support and Training | 41 |
| 2.5.2. | The Question of Power | 42 |
| 2.5.3. | The notion of being "caught in the middle". | 43 |
| 2.5.4. | Demands for Organisational Efficiency..... | 49 |
| 2.5.5. | Increased Managerial Workloads. | 50 |
| 2.5.6. | Organisational Relationships and Participation..... | 51 |
| 2.5.6.1. | The impact of Senior Management | 51 |
| 2.5.6.2. | The impact of Specialists. | 52 |
| 2.5.6.3. | The Impact of Managerial Peers | 52 |
| 2.5.6.4. | The Impact of Subordinate Employees. | 53 |
| 2.5.6.5. | The Impact of Trade Unions..... | 54 |
| 2.6. | Conclusion..... | 55 |
| CHAPTER 3 - EMPLOYEE PARTICIPATION IN THE AUSTRALIAN TAXATION OFFICE 1975 -1996. | | 59 |
| 3.1. | Introduction | 60 |
| 3.2. | Participation in the ATO - 1975 - 1984..... | 60 |
| 3.2.1. | Forms of Participation in the ATO - 1975 - 1983. | 61 |
| 3.2.1.1. | Indirect Participation - 1975 - 1983. | 61 |
| 3.2.1.2. | Direct Participation - Pre 1984. | 63 |
| 3.2.2. | Management Role in Participation - Pre 1984. | 66 |

| | | |
|-------------|--|-----------|
| 3.3. | Industrial Democracy, Legislation, Plans & Committees 1984 to 1987. | 67 |
| 3.3.1. | Forms of Participation 1984 - 1987 | 68 |
| 3.3.1.1. | Consultative Committees and Industrial Democracy Plans | 69 |
| 3.3.1.2. | Participation in Joint Reviews and the implementation of change | 71 |
| 3.3.2. | Management Role in Participation - 1984 - 1987 | 72 |
| 3.3.3. | 1983 - 1987 Conclusion | 75 |
| 3.4. | Employee Participation - Award Restructuring and Technological change 1987 to 1992. | 76 |
| 3.4.1. | The OSI Process | 76 |
| 3.4.2. | The Modernisation Program | 77 |
| 3.4.3. | Participatory Processes and Structures - 1987 - 1991 | 78 |
| 3.4.3.1. | Office Structures Implementation (OSI) - Processes & Structures | 79 |
| 3.4.3.2. | The Modernisation Process - Processes & Structures | 81 |
| 3.4.3.3. | Employee Participation Training | 82 |
| 3.4.3.4. | The Melbourne Branch Organisational Effectiveness Program | 84 |
| 3.4.4. | Management Role in Participation - 1987 - 1991 | 85 |
| 3.4.5. | Impact on Management | 86 |
| 3.4.6. | Participation & Change - Conclusion | 87 |
| 3.5. | Enterprise Bargaining - Employee Participation in Productivity and Performance 1992 - 1996. | 88 |
| 3.5.1. | Participation Structures and Processes | 91 |
| 3.5.1.1. | Indirect Consultation | 91 |
| 3.5.1.2. | Direct Consultation | 93 |
| 3.5.1.3. | Consultation in Work and Job Redesign | 93 |
| 3.5.1.4. | Information Sharing | 94 |

| | | |
|--|---|------------|
| 3.5.1.5. | Joint Decision Making | 96 |
| 3.5.2. | Role of Management in Participation - Agency Bargaining Phase..... | 101 |
| 3.5.3. | Impact of Participation on Management - Agency Bargaining Phase. | 104 |
| 3.6. | Conclusion..... | 105 |
| CHAPTER 4 - RESEARCH ISSUES AND METHODOLOGY. | | 108 |
| 4.1. | Introduction. | 109 |
| 4.2. | The Research Questions..... | 109 |
| 4.3. | Methodology..... | 110 |
| 4.3.1. | The Case Study | 110 |
| 4.3.2. | Why the Australian Public Service ? | 111 |
| 4.3.3. | Why the Australian Taxation Office ?..... | 112 |
| 4.3.4. | The Australian Taxation Office: - The selection of two branch offices. | 113 |
| 4.3.5. | Who are the Middle and Frontline Managers in the ATO? | 115 |
| 4.3.6. | Why Employee Involvement in the Performance Management Process ? | 116 |
| 4.4. | Research Methods..... | 118 |
| 4.4.1. | The Questionnaire:- Preparation. | 119 |
| 4.4.2. | The Questionnaire:- content and design. | 119 |
| 4.4.3. | The Questionnaire:- administration and data collection. | 122 |
| 4.4.4. | Analysis of data..... | 124 |
| 4.5. | Conclusion..... | 125 |

| | |
|---|------------|
| CHAPTER 5 - ANALYSIS OF MIDDLE AND FRONTLINE MANAGERS AND EMPLOYEE PARTICIPATION..... | 126 |
| 5.1. Introduction | 127 |
| 5.2. The impact of Employee Participation on Middle and Frontline Managers. | 127 |
| 5.2.1. Introduction..... | 127 |
| 5.2.2. Are Middle and Frontline Managers Caught in the Middle ?..... | 128 |
| 5.2.3. How are Middle and Frontline Managers Caught in the Middle ? | 129 |
| 5.2.3.1. Caught in the Middle and Managerial Characteristics | 129 |
| 5.2.4. Caught in the Middle and Employee Participation | 131 |
| 5.2.4.1. The impact of Power on middle and frontline management responses to employee participation..... | 131 |
| 5.2.4.2. Middle and frontline management responses to employee participation and organisational support | 136 |
| 5.2.4.3. Employee Participation and Perceptions of Organisational Effectiveness and Efficiency..... | 142 |
| 5.2.4.4. Middle and frontline management workloads and responses to employee participation..... | 147 |
| 5.2.4.5. Industrial Relations and & Human Resource Management Specialists and middle and frontline management responses to employee participation. | 152 |
| 5.2.4.6. Trade Unions and middle and frontline management responses to employee participation..... | 154 |
| 5.2.4.7. Senior Management and middle and frontline management responses to employee participation..... | 157 |
| 5.2.4.8. Peers and middle and frontline management responses to employee participation.. | 160 |
| 5.2.4.9. The Impact of Subordinate Employees on middle and frontline management responses to employee participation. | 164 |

5.3. Middle and frontline management commitment and support for employee participation.....167

5.3.1. Introduction.....167

5.3.2. Middle and Frontline management Support for the General Concept of Employee Participation.....168

5.3.3. Middle and Frontline Management Support for Employee Participation on Specific Issues.....169

5.3.3.1. Does managerial support for performance management affect support for participation?.....169

5.3.4. The Application of Employee Participation by Middle and Frontline Management. ...175

5.3.4.1. Middle and Frontline Management perceptions of actual employee participation in Performance Management Processes - extent of staff involvement.....175

5.3.4.2. Middle and Frontline Management perceptions of actual employee participation in Performance Management Processes across the organisation.....177

5.3.4.3. Middle and Frontline Management perceptions of the amount of time spent on employee participation.....178

5.3.4.4. Are middle and frontline management preferences for employee participation in Performance Management Processes matched by levels of actual participation ?...180

5.3.5. Differences between Middle and Frontline Management Support for Participation.....182

5.3.5.1. Differences in general support for employee participation between Middle and Frontline Managers.....182

5.3.5.2. Differences in support for employee participation between Middle and Frontline Managers on the issue of Performance Management.....183

5.4. Analysis - Conclusion.....184

CHAPTER 6 - CONCLUSION.....188

APPENDIX 1 - SURVEY QUESTIONNAIRE.....195

APPENDIX 2 - SUMMARY OF QUESTIONNAIRE DATA.....217

APPENDIX 3 - QUESTIONNAIRE RESULTS & PERCENTAGE TABLES.....227

BIBLIOGRAPHY.....247

1. **Books, Journals, Research Papers, Government Reports, and other Unpublished Papers.....248**

2. **Australian Taxation Office - *Documents, Publications, Reports & Industrial Agreements.*259**

3. **Union Publications, Bulletins, & Reports.....262**

4. **National Wage Cases and Industrial Tribunal Decisions.....263**

5. **Australian Public Service - Industrial & Enterprise Agreements.....264**

6. **Australian Taxation Office - Industrial & Agency Agreements.....265**

7. **Interviews.....266**

Abstract.

There is increasing interest in employee participation in the workplace. This has in part been attributed to support for the process by Government, employers, unions and tribunals. During the 1980s, legislative support was provided by the Federal Government in the form of the industrial democracy provisions of the Public Service Reform Act 1984. Since the late 1980s, the federal industrial tribunals have encouraged the adoption of participation as a vehicle through which change might occur, such change being driven by the economic imperatives of global competition and its importance to the Australian economy. The Australian Industrial Relations Commission (AIRC), in 1991, required the parties to include provisions for consultation in their enterprise agreements and insisted on enterprise bargaining being conducted in a consultative manner. Employee participation has thus become an important management tool in the application of human resource policies and policy objectives.

Past research has shown that middle and frontline management commitment and support for employee participation programs are key factors in determining the effectiveness of such programs. This study explores middle and frontline management responses to the implementation of employee participation within the Australian Taxation Office and the impact of that program on middle and frontline managers in that organisation.

Adopting a case study approach, the study uses evidence from two branch offices of the Australian Taxation Office to show the responses of middle and frontline management to the adoption of employee participation as a means of introducing a performance management program and the impact of that initiative on middle and frontline management in those branches.

Declaration.

This thesis contains no material which has been accepted for any degree or diploma at any university and, to the best of my knowledge, it contains no material that has been previously published or written by another person, except where due reference is made in the text of the thesis.



Acknowledgments.

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List of Tables.

- 5.1.** Extent to which middle and frontline managers feel caught in the middle.
- 5.2.** Extent to which middle and frontline managers feel caught in the middle in ways other than competing demands and responsibilities.
- 5.3.** Level of association between middle and frontline managers feeling caught in the middle and managerial characteristics.
- 5.4.** Middle and frontline management perceptions of power as a consequence of employee participation in performance management.
- 5.5.** Middle and frontline management responses to employee participation where it leads to a reduction in the level of their power and control.
- 5.6.** The impact of perceptions of power on support for employee participation in performance management programs.
- 5.7.** Extent to which middle and frontline managers feel caught in the middle by a lack of power
- 5.8.** Extent to which a loss of power contributes to middle and frontline managers feeling caught in the middle.
- 5.9.** Level of immediate management support for employee participation.
- 5.10.** Level of middle and frontline management satisfaction with organisational support for employee participation.
- 5.11.** Impact of organisational support on middle and frontline management support for employee participation.
- 5.12.** Managerial perceptions of conflict between employee participation and organisational efficiency.
- 5.13.** Managerial perceptions of conflict between employee participation in performance management programs and organisational efficiency.
- 5.14.** Impact of demands for organisational efficiency on managerial support for employee participation - measure 1.
- 5.15.** Impact of demands for organisational efficiency on managerial support for employee participation - measure 2.

- 5.16.** Perceptions of the impact of employee participation on organisational efficiency and the extent to which middle and frontline managers feel caught in the middle.
- 5.17.** Perceptions of the impact of employee participation in performance management processes on organisational efficiency and the extent to which middle and frontline managers feel caught in the middle.
- 5.18.** Perceptions of additional workloads and employee participation in performance management.
- 5.19.** The impact of additional workloads and the complexity of performance management schemes on middle and frontline management support for employee participation.
- 5.20.** The impact of additional workloads on middle and frontline managements' willingness to adopt employee participation.
- 5.21.** Perceptions of additional workloads created by employee participation and the extent to which middle and frontline managers feel caught in the middle.
- 5.22.** Extent of hrm / ir specialist involvement in the process of employee participation in the performance management program.
- 5.23.** Impact of the role of hrm / ir specialists on middle and frontline support for employee participation.
- 5.24.** Extent to which the role of hrm / ir specialists contribute to middle and frontline managers feeling caught in the middle.
- 5.25.** Perceived level of union involvement in performance management schemes.
- 5.26.** Middle and frontline management support for union involvement in performance management schemes.
- 5.27.** The impact of union involvement on the willingness of middle and frontline managers to adopt employee participation in performance management schemes.
- 5.28.** Extent to which middle and frontline managers feel caught in the middle as a result of union views and actions on the issue of employee participation in performance management.
- 5.29.** Perceptions of senior management support by middle and frontline management support for employee participation in performance management.
- 5.30.** The extent to which middle and frontline managers are caught in the middle of senior management directives and employee views on the issue of employee participation.

- 5.31.** Perceptions of senior management support for employee participation by the extent to which middle and frontline managers feel caught in the middle.
- 5.32.** Existence of peer views on the issue of employee participation in performance management programs.
- 5.33.** Perceptions of the level of peer support for employee participation in performance management programs.
- 5.34.** The impact of peer views.
- 5.35.** Association between the existence of peer views and the perceived importance of such views.
- 5.36.** The impact of peer views on middle and frontline responses to employee participation.
- 5.37.** The impact of peer views and the extent to which middle and frontline managers feel caught in the middle.
- 5.38.** Middle and frontline management perceptions of employee support for performance management programs.
- 5.39.** Middle and frontline management perceptions of the level of employee support for employee participation in performance management programs.
- 5.40.** The impact of employee views on middle and frontline management responses to employee participation in performance management programs.
- 5.41.** Perceptions of employee views and the extent to which middle and frontline managers feel caught in the middle.
- 5.42.** Level of middle and frontline management support for the general concept of employee participation in operational decisions.
- 5.43.** Managerial frequency of performance management activity
- 5.44.** Middle and frontline management support for performance management programs (%)
- 5.45.** The impact of the perceived complexity of performance management processes on support for employee participation in performance management.
- 5.46.** Level of support for performance management by support for employee participation in performance management.

- 5.47.** Level of employee participation preferred by middle and frontline managers in operational decisions.
- 5.48.** Middle and frontline management claims of the level of employee participation adopted in performance management processes.
- 5.49.** Middle and frontline management perceptions of employee participation in performance management programs in the workplace.
- 5.50.** Amount of time spent on employee participation processes in the workplace as reported by middle and frontline managers.
- 5.51.** Participation preferences of middle and frontline managers vs perceptions of actual participation.
- 5.52.** Degree of employee participation supported by management level
- 5.53.** Support for employee participation in performance management programs by management level.

List of Figures.

Figure 2.1. A Framework of the Participation Process.

List of Abbreviations.

| | |
|------------|--|
| ACOA | Administrative and Clerical Officers Association |
| AIRC | Australian Industrial Relations Commission |
| APS | Australian Public Service |
| APSA | Australian Public Service Association |
| ASU (TOB) | Australian Services Union - Taxation Officers Branch. |
| ATO | Australian Taxation Office. |
| BOSC | Branch Office Steering Committee |
| CPSC | Casselden Place Steering Committee |
| CPSU | Community and Public Sector Union |
| CSM | Collection Systems Modernisation |
| CSM (PIR) | Collection Systems Modernisation - Post Implementation Review. |
| D.C. | Deputy Commissioner |
| DEIR | Department of Employment and Industrial Relations |
| DIR | Department of Industrial Relations |
| E.E.O. | Equal employment Opportunity |
| EI | Employee Involvement |
| EP | Employee Participation |
| FCU (TOB) | Federated Clerks Union - Taxation Officers Branch |
| HRM | Human Resource Management |
| ID | Industrial Democracy |
| IDCC | Industrial Democracy Consultative Committee |
| IDSC | Industrial Democracy Sub-committee |
| IR | Industrial Relations |
| JCC | Joint Consultative Committee |
| JCPA | Joint Committee of Public Accounts |
| JMUCC | Joint Management Union Consultative Committee |
| MEAA | Media Entertainment and Arts Alliance |
| MMSC | Modern Melbourne Steering Committee |
| N.O. | National Office |
| NWC | National Wage Case |
| O. H. & S. | Occupational Health & Safety |
| OD | Organisational Development |
| OEP | Organisational Effectiveness Program (ATO Melbourne). |
| OSI | Office Structures Implementation |
| OSR | Office Structures Review |
| PSB | Public Service Board |
| PSC | Public Service Commission |
| PSU | Public Sector Union |
| PSU (TOD) | Public Sector Union - Taxation Office Division) |
| RCAGA | Royal Commission on Australian Government Administration. |
| SDC | Sub Branch Delegates Committee |
| URCOT | Union Research Centre on Organisation and Technology |
| WFP | Workforce Planning |

Chapter 1 - Introduction.

1.1. Introduction.

Employee participation in the workplace derives its support from the intrinsic merit of having workers involved in decision making within their place of work as well as the perceived efficiency benefits that result from a more committed workforce. Moving from a state of autocratic management control to one where there is shared decision making requires significant changes in management's role and modus operandi. The successful operation of employee participation is conditional upon management commitment to the process. Whilst the literature recognises the importance of managerial attitudes to employee participation it tends to view management as a generic group. Yet it is known a participation scheme has a significant impact on middle and frontline management because it impinges on the roles they have traditionally played. It is possible that they would experience some conflict and tension as result of their changed role and may well feel caught in the middle between the requirements of senior management on the one level, and the demands and views of the workforce at another level.

This study explores how middle and frontline management have been affected by and contributed to the implementation of employee participation in the Australian Taxation Office (ATO). It examines the responses of middle and frontline managers to the implementation of a series of performance management initiatives which were based upon employee participation; as well as the impact of such a program on middle and frontline managers, using evidence from two branch offices (sites) within the ATO.

The study is motivated by three key considerations. First, the issue of middle and frontline manager responses to expressions of employee participation and involvement within a specific workplace has received only limited attention in the literature. In particular, little attention has been given to this phenomenon despite its extensive application within the public sector. This research will contribute to better understanding how the actions and attitudes of middle and frontline managers contribute to the application of employee participation in practice.

Secondly, whilst the impact of employee participation on middle and frontline managers has received some attention in the literature, there has been no real attempt to examine the relationship between the process of employee participation and the notion that middle and frontline managers are caught in the middle. The literature does not examine how employee participation contributes to managers being caught in the middle.

Thirdly, in focusing on developments within the Australian Public Service (APS), and more specifically in the Australian Taxation Office (ATO), the study will build on the previous contributions of both Teicher (1990 [1]) and Mathews (1992). Teicher's study was devoted to the early development of employee participation in the ATO, being confined to the period 1983 to 1988. During this period most of the emphasis was on the traditional representative forms of participation. In a similar light, Mathews' contribution largely focused on the indirect representative forms of participation that prevailed during the ATO modernisation program conducted during the period 1988 to 1992. Neither study focused on the more direct, workplace based forms of participation and involvement that are now in place in the ATO and throughout the APS. As a result both studies remain inconclusive as to level of middle and frontline management commitment to employee participation and the extent to which the participatory process has take root in the workplaces and become a permanent feature of the ATO industrial landscape.

By focusing on the process of evolution that has occurred in the APS to date, and documenting the more recent initiatives, this study analyses the significance of middle and frontline management to the reform process as well as establishing its impact on them.

1.2. Context and Background.

During the 1970s and early 1980s much of the support for employee participation came from those who saw the concept as a means of democratising and humanising the workplace. In more recent times, the increasingly competitive nature of the economic environment and the growing influence of advanced technology, have brought a renewed emphasis on productivity and efficiency in the workplace. One of the key features of these changes has been the renewal of employer interest in the concept of employee participation. Faced with the need to restructure the workplace and boost productivity, many employers, in both the private and public sectors, have turned to employee participation as a means of facilitating change and advancing their organisational objectives. Expressions of employee participation and participative management styles are now common features of many industrial and

human resource management strategies; and there has been a flurry of programs and reforms at the workplace level based on employee participation.

One such initiative has been the Australian Public Service (APS) industrial democracy program. This has been developed in over 60 public sector agencies since 1984. The size and longevity of the program, together with its web of regulatory requirements, and the competitive pressures imposed on the public sector over the last decade to undertake extensive workplace reform, establishes the program as a significant participatory initiative worthy of examination. This study is confined to an examination of one agency within the APS, the ATO. Before embarking upon a specific examination of employee participation in the ATO, it is appropriate to briefly outline the recent evolution of employee participation in the broader APS.

Centred on the 1984 enactment of industrial democracy provisions of the Public Service Act by the Hawke Labor Government, the re-emergence of employee participation in the APS impacted substantially upon the conduct of industrial relations in the public sector. The legislation required government departments and prescribed authorities to produce plans designed to achieve appropriate participation by management and employees in the decision making processes of the department. The initial objectives of the legislation as outlined in the Government's 1983 white paper on 'Reforming the APS', were two - fold (Dawkins, 1983). First, increased participation by employees in the decision making process would contribute to improved efficiency in the workplace by increasing employee moral, commitment and performance. Secondly, such improvements would also contribute to the enrichment of working lives of workers in Australian Government Employment. Employee participation was therefore seen as conferring benefits to both employers and employees.

In practice, most Government agencies responded to the legislation by focusing on the establishment of multi level consultative forums with the relevant unions, and these forums generally encompassed discussions on a broad range of industrial matters. By requiring APS management to formally recognise unions as the legitimate representatives of their members' interests, the legislation fostered a pluralist environment at the broader macro level of Commonwealth agencies. It failed to have any immediate impact at the workplace level, because little emphasis had been placed on the direct involvement of staff in the day to day decision making process. As the then Public Service Board itself noted in its 1987 report to the Prime Minister, there was a distinct lack of participative workplace developments, and a low level of commitment to participation by some managers (PSB, 1987 pV & p18).

In essence there was no real challenge to the dominant view of managerial prerogative in the workplace.

A changing political, economic and industrial environment increased pressure on Governments to introduce workplace reform. The Government's 1986 Policy Discussion Paper, Industrial Democracy and Employee Participation (DEIR, 1986) had already defined a role for participation in this reform process. The Australian Industrial Relations Commission (AIRC) in its decisions of the 1980s promoted the adoption of participation as a facilitator of the process of workplace reform. In the federal public sector, and particularly the APS, this process commenced with 1987 two tier wage agreement (National Wage Case 1987) and continued on with the 1989 Structural Efficiency Principle agreement (National Wage Case 1989). Both agreements explicitly focused on improving efficiency through a series of workplace reforms and initiatives and emphasised employee participation as the process through which the changes would be introduced. The emphasis had now changed from participation through the indirect consultative structures to more direct forms of employee involvement in the workplace. This shift in emphasis towards the use of participation as a tool of change effectively devolved the issue of employee participation away from senior management. Employee participation became an issue for both middle and, to a lesser extent, frontline managers as they facilitated the development and implementation of change.

By the early 1990s the workplace reform movement had been expressed in the notion of enterprise bargaining, endorsed by the AIRC in its 1991 national wage case decision (National Wage Case 1991[1]). The April 1991 national wage case decision was significant in placing participation at the forefront of the workplace reform agenda. It stated that enterprises were required to establish appropriate consultative mechanisms to facilitate participation and negotiation on efficiency and productivity matters (p48). The APS participated in this new enterprise bargaining regime through the 1992 APS wide pay agreement, entitled "Improving Productivity, Jobs and Pay in the Australian Public Service: 1992 - 1994". The agreement established the framework for Agency based bargaining in the APS through a range of principles, including the requirement that:

Agency bargaining processes shall be consistent with social justice objectives, including access and equity and equal employment opportunity, including for workers with family responsibilities. This requires effective participation and consultation with unions and staff and equitable sharing in the benefits of workplace reform within the agency.

(Improving Productivity, Jobs and Pay in the Australian Public Service: 1992 - 1994 - Principle k, p4).

The subsequent bargaining process resulted in numerous Agency Agreements, with many departments and agencies reaching agreement with the respective unions on the introduction of further workplace change and reform in return for wage increases. Whilst employee participation was again seen as an integral part of the change process, the agreements and the bargaining process were also seeking to integrate participation as part of the day to day decision making process in APS agencies. Individual departments and agencies began introducing a range of reforms that focused on improving performance and productivity through the involvement of their employees. Programs such as detailed communication and information sharing strategies, the use of teams based work, continuous improvement schemes, performance pay for senior officers, performance feedback and appraisal for all staff, and competency based learning were all built around the notion of employee involvement. The emphasis was now on a participative management style where employees, management and unions would work together towards the achievement of shared objectives, be they the implementation of change or meeting productivity targets. This again represented a shift in the scope of participation and imposed upon workplace level managers a direct responsibility for involving staff in the day to day operational decision making process.

In essence the evolution of employee participation in the APS has reflected both elements of the more traditional forms of representative employee participation and the more recent expressions of participation in the form of direct employee involvement. From its beginnings as a legislative requirement, which provided an in-principle recognition of employees and their representative organisations to have a voice in the decision making processes of the APS, the notion of employee participation has been transformed into a tool for management initiated reform. First, as a facilitator of broader structural and technological change; and secondly, as the key to productivity and performance improvements at the workplace level. Within this context the role of managers, across all levels, has been crucial to the participatory process. At the outset, senior APS managers, predominantly at the Senior Executive levels, were largely responsible for the implementation and development of employee participation (in the form of industrial democracy) in the

APS. As the recent wave of participatory initiatives continues to devolved down to the workplace, the increasing emphasis on participation as a management style and productivity enhancing tool places middle and frontline managers at the forefront of the participatory process and it is expected that they will play a key role in determining the form and degree of participation in the workplace as much as those of senior managers and formal management strategies. Indeed it may be suggested that the ultimate success of such programs will largely depend on the attitudes and responses of middle and frontline managers as both facilitators of, and participants in, the process. This issue is central to the thesis.

1.3. Overview of thesis.

The thesis is divided into six chapters. Chapter two examines and reviews the employee participation and management literature and defines and clarifies a number of relevant terms and concepts, to provide the basis upon which to fully develop the research hypothesis and facilitate the analysis.

Chapter three details the ATO case study. The chapter outlines the history and development of employee participation in the ATO, within the broader framework of participation in the APS. This includes a description of the ATO's participation structures, change processes, major participants, and its employee participation policies and strategies. Finally the chapter examines the role of employee participation in the application of performance management programs, as the main focus of the research.

Chapter four outlines the methodology adopted in the study. The chapter examines the nature of the research undertaken, in particular, the questionnaire administered to middle and frontline managers in two branch offices of the ATO, which forms the basis of the research. It provides details of the ATO's organisational aspects including structures, workforce and managers.

Chapter five focuses on the central research issues, the impact of employee participation in the performance management program on middle and frontline managers and their response to employee participation and involvement in that program. The research hypotheses are divided into a number of research questions and these are explored through the case study evidence.

Finally, chapter six draws together the outcomes of the analysis and issues raised by the research and literature in the preceding sections and presents a number of findings that address the research questions; namely, the impact of employee

participation on middle and frontline managers, particularly the extent to which managers are caught in the middle of the organisational web of competing demands and conflicts, and middle and frontline management response to employee participation / involvement in the ATO's performance management program. The chapter concludes by suggesting areas that warrant further research.

1.4. Conclusion.

The chapter provided an overview of the central issues and themes explored in this thesis, including the justification for this study. It examined the broader contextual setting in which the study of employee participation in the ATO has taken place and provides a background to the practice of employee participation in the APS over the past two decades. In this discussion, the chapter traced the evolution of employee participation in the APS and highlighted the emergence of direct workplace based forms of participation and the role played by middle and frontline managers within that process. The contents of each of the following chapters were also summarised

Chapter 2 - Employee Participation and Middle and Frontline Managers: A Review of Literature.

2.1. Introduction.

Recent years have witnessed a significant growth in the number of employee participation schemes and programs in Australian workplaces (see for example Lansbury and Marchington: 1993 and Marchington: 1992). Management has been instrumental in stimulating much of the growth in participation. Senior management has played a crucial role in the decision to adopt employee participation, as well as shaping the nature and extent of the process. Davis & Lansbury (1996) and Ramsay (1986), for instance, highlight management preference for particular forms of direct workplace based participation over indirect participation such as industrial democracy schemes. Given that management support for participation is imperative to its success (Teicher 1990 [1] and Mathews 1992), it is not surprising to see a concentration of participation on schemes which aim to deliver productivity objectives. In analysing the role of management in employee participation it is important to recognise that a number of levels of management become involved in participation schemes within an organisation.

One such group, namely middle and frontline management, is critical to the process and outcome of an employee participation program. They are those managers who are both accountable for subordinate staff, as well as to others at higher levels within the organisation, and are therefore an essential link in the participation process.

Employee participation programs often have conflicting consequences for middle and frontline managers. For instance, one of the more important outcomes of the notion of employee participation is the implication that it involves at least some devolution of power and authority away from management to employees. In practice this has often resulted in changing the role of middle and frontline managers from one of decision making and exerting direct power and control over subordinates to one of facilitating participation by devolving decision making to subordinates and acting as a communication conduit for senior management messages and broader corporate objectives. As a result of such changes, middle and frontline managers are, as Teicher (1990 [1]), p16) points out, threatened not only with a reduced role in organisational processes and decision making, but also, in some cases, redundancy. This places middle and frontline managers in precarious position. On the one hand, middle and frontline managers, by virtue of their organisational position, play a key role in facilitating many of the preferred forms of participation, yet on the other hand they are the group who are most threatened by the participatory changes, as the devolution of power and authority erodes their organisational position.

The changing role and the organisational position of middle and frontline managers therefore raises two important research questions. The first question seeks to determine the impact of participation on middle and frontline management? The second question focuses on the middle and frontline management response to employee participation and seeks to determine the extent to which the ultimate success of employee participation programs is dependent on middle and frontline management support. In other words to what extent are middle and frontline managers a determinant of participatory processes and outcomes?

In dealing with these questions the chapter will commence by examining the various forms and expressions of employee participation, including the distinctive features, levels and scope of each particular form of participation that is found in the literature. The chapter will argue that management, especially at senior levels, have a clear preference for direct workplace based forms of participation that focus on performance issues and problem solving tasks. This is known in the literature as 'employee involvement'. Although management preference for particular forms of participation is an important factor in explaining recent trends, and may explain why one particular form of participation is adopted over others, it does not guarantee the success of any participatory initiative. This raises the question of what determines the success of participatory programs. The chapter will examine this issue by reference to the literature, and highlight the contribution of middle and frontline managers as one of the more important determinants. This will lead us into a discussion of the changing role of managers and a redefinition of what constitutes a middle and frontline manager.

The chapter will then focus on the relationship between middle and frontline managers and the process of employee participation. In this context, the chapter will discuss how managers are involved in the participatory process and how the level of their commitment influences participation. It will also explore the issues which the literature identifies as being possible determinants of the propensity of individual managers to adopt a participatory approach, and go on to argue that the notion of power is an important element in shaping the response of middle and frontline managers to participation. Emerging from the discussion of power, and the organisational position of middle and frontline management, is the concept of being caught in the middle, as a possible factor which influences and shapes middle and frontline management responses to participation.

The term 'caught in the middle' represents the notion that middle and frontline managers are caught in a tangled web of conflicting organisational loyalties and competing demands brought on by their organisational position and a lack of power. The chapter will argue that processes of employee participation will both affect, and be affected by, the notion of being caught in the middle. For if, as the literature suggests, the introduction of employee participation implies a further diminution in the level of middle and frontline managerial power, this will further aggravate the conflicts and tensions associated with being caught in the middle. As a result, this may engender a negative response to, and even levels of resistance towards, employee participation. In essence, the chapter will identify the response of middle and frontline managers to employee participation programs as a key determinant of their success.

2.2. The Notion of Employee Participation.

Employee participation remains an imprecise concept. Despite the burgeoning body of literature that now surrounds the subject, the notion of employee participation continues to conjure up discussion and debate at a conceptual level as well as be represented by a diversity of practice in the workplace. Central to the controversy is the problem of definition and the use of the terminology. Early writers such as the Webbs, Clegg, and Derber, described industrial democracy in terms of collective bargaining. Here, it could represent anything from the a pivotal element in maintenance of capitalist property relations (Clegg 1960) to a transitional mechanism in the shift to a socialist society (see Teicher 1990[1], p1-5 for discussion).

Similarly, many recent workplace practitioners and researchers have used terms like 'employee or worker participation', 'industrial democracy', and even 'employee involvement' as synonyms. One such example is the 1986 Hawke Federal Government policy discussion paper on industrial democracy and employee participation which claimed that industrial democracy and employee participation were different aspects of the same concept (DEIR 1986 [2]). Yet as Pateman (1970) has stated, "in the industrial context, the terms 'participation' and 'democracy' cannot be used interchangeably: they are not synonyms" (p73). Marchington (1996), Teicher (1990[2]), Davis and Lansbury (1986) and Knudsen (1995) have all pointed out that the broad concept of participation can take on a variety of meanings for different organisational groups, with each group expressing a clear preference for particular forms of participation. The literature highlights a tendency for management to favour

terms such as employee participation and employee involvement over terms such as industrial democracy. The latter having a greater level of support amongst trade unionists (Ramsay 1986, Teicher 1990 [2], Davis and Lansbury (1996) and Marchington 1996).

Underpinning such preferences are a range of ideological positions, interests and rationales. So it is reasonable that each term represents a different dimension of employee participation. As a result it is not surprising to find that the literature contains many debates about the actual meanings of such terms and there is now a plethora of models and frameworks which seek to classify and describe employee participation. Whilst it is not proposed to focus on these debates at length within this study, terminology such as 'employee participation' 'industrial democracy', and employee involvement' is defined and the broad characteristics of employee participation and the taxonomies and terminologies associated with the various forms of participation are considered.

2.2.1. Industrial Democracy

Emanating from contemporary theories of political democracy and pluralism, the concept of industrial democracy rests on the notion that employees should have the right to participate in, and exert an influence on decisions that affect their working lives (Poole 1986 and Marchington, 1996). Industrial democracy recognises the diversity of interests within an organisation and the role of conflict as a natural part of management / employee relationships.

In this context the 'democratic imperative' (Bullock 1977: p25), provides the rationale for a range of initiatives covering the spectrum of participation. They extend from collective bargaining, worker control and self management, employee participation in local workplace decisions, joint decision making forums, to the Bullock proposal (1977: p96) of union elected representatives on corporate boards. Each of the above forms of industrial democracy is associated with a diminution in the level of managerial prerogative.

As Ramsay (1986: p53) points out, industrial democracy effectively represents a redistribution of power within an organisation from management to employees and / or their representatives. It is because of this transfer of power and challenge to management prerogative that the concept of industrial democracy has found greater favour with employees and their trade unions, than with managers and employers. In practice most expressions of industrial democracy are generally centred on employee

(trade union) representation in decision making processes at the higher levels of the organisation (e.g., the Bullock proposals, German co-determination and the APS Joint Council). Accordingly industrial democracy sits at the indirect, corporate level, extremity of the participation continuum, representing the most significant challenge to unilateral managerial control. In most instances the origins of such schemes can be found in government legislation or union claims for representation.

2.2.2. Employee Participation

By contrast other expressions of employee participation cover a broad spectrum of participatory initiatives and directions, cutting across a number of motives, rationales and ideological underpinning. Unlike the process of industrial democratisation which implicitly redistributes power away from management, thereby directly challenging their right to manage, much of the literature views the concept of employee participation not in terms of power sharing, but in terms of influence exerted by employees on management decisions and functions (see for example Walker 1975: p436, Bamber and Snape 1986: 219, DEIR 1986 [2]: p21 and Davis and Lansbury 1986: p1) and 1996: p2). Although Teicher (1990[2], 14-15) views the emphasis on 'influence in decision making' as problematic, the implication is that employee participation does not represent a challenge to the legitimacy of managerial authority. Indeed it is the absence of power sharing and lack of threats to managerial prerogative that provide the basis for the literature to claim that employers and managers often favour the term 'employee participation' to industrial democracy (Ramsay 1986).

Within the employee participation spectrum it is possible to discern a number of tendencies that are adopted by employers and managers. One such tendency views the notion of employee participation as a process where management recognises the presence of diverse interests and conflict in the workplace, but seeks to incorporate such interests (usually in the form of unions or employee representatives) in the decision making process as a mechanism for ordering relations and obtaining legitimacy for its authority. In this context, employee participation still sits within a pluralist framework (Thomason 1984, p438). Rather than the 'democratic imperative' as the spur, employee participation here is based on the rationale of promoting compromise, consensus and co-operation within the parameters of managerial control. It is driven by management's desire to achieve what Purcell (1981) has described as good industrial relations, and Knudsen (1995, p15) has referred to *social integration*.

In practice employee participation frequently finds expression in joint consultation through structures such as advisory and consultative committees, and specific project steering and implementation groups. The structures will generally involve collective employee representation, usually through trade union representation. They will usually focus on the development of specific projects such as technological change, or in areas of common interest, predominantly at levels beyond the workplace. Management may initiate these consultative processes, but they may just as likely be a part of a collective bargaining outcome. Accordingly, it is not surprising to find that in some cases the distinction between employee participation and traditional industrial democracy processes will not always be clear. The incorporation of industrial democracy structures such as employee representation in high level, strategic, decision making forums in an employee participation context may further blur the picture. The key difference is the emphasis on consultation at the contemplative stage of decision making, as opposed to joint decision making and co-determination. It is on that basis that the managerial prerogative remains unchallenged.

2.2.3. Employee Involvement

Another approach to employee participation is found in the range of initiatives and activities that are commonly referred to in both the traditional industrial relations and human resource management (HRM) literature as employee involvement (see for example Marchington 1995 and 1996, and Storey and Sisson 1993, pp. 97 - 109). Employee involvement is philosophically planted within a unitarist approach to industrial and employee relations (Hyman and Mason 1995, p 67). This approach is characterised by an ethos of shared interests between employer and employees, where diversity of views and interests, and any expressions of dissent, are considered irrational and abnormal (Thomason: 1984, p 436, and Plowman: 1989, p5). In its extreme form, unitarism denies the need for, and the legitimacy of, any form of collective organisation or action on the part of the employees (Batstone 1987, p11). In contrast to the indirect and collective nature of other forms of participation, the concept of employee involvement is largely orientated towards the direct involvement of individual employees in management defined areas of work. Commentators have expressed diverse views on this issue. Some have raised the vexed question of whether such employee involvement schemes actually represent an expression of employee participation. Others claim that such programs not only contribute to the 'quality of working life' but also actually empower employees (see Simmons and Lansbury 1996, pp. 82 - 83 for a brief summary of the debates).

Conceptually, employee involvement has generally been distinguished from other forms of participation because it does not imply joint decision making between management and employees. For Storey and Sisson (1993, pp. 98-99), a more useful distinction is to highlight the scope and level of employee involvement. Here employee involvement is seen as focusing on the job or workplace level, where the scope of the involvement is about the means to implement decisions rather than making actual decisions. It is therefore placed at the opposite extremity to industrial democracy on any continuum of participation.

The literature highlights a number of forms and methods through which employee involvement schemes can be introduced (Marchington 1992, Hyman and Mason 1995, pp. 26-27). These groups can be classified as downward communications such as newsletters, team briefings, and other consultative forums; upward communications such as attitude surveys and suggestion schemes; specific task participation such as performance appraisals and development, quality circles and semi-autonomous work groups; and forms of financial participation such as productivity sharing schemes and employee share benefits.

As both Bamber and Snape (1986) and Marchington (1995, p 282) point out, the impetus for such schemes derives directly from employer initiatives to increase employee productivity and commitment to management objectives. Unlike industrial democracy and forms of participation inspired by legislative and union initiatives, such as the Bullock proposals and various European legal obligations (see Hall 1992), the decision to involve employees, and the terms of any such involvement, rests entirely with management. In this regard the literature views employee involvement as a voluntaristic activity on the part of the employer (Marchington 1996, p 228, and Storey and Sisson 1993, p 101), leading some commentators to challenge the notion of employee involvement as a genuine form of participation (see Bamber and Lansbury, 1989). Against this background it is evident that employee involvement generally does not impinge on the right of the employer to manage and make decisions. It is hardly surprising therefore that employers from Bullock onwards have generally expressed a strong preference for forms of employee involvement over other expressions of participation.

2.2.4. Forms and Degrees of Participation.

The concept of employee participation is concerned with the involvement of employees in decision making within an organisation and the extent, form, level and location of this involvement will vary from case to case. One such variant is the often quoted distinction between direct and indirect participation or between individual and collective (representative) forms of participation (Teicher 1990[1], Knudsen 1995). Direct participation refers to the involvement of employees in managerial decision making on an individual basis. Such involvement will generally focus on workplace or job related decisions such as setting work targets, although the use of some direct forms of participation such as focus or project groups involved in the introduction of change or employee attitude surveys may impact on higher level policy or strategic decisions. Indirect participation on the other hand focuses on the involvement of employees as a collective group.

Recent trends as reported in the literature have highlighted a broad shift from union based indirect forms of participation to various forms of direct participation inspired by the rise of HRM strategies and techniques (Storey and Sisson, 1993, p97). Yet despite this evolutionary shift, both models of participation continue to be used in Australia, in many cases operating concurrently, and even complementing each other.

Within the direct and indirect dichotomy are a variety of forms of participation. For instance, direct participation may find expression in the form of quality circles, the creation of semi-autonomous teams and workplace level meetings. Direct forms of participation often involve the lower levels of the organisational hierarchy. This may have significant consequences for frontline managers such as team leaders and supervisors, since it potentially intrudes on their role.

Indirect participation will almost always include some form of consultative forum where employees are represented by either unions or third party representatives. In contrast to direct participation, representatives will express collective views, usually through a more formally structured consultative or bargaining process. Examples of indirect forms of participation include union delegates on joint consultative committees or employee elected representatives on management boards. This form of participation will generally include the involvement of the middle or senior managers, who will sit as management representatives on these forums. The nature of the particular form of participation may be determined by such factors as legislation, industrial agreements, management

policy or even the type of issue or decision for which employee participation is sought.

In seeking to capture and conceptualise the various forms of employee participation, the notion of a continuum of employee participation provides a useful analytical basis from which differing forms of participation can be identified and their use and intent clarified. Wang (1974) proposes a multi dimensional matrix of participation consisting of four distinct forms or degrees of participation. The four degrees are broadly described as "information sharing" at one extreme, followed by "consultation", "joint decision making", and finally, "self management" at the other extreme. Wang notes that each stage builds progressively on the level and intensity of participation of the previous ones; implicitly increasing the level of employee participation and decreasing the level of managerial prerogative.

Cressey et al (1985) and Cressey and Di Martino (1991) offer another series of continuums of participation. Like Wang, the first Cressey continuum (1985) details four levels of participation, commencing with "management control" to information sharing, consultation and concluding with formal bargaining (as an expression of joint decision making). Cressey's second continuum (1991) is slightly more detailed, offering five stages of participation; commencing with "no involvement" to "information sharing", "consultation", "formal bargaining or negotiation", and concluding with "joint decision making". Neither of the Cressey continuums recognise the notion of self management as a form of participation. Although Cressey et al (1985 & 1991) do not directly address this issue, the omission may be explained by the findings of their research, which did not uncover any significant evidence of self management in practice (the one exception being the quality teams in Beerco, Cressey et al, 1985).

A third, albeit narrower, continuum is proposed by Knudsen (1995). Ranging from the receiving of information, consultation to co - determination, the Knudsen continuum effectively excludes self management and workers control as a degree of participation.

Knudsen argues that as participation presupposes an interplay between two parties, the notion of unilateral decision making, by either employer or employee, is clearly outside the scope of participation. Although he acknowledges that many direct forms of participation may involve some element of unilateral employee decision making, such as autonomous groups, he argues that this will largely occur at the lowest levels of the organisation and generally not increase employee influence over

"strategic" and "tactical" decisions (p 10). As such, Knudsen rejects concepts of self management and workers control as a form of participation.

The literature therefore agrees on at least three distinct forms of participation; information sharing, consultation, and joint decision making or co - determination. What is debatable is whether classifications such as 'management control' and 'no involvement' at one end and 'workers control' and 'self management' at the other end have a place on the participation continuum.

Whilst Knudsen's argument on this point that unilateral decision making cannot by definition constitute a form of participation has considerable validity, there is a need to recognise that many participatory programs espouse forms of self management, usually expressed in the form of quality circles and semi-autonomous teams, etc.

Similarly it is not possible to ignore the notions of direct involvement and empowerment, which have been inspired by the evolution of human resource management and which manifest themselves in forms of direct self management such as semi-autonomous teams and competency based development and training. That such involvement and participation may be confined to particular types of decisions at lower levels of the organisational hierarchy, does not diminish the fact that these arrangements and actions constitute a form of employee participation in decision making. Therefore whilst Wang, Knudsen and Cressey et al all highlight the need to consider other dimensions of participation, especially the organisational level where participation takes place, and the range of decisions covered, there is also a need to recognise self management as a legitimate form of participation on the continuum.

2.2.5. Levels of Participation.

As emphasised by the second dimension of the Wang matrix, the actual location within an organisational structure where decisions are made is also an important element in mapping the incidence of participation. It is also important in isolating the stages of participation in which the various organisational actors involved in participatory processes play a prominent role. Wang's matrix outlines four decision levels within organisations where there may be some form of employee participation. The four levels are shopfloor, department, organisation, and corporate (p 267).

According to Wang each level will attract particular forms of participation. As a simple example, Wang associates the presence of semi-autonomous teams with the shopfloor decision making level, whereas joint consultative committees are generally linked with organisational level decisions. Implicit in Wang's matrix is the notion that the higher the organisational decision level, the greater will be the movement of participation from direct to indirect forms. As a corollary, individual employees and their frontline managers will play a greater role in direct, shopfloor based, participation, whereas the role of employee representatives and middle and senior managers will be more inclined to incorporate forms of indirect participation at the departmental and organisational decision levels.

2.2.6. Issues and Decisions: the scope of Participation.

As Knudsen's discussion of unilateral employee decision making highlights, the range of decisions subject to participatory decision making is an important dimension in explaining the incidence of participation (1995, pp. 9 - 10). For Wang, the mix of decisions made at each organisational level represents the third dimension of his worker participation matrix (1974, p 273) The importance of this dimension can be seen on two fronts.

First, it is suggested that managers single out particular issues as subjects for varying forms of participation. Knudsen argues that more important decisions will attract less intense forms of participation (1995, p12), with operational issues more likely to attract direct and comprehensive forms of participation such as self managing team arrangements. Whereas employee involvement in policy issues will more likely be confined to information sharing rather than joint decision making. The particular management issue or decision being considered will therefore influence the degree of participation enjoyed by employees, and, therefore, be a determinant of whether a direct or indirect form of participation is adopted.

Secondly, this dimension of participation has clear implications for the role of employees and managers. If a direct relationship between a range of decisions and the degree of participation is accepted, it follows that the forms of participation practiced by these managers will be limited by the nature of the decisions that they are empowered to make. Hence their support for participation will be shaped by the nature of these issues and decisions. It is on this basis that the range of organisational decisions that may be the subject of participatory decision making can be codified.

Wang claims that the nature of organisational decisions can be categorised into four general groupings. The first is economic decisions, involving issues of profit, efficiency and pay. The second is political decisions, centring on issues involving unions, government and the broader political environment. The third group is technological decisions, focusing on issues such as plant and machinery, processes, and procedures. The fourth grouping is social decisions, involving individual needs, training, personal growth etc. Wang contends that the degree of participation afforded to employees will in part be dependent on the nature of decisions made by organisations. For instance, joint decisions will be more prominent where technical issues are being determined, whereas consultation is more likely to take place where decisions on social and economic matters are involved (pp. 274 - 5). He also argues that in some instances, such as the firing of employees, employees may be less willing to participate in decisions, preferring to leave decisions of this kind solely in the hands of management (p 274).

Whilst Wang argues that such a classification can be used to highlight the pitfalls and difficulties associated with the introduction and maintenance of employee participation programs, he acknowledges that there are clear limitations to the decision mix he presents (pp. 274 - 5). The classifications appear too broad to allow proper consideration of the range of decisions made within modern organisations. They tend to make decisions in terms of broad objectives or strategy, and a range of lower level decisions on how they will meet those objectives. It is on this basis that organisations structure their decision making process and adopt various forms of participation to support it. The Wang classification fails to adequately focus on this type of decision making. It fails to highlight the differences between the policy decisions and the various levels of implementation decisions.

Other continuums also link the nature of decisions with forms of participation. The Cressey et al continuum for instance suggests that job related issues (staffing levels, pay etc) will attract greater levels of participation through formal bargaining and consultation than business related decisions (capital investments), where management retain control (Cressey et al, 1985, p8).

Knudsen (1995) also distinguishes between high level corporate and lower level implementation decisions. He proposes four different types of management decisions. The first type is strategic decisions; these deal with organisation wide goals, activities, and structures. The second is tactical decisions, which focus on the means by which strategic goals will be realised (i.e., technology, job redesign, personnel management etc). The third is operational decisions; these deal with more

specific issues on how the work or tasks will be carried out. The fourth is welfare decisions, which concern specific arrangements such as employee facilities (recreational areas, canteens etc), and non pay employee support benefits (scholarships). Knudsen implies a relationship between the nature of the decision and the degree (or intensity) of participation (p 12). He asserts that strategic decisions will involve less intense forms of participation, whereas less important decisions such as those dealing with operational issues will attract a greater degree of participation.

It is against these broad conceptual frameworks that the examination of employee participation will occur.

2.3. Recent Trends in Employee Participation.

Many countries have reported a growth in the incidence of employee involvement schemes. In Britain, the post Bullock era of late 1970s witnessed a shift away from industrial democracy towards forms of employee involvement (Cressey et al; 1985, pp. 6-7, Bamber and Snape (1986), Storey and Sisson: 1993, pp. 97 - 101 and Marchington 1996). A similar shift occurred in the USA, where employee involvement initiatives, predominantly in the form of 'quality of working life' programs focusing on aspects such as job redesign and quality circles have emerged (Hyman and Mason 1995, pp. 67-68 and Strauss 1996, pp. 175-181). Recent developments in Australia have occurred along similar lines, spurred on by a decade of micro - economic reform and enterprise bargaining. Davis and Lansbury (1996, p2) state that

in the 1990s there has been less reference to industrial democracy and more to employee participation and consultation.

Vaughan (1996, pp. 25-26) points out that terms like worker participation and industrial democracy are outmoded and obsolete, and are being replaced by a new "culture" that unites employers and employees and is inspired by human resource management literature such as the writings of Peters and Waterman (1982). Reflecting this, the literature contains numerous reports on the growing coverage of employee involvement in Australia (see for example Frenkel and Weakliem 1989, Lever - Tracy 1990, Baird and Lansbury 1996, Simmons and Lansbury 1996). Marchington (1992), drawing on the work of Callus et al (1991) and others, notes that there has been a sizeable increase in the level of direct employee involvement, predominantly in the form of downward communications coupled with other forms of indirect representative participation through joint consultative and ad hoc task force committees and the like (pp. 479-480). In essence the literature provides evidence of a renewed focus on employee involvement as an expression of participation.

It is against this background that the earlier remarks made in the introductory chapter, about the evolution of employee participation in the APS can now be seen in context. The shift to a more decentralised industrial relations system through enterprise and agency bargaining, which in the APS has translated into a drive for increasing efficiency and an emphasis on service outcomes (see Teicher 1996, p124), has encouraged the development of employee involvement structures. Indicative of this new environment are the proposals of the 1994 Public Service Act Review Group Report (1994) which in dealing with the current industrial democracy provisions in section 22C of the Public Service Act, noted that

The term industrial democracy has often caused confusion and should be replaced in the new act by a commitment to the broader principles of participative work practices (p 111).

Such recommendations captured the direction of employee participation in the APS. The significance of this new direction should not be overlooked. As Teicher (1996, p126) points out, the adoption of participative human resource management practices represents the greatest challenge to the future development and entrenchment of participation in Australian Government Employment in that the extent of influence exerted by unions and employees under such arrangements may only be negligible or limited and may act as an obstacle. In these circumstances, the trend towards employee involvement makes the whole issue of employee participation in the APS problematic.

Whilst the impact of such trends on the nature and extent of participation in the APS is worthy of consideration and has already attracted some attention (see for example Teicher 1990[1], Jamieson 1991, Mathews 1992, and Baird and Lansbury 1996), it is not the purpose of this study to examine this question in any depth. The trends highlight the relevance of employee involvement in the context of current debates about employee participation. Coupled with the predictions of some commentators that pressures for the further development of employee involvement will continue (Marchington 1992, p 480), they emphasise that such initiatives do constitute a significant element of the participatory landscape in the workplace. In view of the topical nature of the more recent developments it is therefore appropriate that this examination of employee participation processes in practice focuses on the operation of employee involvement as the basis of this study.

Before embarking upon any specific investigation of employee involvement and participation it is important to note that aside from establishing employee involvement as a contemporary approach to participation, the evolutionary trends of

employee participation in both the public and private sectors are also illustrative of how, over time, particular expressions of participation may prevail over others. This leads to the question of how and why particular forms of participation prevail over time, and as a corollary, the question of what determines the incidence of employee participation in the workplace. Both these questions, have through the academic literature, raised issues which not only contribute to an understanding of employee participation in practice, but also provide an insight into the behaviour of the industrial, organisational and social players in the participatory processes. As such these issues go to the heart of the topic and clearly worthy of further consideration here.

2.4. The Determinants of Employee Participation and Involvement.

At the macro level, Ramsay (1977) explains the incidence of participation by referring to a historical pattern of participation where management adopt unitarist forms of participation in response to threats to their authority and as a means of attempting to secure the consent and compliance of employees. Whilst this may offer an explanation of how and why particular forms of participation prevail over time, it leaves unresolved the question of what factors determine and explain the incidence of participation at the micro level. Although this question has received scant attention in the literature until recently (see for example Frenkel 1989, p 128, and Drago and Wooden 1991), there is now a rapidly growing body of literature across a range of diverse disciplines, such as industrial relations, human resource management, organisational and management studies, seeking to explain the incidence and identify the determinants of participation.

One of the more recent attempts to develop a conceptual framework to explain the practice of participation at the organisational level is offered by Glew et al (1995). According to the Glew et al model, which is presented in Figure 2.1. below, management provide the initial impetus for an intended program of participation. This is in turn shaped by a range of contextual factors at both an individual and organisational level, which can serve to either obstruct or facilitate participation. What emerges from this process is an actual program of participation, as opposed to the intended program. This produces a range of outcomes and consequences at both the organisational and individual level. In this regard the Glew model provides a simple, effective, framework within which to commence an analysis of employee participation and involvement.

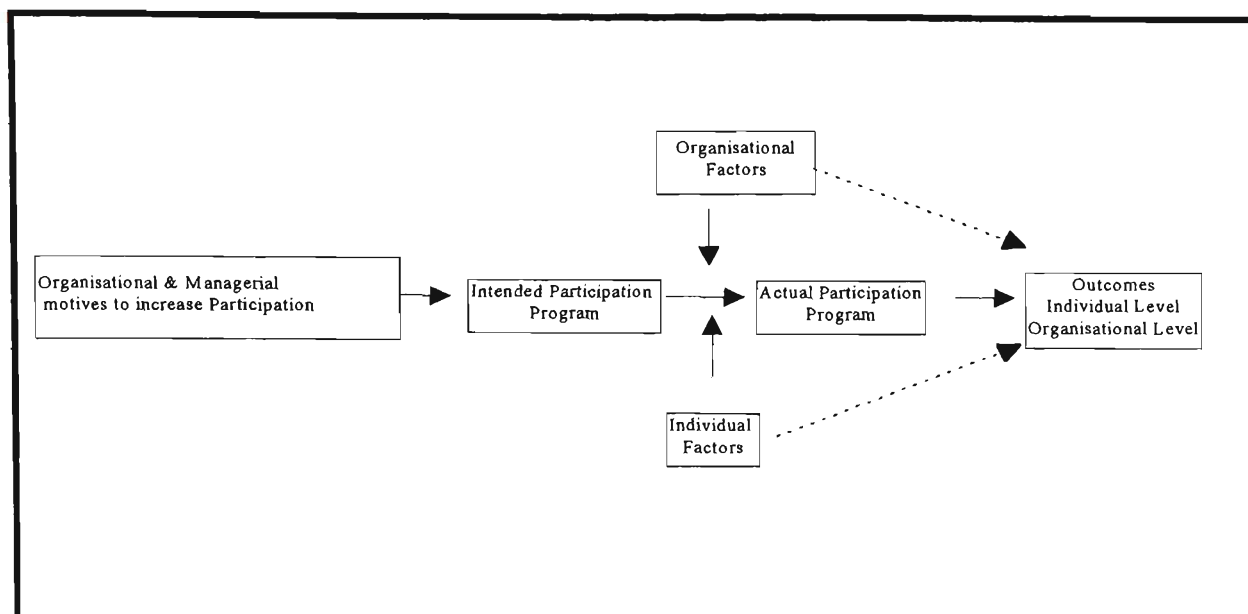


Figure 2.1. A Framework of the Participation Process (Glew, O'Leary-Kellt, Griffin & Van Fleet, 1995, p398).

One problem with the model is its exclusive focus on management as initiators of participation programs (Glew et al, 1995, p397), and its treatment of legislation, union pressures and national cultural differences as mere contextual factors. Although management may be the driving force behind the introduction of most initiatives, such a premise ignores the significance of legislation and national culture as key factors behind the introduction of particular forms participation. The German example of co-determination and employee representation on works councils, for instance, relies heavily on the extensive legislative framework that surrounds it (see Knudsen 1995). Similar examples are also found in Sweden, Denmark and France. In the case of the APS, the 1984 enactment of the industrial democracy provisions in the Public Service Act, clearly provided the stimulus for a burst of participatory activity during the mid 1980s (see Kiers 1987, and Public Service Board 1987). In all these instances, legislation compelled management to adopt participation. Such examples demonstrate how factors such as legislation may be a determinant of participation not only as an initiator of participatory schemes but also in shaping the nature and level of participation as it is practiced in the workplace.

The relevance of legislation in turn raises the importance of formal rules, norms and procedures generally. In this regard the Industrial Democracy in Europe (IDE) group research studies provides a valuable insight. The IDE studies (IDE 1979,1981 & 1993) have established that the presence of defacto or actual participation is closely associated with the degree to which formal written rules and norms give employees the right to participate in decision making, or dejure participation, as it is termed. The IDE studies noted that dejure factors were often more influential and significant than a range of contextual factors (see 1979 study,

p292). Others (Poole: 1986, Drago & Wooden: 1991) have also acknowledged the importance of deure factors. In contrast to the IDE approach, Glew et al (1995 p 409) adopt an organisational theory perspective and focus on formal rules and regulations as a barrier to effective participation. For Glew et al such factors appear to limit employee autonomy and self expression, and in that regard represent the antithesis of deure participation. Irrespective of the Glew et al approach, deure factors appear to represent one of the more important determinant of employee participation in practice.

The Glew et al framework also highlights the importance of organisational factors. Utilising organisational theory, they identify issues such as organisation size, structure and culture as determinants of participation (p409). A similar view is also espoused by Walker (1976, p447), who claims that the size of an enterprise, as well as its structure, must exert influence on both the form and extent of participation. Such assertions are not without challenge. Frenkel and Weakliem (1989, pp. 489 -492) found that organisational size only had a weak effect on the incidence and effectiveness of participation.

Another organisational factor is the impact of new technology on participation. For some commentators, especially those who subscribe to socio-technical theory, employee participation is an integral and inevitable component in the introduction of technology change (see for example Beirne and Ramsay 1992, chap 1 and Knudsen 1995, p 143 - 147) and this in turn shapes the incidence and nature of the participative process that is adopted.

There is now an abundance of case studies dealing with employee participation and involvement and the introduction of new technology. Cressey and Di Martino (1991) for instance document a range of participatory formats utilised in the introduction of new technology. In the Australian context, Mathews (1992) refers to the extensive participatory approach adopted in the introduction of technological change in the Australian Taxation Office as an exemplar of a working model of democracy (p176).

Other commentators take a more pessimistic view. Frenkel and Weakliem (1989, p490) found that in the printing industry, the introduction of new technology had no significant effect on any of the forms of employee participation. Whilst Knudsen (1995, p 157) notes that there is no empirical basis for the contention that the advent of technological change has made employee participation a productive necessity. In summary the question of the impact of new technology remains unresolved.

Aside from organisational factors, Glew et al (1995) also highlight the importance of individual factors. For Glew et al such factors revolve around the responses to participation by individual employees. Utilising individual personality, ability, and demographic research and willingness to participate differences, Glew et al assert that such factors will shape the nature of participation as practiced in the workplace (p404). Similar proposal are also put forward by Walker (1976, p447 - 448), who claims that the employees' propensity to participate will depend on factors such as attitude, capacities and their perceptions of power as well as Miller and Prichard (1992), who identify a range of characteristics that enhance the propensity of individual employees to participate. Of even greater significance is the ability of individual employees to shape participatory programs through resistance and challenges to managerial authority. Ramsay points out that participation programs have often emerged out of threats to managerial authority (1977, p 496) and the ability of employees to resist plays a central role in shaping final outcomes (1985). In essence, the willingness of individual employees (or managers for that matter) to adopt, support and implement particular forms of participation will clearly have some impact on both the incidence and nature of participation.

The presence and impact of trade unions is often quoted as an important determinant of participation. For the most part, this appears to deal with trade unions as a barrier to specific forms of participation. Marchington (1996, p 236), for instance, claims that trade unions can limit the development, and prevent the implementation, of employee involvement schemes. Friedman (see Batstone 1988, p 228) claims that shop stewards play an important role in influencing management strategies. Delaney (1991, as quoted in Glew et al, 1995, p 410) comments that participation programs in a union setting may assume a different design to participation in a non-union setting. Whilst from an organisational theory viewpoint, Verma and McKersie (1987) found that non-unionised employees were more likely to participate in employee involvement initiatives.

Other commentators view the role of unions in a more positive light. Davis and Lansbury (1986, p 12) point out that unions have not been hostile to all employer initiated participation schemes. Union participation in employee involvement programs at Ford Australia, for instance, are often portrayed as joint ventures between management and unions (Davis and Lansbury 1986, p 21). In the American context, Strauss (1996 p 181 -182) highlights how American unions have won a range of concessions on the nature of participatory programs adopted.

Although the question of whether unions play a positive or negative role may also depend on the form of participation (direct / indirect, collectivist / individual etc) being examined, most of the literature suggests that the presence and role of trade unions is a determinant of employee participation.

In as much as the above factors play some part in determining the nature and extent of participation, the literature highlights the role of management and their preferences for particular forms of participation as the most significant determinant of participatory structures. Glew et al (1995, p404) suggest that the managerial motives for participation have a direct effect on the nature of the programs and schemes that are adopted by the organisation. Findlay (in Beirne and Ramsay, 1992) points to a number of British surveys which found that employers had clear preferences for particular participatory initiatives, as evidence of management's growing self awareness of the significance of their role. Further support is also found in Heller et al (1979) who concluded that while managers in British organisations preferred direct person to person participation (i.e., employee involvement), as opposed to workers, who had a strong preference for representative forms of participation. Similarly Poole (1986) and Ford & Tilley (in DEIR 1986 [1]) both found that management preferred and initiated narrow forms of participation in the guise of employee involvement.

Similar conclusions are drawn in respect of the process of participation. Brown (1986) views the ability of managers to influence participatory processes as crucial. For Walker (1976 p 448 - 449) both the form and structure of participation will depend on management's acceptance of participation. Strauss (1996, p178 -179) and Marchington (1995, p289) both emphasise the importance of management responses to the success of employee participation programs. Whilst the work of Frenkel (1989, p146-7) and Frenkel and Weakliem (1989 p495), whose conclusions both suggest that the presence of formal participation schemes within the workplace was associated with the adoption of a more participatory style by management, confirm the view that the actions of management have a direct effect on the existence and effectiveness of participation.

In the context of the APS, Teicher (1990 [1]) and Mathews (1992) both highlight the support of senior management for the participatory processes as integral to the nature of the participation found in their case study agencies. Kiers (1987) highlights a lack of management commitment, expressed in terms of restricting information flows and not integrating participative processes into broader management decision making, as an important determinant.

2.4.1. Middle and Frontline Managers as a determinant of Employee Participation.

As employee involvement is utilised as a strategic productivity enhancing tool at the expense of more traditional forms of representative participation, there is a renewed emphasis on the role of the middle and lower levels of the management hierarchy. This has been driven by the movement away from traditional Taylorist management - employee structures towards a post fordist paradigm of production, based on notions of flexible specialisation, differentiated niche markets and greater employee autonomy and responsibility. A critical element in the post fordist mode of production has been the use of self managing teams and teamwork, in which workers are granted greater responsibility and autonomy to perform their jobs through various forms of employee participation and involvement. Such arrangements have produced flatter organisational structures, resulting in a contraction of the supervisory / managerial function in the workplace, and as a consequence, significant changes in the roles of the remaining middle and frontline managers such as supervisors (URCOT, 1995[1]).

Lansbury and Gilmour (1986) point out that as a result of changing social, economic and technological trends, and in particular the focus on employee participation, supervisors will no longer be required to undertake the traditional role of directly managing work processes. Increasingly the new role of the supervisor is to act as a facilitator and resource person, who provides advice and resources to workers and links the team with higher management and other experts. The process of participation is perceived as removing the decision-making prerogative away from the supervisor (or even the middle manager) to the autonomous team that will adopt responsibility for decision making at the workplace level within organisational parameters. Supervisors are no longer required to give orders or make decisions but rather engender support for team goals and organisational objectives, and facilitate decisions through employee involvement and participation.

A similar picture is painted in regard to middle managers. Miller (1985) notes that the role of middle managers is changing quickly, with an increasing emphasis on professional managerialism. Reductions in autonomy and decision making power were also reported by Bowles and Lewis (1988) in their study of middle managers in the banking industry. Again, such reductions were accompanied by changing roles and job functions which emphasised marketing and selling activities over the traditional management functions which had been displaced by an increased emphasis on employee involvement and participation in the decision making process. Similar findings were also noted by Keen (1994) in the British local government sector, where

the devolution of decision making coupled with a range of other changes, effectively changed the role of middle managers.

Within this new environment, middle and frontline managers are expected to play a key role in determining the form and degree of participation and involvement in the workplace. Essentially acting as facilitators of the participative process, middle and frontline managers are central to a range of information sharing, consultative and problem solving participative processes. It is not surprising, therefore, to find Heller et al (1979), Weir (1976) and the IDE studies (1981 & 1993) for instance all highlight the level of middle management involvement in the decision making process as an issue in terms of employee participation.

Yet for the most part, such assertions rarely extend beyond an acknowledgment that middle and frontline level managers have the capacity to both impede as well as positively contribute to the application of participation. Where an analysis of the management role in employee participation has been undertaken, there is often a tendency to treat management as a generic group and by-pass the questions of who the middle and frontline managers are, and their role in the participation process. There is a dearth of literature dealing with the questions of how and why the actions of middle managers, supervisors and other managers influence participative processes. In essence, there is no accepted wisdom as to the role middle and frontline managers play and how that role or their responses to participation and involvement affects the participatory processes. This in itself clearly warrants further attention.

Before examining the role of middle and frontline management in employee participation it is first necessary to establish who the middle and frontline managers are. Whilst this may appear to be a relatively straightforward task, the literature reveals that the question of determining what constitutes a manager can be problematic both conceptually and empirically.

2.4.1.1. Defining Middle and Frontline Management

As discussed earlier many studies of industrial democracy and employee participation traditionally treat management as a generic group. This is clearly unsatisfactory for a study that focuses directly on the middle and lower levels of management and employee participation in the workplace. Accordingly, the definition of management and in particular the question of what constitutes a "manager" at both the middle and lower levels are central issues.

The definition of middle and frontline management is further complicated by the existence of hierarchal levels and specialisations within the management structure, all of which may characterised by different titles, tasks and levels of authority. It is not always possible to draw clear distinctions between managerial employees or between the various levels of management within an organisation. The question is even further complicated by continual changes to the role of management, especially at supervisory or frontline level (Dawson 1991). As Melrose - Woodman (as quoted in Edwards 1987, p 6) has pointed out, the term "managers" has defied definition ever since people first began to analyse its meaning.

In dealing with the question, past research has identified a number of approaches. Thurlly and Wirdenius (as quoted in Lansbury and Gilmour 1984) for instance identify three methods that are commonly featured in much of the literature. The first focuses on the use of specific job titles that effectively categorise as a manager anyone who carries within the organisation being investigated the job title of "manager". Lansbury and Gilmour (1984) claim that this is a most unsatisfactory method of definition as it is very much dependent on the use of job titles within the specific organisation. This may result in a group of employees being identified as "supervisors or first line managers" without any objective measure such as job functions and tasks or hierarchical levels to rely upon.

The second method refers to the manager's status and level of authority. Focusing on the degree of formal authority an individual has over others, this method could examine issues such the extent of control, the number of subordinates and whether there are further responsibilities to higher management. Such an approach has been used by Walker (1970) who simply defines management as "those who are accountable for the work of their subordinates." Although such an approach offers a strong foundation for an effective definition, it is not without problems. Numerous studies (Lansbury & Gilmour 1984 and Miller et al 1985 [see also section below]) have argued that the changing role of middle and line managers has clearly diminished the authority of these managers to the extent that they are now in a "marginal" position between higher management and employees. The level of authority and the extent of control exercised by these managers may not always match the formal recognition of a management position. On this point even Walker (p435) acknowledges that by his definition, management is clearly limited to those at the top of the organisational hierarchy and that those below this level are in part managers and in part workers.

The third approach defines management in terms of the common responsibilities held and tasks performed. Whilst such a method may have advantages, management tasks and responsibilities vary greatly not only between and within industries but also within organisations. Any analysis based on such a definition of management is therefore limited in its application and not able to provide a broader picture.

In dealing with the above limitations, a common response is to focus on management work roles as the best alternative. Lansbury and Gilmour (1984) for instance adopt the view that the most satisfactory way of defining first line management is to examine work roles. They highlight the work of Strauss (as quoted in Lansbury and Gilmour 1984, p 5), who identified a range of basic work roles attached to supervision. Edwards (1987) has also adopted the work role approach in his study of factory manager, where rather than seeking to define the term, a group of managers performing a broadly similar job are identified as a group.

Despite the popularity of the approach it is apparent that work roles are only part of the overall picture. Differing organisational structures and varying managerial strategies clearly complicate any attempt to identify common work roles. On another level it is not inconceivable that individual "managers" may perceive their roles and functions differently.

Another possible solution is to provide a broad definition that encompasses a range of the issues highlighted above. Hill (1981, as quoted in Deery and Gahan, 1991, p 503) provides a comprehensive definition of management. He defines management as a group of individuals within a firm who

perform technical functions connected with the administration, which includes the organisation of work and the integration of complex division of labour. They direct the activities that occur with the firm. These technical functions also involve managers in the direction of subordinates who perform the various tasks associated with production. Thus management is both an economic resource concerned with technical, administrative issues and a structure of authority which ensure the compliance of subordinates, many of whom do not share the interests of management.

Whilst such a definition facilitates a broad identification of the management grouping, it is of limited value in distinguishing between the varying levels of management within an organisational hierarchy.

In dissecting the management hierarchy within an organisation, there also are a number of alternatives. One alternative is the notion of line management which focuses on the various levels of management that deal directly with the core activities of the organisation. In a white collar service type environment the 'line' could range from the chief executive officer to general manager to regional manager to departmental manager to office supervisor. Sitting outside the 'line' are managers who perform a range of functions not associated with core activities. This grouping may include 'off- line' functions such as personnel, training and staff development, industrial relations and so on. The defining feature of this approach is the relationship of the individual manager to the core activity or productive process. The weakness of this classification is that it does not differentiate between senior managers within the 'line' who are responsible for policy formulation and those at the middle and supervisor levels who are more concerned with the actual implementation of policy. The purpose of this study is to gain a clear understanding of managerial response to participation at the implementation and operational level. From that perspective the notion of line management is not only too wide for the analytical purposes of this study, it specifically excludes a group of "staff" managers who whilst not directly involved in the day to day implementation of core activities, nevertheless play an important role in the implementation of participation policies and strategies.

Another alternative is to view the management hierarchy as consisting of three broad groupings, senior management, middle management and frontline managers such as supervisors. The senior management grouping is differentiated from the others by virtue of their corporate wide responsibilities and focus on policy formulation. The two other groupings, whilst potentially covering a multitude of tasks, titles and levels of authority, primarily focus on the implementation of policy. Despite lacking a detailed definition in the first instance, this approach assists in a study that involves an analysis of the roles of the key management players involved in the implementation of policies and strategies such as employee participation. Accordingly it is this dichotomy of the management hierarchy that is operationally most effective.

In dealing with frontline supervisors, the literature highlights a range of issues such as changing work roles and levels of authority and control. In a post fordist environment, where there is more emphasis on participatory work structures, the supervisor is adopting a different role to the one associated with fordism. What emerges from this mosaic of definitions is that the supervisor is a frontline representative of management whose changing role has been one of implementing and directing the organisations' policies and strategies in the workplace to one of facilitating employee consent and commitment to organisational goals and objectives.

The definition of middle management is ever more vexed. As Frohman and Johnson (1993) have noted in their discussion of what constitutes middle managers, there is a good deal of confusion on this point. As with supervisors, the range of functions, tasks titles and hierarchal level of individuals designated as middle managers varies from organisation to organisation and it is difficult to develop a universally applicable definition.

It is not uncommon to find different studies adopting different definitions. Frohman and Johnson (1993) for instance claim that the term 'middle manager' should be defined broadly, encompassing all managers from the first level supervisor to those just below the level of executives who have corporate wide responsibilities.

Broussine and Guerrier (1983) on the other hand claim that middle managers have a range of roles and features in common irrespective of the organisation and the titles individuals may carry. They outline these common features as follows:

- Middle managers are accountable to someone above them in the organisation;
- Middle managers rarely have the authority to formulate policy; rather they are usually accountable for implementing it;
- Middle managers are usually an important communication link between those who achieve policy, i.e., the workers and their immediate supervisors, and those who formulate it. Therefore they may be involved by the latter in advising upon the feasibility of formulating a particular policy;
- Middle managers have staff accountable to them; if they do not, they could still be termed middle managers if they are employed to influence the ways in which policies are formulated and achieved because they have a staff role whose authority is based on expertise or particular skills. (p5 & 6).

This offers a useful insight into the group of managers who are charged with the responsibility of implementing participatory policies and strategies in the workplace because it is equally applicable to frontline supervisors, and traditional 'non line' managers as it is to middle managers. Accordingly it represents a useful working definition of the broad middle and frontline supervisory management group that is the subject of this investigation.

A further issue to be considered is whether the respective middle and frontline management groupings will differ in their response to participation. Whilst there is no consensus on this question, a few studies do provide evidence of differences.

Klein (1984, p 90), and Ardern (1988) have both highlighted an association between middle management support for employee participation and the willingness of supervisory (frontline) management to commit themselves to such processes, suggesting that frontline management often viewed the lack of middle management support for participation as an impediment to their own level of commitment and support. This suggests that whilst participatory outcomes may be dependent on the views and attitudes of both groups, responses to employee participation will in many cases vary between the two groups. Marchington's (1980, p111 - 112) research supports this. In his study, he found that foremen (frontline managers) not only felt more threatened by the participatory process, they were also viewed as being less supportive than their senior management colleagues of employee participation.

These research findings suggest that differences in managerial responses to participation do occur. Accordingly, one of the questions to be examined in this study will be whether there are differences between middle and frontline management responses to employee participation.

2.4.1.2. The impact of Middle and Frontline Management on Employee Participation and Involvement.

In examining the impact of middle and frontline managers on the operation of employee participation programs, two fundamental questions arise. First, whilst the literature acknowledges the importance of middle and frontline managers in an employee participation setting, there is a need to identify how this group is involved in employee participation programs. In other words it is necessary to determine, how they affect its operation, and how are they affected by it? Secondly, as a corollary, it is also appropriate to ask what are the factors that shape this involvement and response? This section examines the literature surrounding these questions.

The Glew et al (1995) framework of participation argues that differences in managers' attitudes to participation is an important determinant of participation outcomes; that is, they have the capacity to either obstruct or facilitate the participatory process. They further claim that as a result of such factors, the actual participation program may be the same or alternatively quite different to that originally intended by senior management. For example:

assume management intends to implement a participation program aimed at giving workers more control over how they perform their tasks, while simultaneously changing the function of supervisors to that of a coaching role (an approach portrayed in numerous popular press accounts of participation and empowerment). If the supervisors in the organisation do not accept the intended participation program (and as a result, work to undermine its effectiveness), the actual program may only result in a small increase in workers' control, or perhaps even a decrease in their control. (Glew et al: 1995, p397 - 399).

Parnell, Bell and Taylor (1992) also implicitly acknowledge the relationship between managerial responses to participation and actual participatory processes and outcomes in their conceptual analysis of a model illustrating the propensity for participative management. Based on statistical analysis, Parnell et al developed a scale to measure the tendency of managers to employ participative management techniques. Their conclusions strongly suggest that an individual manager's self reported propensity for participation is a function of three factors:

- (1) the manager's perception of the organisational culture;
- (2) the manager's belief that participation improves or impedes managerial effectiveness, and;
- (3) the manager's belief that subordinate participation results in an increase or decrease in managerial power.

Whilst their work is not specifically targeted at any particular level of management, it is apparent from the nature of their conclusions that managers at all levels play a key role in determining the extent to which participatory techniques are adopted within an organisation.

Hill (1991), in a study of participatory quality circles, found that middle managers did not take to the permanent and institutionalised nature of employee participation in improving productivity. Similar findings were also reported by Ardern (1988), whose study of industrial democracy in a state electricity entity revealed that supervisors considered the attitudes of middle managers to be a barrier to the implementation of industrial democracy. Marchington (1980) on the other hand found that supervisors whilst broadly supportive of participation, viewed participation as problematic in practice and had a clear preference for less extensive forms of employee participation. Whilst a more recent Marchington (1995, p286) contribution points out :

...supervisors and first line managers may not share the commitment of their senior colleagues to EI (employee involvement), and may be dubious about its benefits for the organisation or for themselves.

Klein (1984), who claims that the failure of such schemes can often be attributed to the response of managers at the middle and frontline levels to the new initiatives also advocates similar views. Cressey et al (1985) claims that in practice managers at the workplace or plant level exercise a good deal of autonomy and strategic choice, and so it is possible that, whilst a particular management philosophy may be promulgated from above, the degree of acceptance by middle and frontline managers might vary. The common theme to emerge from all of these studies is that managers in the workplace play a central role in the determination of participatory processes and outcomes.

In contrast to the above, there are also some studies which suggest that middle and frontline managers have only a limited influence on decisions. Whilst some of these studies focus on issues other than employee participation, they provide strong support for the view that participative processes are closely controlled by senior management. Kinnie (1985), Marginson et al (1988) and Deery and Gahan (1991) for instance all suggest that whilst senior management will provide a semblance of decentralised decision making, the majority of strategic decisions continue to be made by senior management rather than middle and frontline managers. Heller, et al (1979) also argue that the influence exerted by middle managers has been shown to be of limited importance. According to Heller et al, the average middle manager cannot

usually do more than give an opinion on routine decisions, and has even less say in strategic and goal orientated decisions. As a result the amount of influence exerted by supervisory level managers and employees is low. So it is clear that decisions of a policy, goal orientated or personal nature are effectively controlled at the higher levels of the organisation (p50).

The question of middle and frontline manager responses also takes on additional significance when examined in the context of the evolution of industrial democracy and employee participation in the Australian Public Service since 1983. Although there has been considerable research on the theme of employee participation in the Australian Public Service (see Teicher 1988,1990 [1] & 1992, Gurdon 1985, and Mathews 1992 & 1994), this research has not focused on the response of middle and frontline managers to the participatory process. This study fills this gap in the research.

With specific reference to the recent APS developments a number of studies have similarly highlighted the central role played by managers. Teicher (1990 [1]), for instance, in his case study of two public sector agencies, including the ATO, noted that management attitudes and the level of their commitment to the participatory process were major determinants of the future of employee participation in the APS. Teicher's analysis examines participatory developments in the ATO up to 1988 and concludes that at the national level of the organisation, senior management are regarded as committed to the participative process, but he does not present any evidence about support from branch level, middle and line management. He merely states that the commitment of all levels of branch office management cannot be assumed, as the resistance to participation demonstrated by some line managers could possibly reflect a long standing unitarist management culture. Teicher's study does not examine the link between management responses and attitudes to participation, and outcomes of participation in the workplace.

Like Teicher, Mathews (1992) also identifies the influence exerted by the organisation's senior managers on the participatory process, in the context of the ATO's Modernisation program as a key factor. However he does not examine the responses of middle and frontline managers to that process.

The majority of the literature implies that managers at the middle and supervisory levels in the workplace have the ability to influence participatory processes and outcomes. It is not uncommon for studies to generalise that the role and commitment of middle and frontline managers to the participative process is important. In the absence of an adequate examination of the responses of middle and

frontline managers to employee participation, the specific questions of how and why middle and frontline managers shape and influence participatory processes and their outcomes remains largely unexplored.

In summary the literature highlights the fact that the notions of industrial democracy and employee participation continue to have a significant impact on the role, and future, of middle and frontline managers. Given this relationship it is therefore important to analytically examine the response of this group to participatory initiatives and determine what this implies not only for the future of participatory processes and outcomes, and ultimately policies and strategies, but also the future role and position of this specific management group.

The final justification for a study of this group in the application of employee participation is perhaps best summarised by Garner, et al (in DEIR 1986 [1], p148) who claim that:

The extent to which commitment to participation policies may vary between levels of management has rarely been investigated, although it must affect the penetration of these policies in organisations and the targeting of government programs. The attitudes of production managers and front line supervisors are also crucial, particularly in the context of the preference of other management levels which directly affect this group.

2.5. Key Research Issues.

Having established the importance of middle and frontline managers in affecting participatory processes and outcomes, the chapter now turns to how middle and frontline managers might contribute to programs of industrial democracy and employee participation. Here, the literature reveals a number of key factors for middle and frontline managers. It is argued that middle and frontline managers contribute to the participatory processes by exerting influence, across the structures, processes and outcomes of employee participation, in the following ways:

- (1) the level of their commitment to employee participation;
- (2) changes in the level of their authority, power and control as a result of employee participation and the use of participation by middle and frontline managers to exert power and control over subordinate employees, and;
- (3) responses to the conflict and tension felt by middle and frontline managers in implementing employee participation programs, leading to the notion of being caught in the middle.

Each of these factors are now explored in some detail.

2.5.1. Managerial Commitment to Employee Participation.

The level of managerial commitment to programs of participation is often quoted as a key determinant of industrial democracy and employee participation. Teicher (1990 [1]), for instance, in his case study of the ATO, suggested that the level of commitment of middle managers to the participative process would determine the subsequent success of the industrial democracy program in the ATO. Organisational behaviour and management literature shows the commitment of managers to both the organisation and its particular goals to be important. Buchanan (1974) for example states that

the commitment of managers is essential for the survival and effectiveness of large work organisations because the fundamental responsibility of management is to maintain the organisation in a state of health necessary to carry on its work (p533 - 534).

Accepting the importance of managerial commitment to the broader organisation, it is asserted that managerial commitment also has specific application to the successful establishment and implementation of industrial democracy and employee participation programs. According to proponents of the human relations approach, such as MacGregor, and Likert (see discussion in Gilmour and Lansbury 1984) there is causal link between certain managerial and supervisory styles and specific managerial actions in adopting a participatory approach. Implicit in this view, is the notion that management support for specific issue based participation, may often be a reflection of management views and attitudes towards participation generally. The extent to which managers, at all levels, are committed to the notion of employee participation is therefore material to its ultimate success in the workplace.

Others, such as Fiedler (1967) and Heller (1971), have put forward a contingency model of management which asserts that managerial styles will vary according to differing situations and the nature of the decisions being made. From a more traditional industrial relations perspective, support for such a view is also found in the case studies undertaken by Cressey et al (1985, p7). Their study established that high levels of support for the general concept of participation appeared to evaporate when applied to specific issues. This suggests that the level of managerial support for employee participation will vary according to the issues and decisions that are the subject of participation. It follows that whilst support for the concept of employee participation generally may be important, it may not explain the level of support that exists for participation on specific issues. Moreover there may also be differences between the level of support and the extent to which middle and frontline managers apply participation in practice. Hence in seeking to explain the managerial

response to participation in terms of commitment and support, it is important to draw a distinction between these issues.

In examining the veracity of these claims in the ATO, three critical questions are asked. The first relates to the degree of commitment of middle and frontline managers to the concept of employee participation. The second relates to their commitment to a particular program of participation, focusing on the specific initiatives within the organisation. The third question establishes whether the level of support for employee participation expressed by middle and frontline managers is matched by its application in the workplace

2.5.1.1. The provision of Organisational Support and Training

At this point it is important to establish the link between commitment and the influence of the prevailing organisation culture. Parnell et al (1992 p34) have claimed that a manager's propensity to encourage or support participation for subordinate employees may be affected by the degree to which such actions are supported by the organisation. It follows that where the organisation views employee participation, or indeed a particular form of participation, as a desirable goal, this should have a positive impact on the level of managerial commitment to participation.

One of the most tangible and important expressions of organisational support for participative initiatives is the provision of training. Although clearly not the only form of support, the importance of training in fostering a strong understanding and acceptance of the principles and processes of employee participation has been strongly recognised in the literature (Marchington et al 1993; Klein 1984, p92; and MacInnes 1985, p104). Yet as many studies have highlighted, the inadequacy of the training provided and the absence of other support mechanisms has contributed to the failure of employee involvement initiatives (Marchington et al 1993). The provision of training also takes on added importance when the employee involvement process is intermeshed with HRM initiatives such as performance management. As noted above, the complexities of the performance appraisal schemes have often been highlighted as a problem and, in that context, training in both the philosophy and process of performance management is important (see Hyman and Mason, 1995).

In summary the issue of organisational support, be it through the provision of training, managerial support or resources, is clearly a determinant of their response to participatory initiatives. This therefore leads us to ask; Does the level of organisational support affect middle and frontline management support for participation ?

2.5.2. The Question of Power.

The issue of power as a determinant of attitudes to employee participation is also considered in the literature (Ramsay, 1986). However it is difficult to measure and its impact is somewhat indeterminate. Implicit in the concepts of employee participation, employee involvement and, in particular, industrial democracy, is the notion of redistribution of power in the workplace from those in management to those in subordinate positions. In dealing with this question the literature has largely focused on whether increased levels of participation alters the level of managerial power and the extent to which a redistribution of power and control occurs.

Flanders (1970), for instance, argues that management seek to re- establish or increase the extent of their power and control through participation. Mulder (1971) similarly argues that employee participation in management processes need not operate to increase the level of employee influence on decisions. Whereas others, such as Pollock & Colwill (1987 as quoted in Parnell et al, 1992, p34), contend that employee participation can lead to decreases in managerial power where an increase in the power of employees produces a decrease in the power of managers. Another view is that power is expandable, and hence, an increase in employee participation may produce an increase in managerial power (see Ramsay 1986, pp. 60 - 62).

The point here is that managerial perceptions on this issue are important. As Parnell et al (1992) have asserted, managers who perceive employee participation as threatening their level of managerial power will be less inclined to support and implement participatory techniques. Similarly if managers believe that they can utilise participation to increase their levels of power, or indeed authority, influence or control, they may be more inclined to support a program of employee participation.

What emerges from the discussion so far is a picture that sees employee participation producing a set of circumstances where middle and frontline management as a group feel that their authority, power and input into decision making is further eroded by participatory processes. The re-emergence of employee participation it is argued, might well have further marginalised the position of supervisors and middle managers in the workplace.

Under these circumstances it is not surprising to find that lower level managers have resisted the emergence of participatory schemes in the workplace. Lansbury and Gilmour (1984) for instance maintain that participative management styles have not gained widespread support amongst younger supervisors. Ardern (1988) also found that whilst supervisors in the state electricity industry supported

participation, positive views of participation were confined to employee participation within existing organisational structures. A strong preference for the maintenance of a traditional supervisory role and considerable hostility to increased democratisation of the workplace exists in these circumstances. Cressey (1981) draws similar conclusions in a study of various Scottish firms, where he found that supervisors and foremen were most concerned with the loss of control arising out of the introduction of industrial democracy schemes.

Whilst similar studies have not been conducted in respect of middle managers, there is evidence to suggest that middle managers are reacting against the role changes that have resulted in the loss of power and influence caused in part by the introduction of participation. Ward (1984) notes the trend of increasing middle management unionisation and claims that this is a reaction against the changes discussed above. A similar view is shared by both Weir (1976) and Fox (1974) who agree that the 'implicit' downgrading of middle managers from a 'high' to a 'low' trust position has resulted in dissatisfaction amongst that group and has resulted in increased unionisation. Such findings provide clear evidence that employee participation programs often faced resistance at middle and frontline management levels as the new management role is rejected.

This leads us to ask two fundamental questions. First, does the issue of power affect middle and frontline management responses to participation programs?; Secondly, to what extent do middle and frontline managers perceive participatory programs as redistributing power and control in the workplace ?

2.5.3. The notion of being "caught in the middle".

One reason why middle and frontline managers might resist the introduction of employee participation and involvement is the level of frustration and discontent that they experience as a consequence of these changes (Klein, 1984). For example the process of employee participation potentially threatens their desire for greater power. Yet there is an expectation that middle and frontline managers will play a crucial role in implementing participation. The literature describes such predicaments that middle and frontline managers find themselves in as being 'caught in the middle'. As a corollary, managers are frequently referred to in the literature as the 'men in the middle' or the 'marginal men of industry' (Wary 1949, Roethlisberger 1945, and Fletcher 1969).

The notion of middle and frontline managers being 'caught in the middle' or representing 'the man in the middle' is essentially a function of the hierarchical position of middle and frontline managers within the organisational structure. It is largely based on the fact that middle and frontline managers are wedged in somewhere in between senior management and the workers, representing management in the day to day operations of the organisation but not always being considered part of the management process. Roethlisberger (1945) conceptualises their position as the centrepiece of a series of relationships within the organisation where, in his case, the foreman, is involved in a number of different relationships with other organisational players such as top management, specialists, other foremen, workers and trade unions, where each relationship is characterised by its own set of demands, requirements and loyalties.

As a result of this complex set of relationships, foremen are constantly torn by competing demands and loyalties of the various groups and in that sense they are 'caught in the middle'. For whatever decisions they make, this will always involve some form of compromise against at least one set of demands. In a similar light, Wary (1949) defines the notion as one where the first line supervisor is subjected to two often conflicting sets of demands, one from top management, and the other from the workforce. The frontline manager or supervisor is caught in the middle as he / she seeks to satisfy both.

In essence the determination of whether middle and frontline managers are 'caught in the middle' will rest on the responses of those managers to the organisational demands and loyalties of the workplace. Moreover it will depend on the existence of some degree of tension, stress or conflict at the middle and frontline management level created by those conflicting demands and loyalties. As Fletcher notes (1969, p342), this implies that the manager, in making a decision, is to some extent at odds with what he / she has to do. The determination of whether managers are 'caught in the middle' can therefore be formulated around the core question of the extent to which middle and frontline managers perceive that the demands and obligations of the organisation and the workplace creates a degree of conflict for them. For if managers do experience some form of conflict or tension in making decisions or performing their tasks, then they are 'caught in the middle'.

Central to the notion of being 'caught in the middle' is the managerial perception of their level of power. The issue of power can be seen as having an important impact from a number of perspectives. For example, middle and frontline managers may feel caught in the middle simply because they are torn between

competing demands, but lack the power to do anything about it. Driscoll et al (1978) claim that first line supervisors are still caught in the middle as they are held responsible for producing organisational results through their subordinates, but they lack control over the means to motivate those workers (p34).

It is also possible that middle and frontline managers will view the introduction of employee participation and involvement schemes by senior management as eroding their traditional role and power base in the workplace. As Klein (1984: p95) and Graversen (1986) have pointed out, these managers may see such schemes as nothing more than a loss of power, thus aggravating further the tensions and frustration associated with being caught in the middle. Whether it be the power and control to meet senior management demands or a maintenance of power to protect the existing managerial role and job security, the managerial perception of power clearly goes to the heart of being caught in the middle and the consequences that flow from it.

In practical terms, the notion of being caught in the middle may find expression in the various conflicts, contradictions and tensions that exist within and between managerial relations at the various hierarchical levels of the organisation. At a general level, Wary (1949) points out that the frontline manager (or foreman in his case) often shares with senior management the responsibility for carrying out organisational policies, but does not always share in the making of them. The frontline manager simply lacks the power to deal with issues for which he / she is responsible.

In the context of employee participation, Klein (1984) points out that many employee involvement programs, whilst designed to boost productivity by increasing the level of participation by workers, rarely have the interests and concerns of frontline managers in mind (p95). One such concern may be the managerial perception that greater employee participation will alter the role of the middle and frontline manager and thereby diminish the power of those managers. Frohman and Johnson (1993) emphasise a number of factors which contribute to such tensions. They highlight the situation where middle managers are often required to make sense of contradictory messages, such as "manage for the long term and produce short term results" and "Think strategically and be quick fixers", amongst others (p65). In many cases such conflicting messages are passed on to employees down the line, with middle and frontline managers engaging in what is often referred to as double speak (or talk). As Roethlisberger (1970) points out, such managers are both the master and

victim of this double talk. The presence of such conflicting messages or double talk would be a clear indicator that the affected managers are caught in the middle.

If managers are 'caught in the middle' the question that follows is what are the consequences of being 'caught in the middle' for middle and frontline managers in the particular context of employee participation and involvement? The literature suggests that managers who feel caught in the middle will generally feel frustrated, disillusioned and dissatisfied with the prevailing environment (Frohman and Johnson: p32, Graversen: p16). The advent of employee participation, with its connotations of decreasing managerial power and redefining managerial roles, will clearly contribute to such frustration and produce a negative approach towards employee participation.

Illustrating the point, Graversen's study of foremen at the Williamstown Naval Dockyard (1986: p16 - 17), found that issues such as the shift in power away from frontline managers, and the ambiguity of the role of the foremen in light of participative changes contributed to the negative views held by foremen towards the representative forms of employee participation practiced at the Dockyard. In this regard the foremen were seen as a hindrance to the participative process.

As already noted Arden (1988) who found that middle managers were seen as a barrier to the development of employee participation also reported similar findings. Lansbury and Gilmour (1984) similarly noted that the introduction of some participative approaches in the workplace, such as semi-autonomous teams, might threaten the existence of frontline managers (p12). Klein (1984) asserts that middle and first line managers are equally sceptical in their support for employee involvement programs and that much of the resistance to the programs are centred on concerns such as the consequences for job security, their understanding of the definition and responsibilities of managerial jobs, and the additional workloads imposed by the participatory program.

Not all the literature takes such a pessimistic view. There are some predictions, predominantly in the HRM literature, suggesting that middle and frontline managers can play an important role in a democratised workplace, possibly affirming a view that managers will not be caught in the middle under the changed environment (Qvale quoted in Gilmour & Lansbury 1984: p12, Dawson 1991: p38-9).

Further, the empowerment of line managers is often the stated aim of many HRM initiatives, of which employee involvement programs are part (Legge, 1995, p51). As one manager noted (quoted in Storey, 1992, p201)

....through the talk of empowerment and the like...re-representing the customer affirms the governing rights of middle managers

What is being implied here is that the new managerial roles based on some HRM models will take away the ambiguity and conflict associated with being 'caught in the middle'. In this scenario, managers have a clear understanding of their role, which in most instances will be to implement senior management decisions. Moreover these HRM models, reflecting their unitarist underpinning, will encourage middle and frontline managers to see themselves as part of the management team in order to remove potential conflicts and in these situations, it could be expected that managers will not feel 'caught in the middle'. Whether such outcomes do eventuate in the longer term remain to be seen, and in itself, this represents an important question that goes to the core of determining the nature of human resource management processes. It will depend very much on perceptions and attitudes of managers as noted above.

Debates about the success of HRM outcomes aside, two clear inferences emerge from the literature. The first, is that employee participation and involvement schemes, with their connotations of further diminishing the traditional role of middle and frontline managers, actually contributes to the conflict and frustration associated with being caught in the middle. The second implication is that the notion of being 'caught in the middle' carries with it negative implications for the middle and frontline management response to employee participation. What is asserted here is a relationship between the response of middle and frontline managers to employee participation and involvement and the notion of being caught in the middle. It is therefore asserted that middle and frontline managerial responses to employee participation and involvement schemes will both contribute to, and thus be negatively affected by, the notion of being caught in the middle.

One of the tasks of this research is to establish whether middle and frontline managers in the ATO are 'caught in the middle' by the application of employee participation, and if so, how and why ?

In examining these questions it is useful to distinguish between the various forms of participation and involvement. This is necessary for two reasons.

First, as noted above, employee participation and employee involvement may be considered as conceptually different expressions of participation, each based on different ideological foundations, involving different structures and processes and attracting different levels of managerial support. Therefore, whilst terms such as participation and involvement may be used interchangeably, it is important to clearly establish the participatory framework to be examined.

Second, each form of participation or involvement, be it joint consultation, employee directors, team work or quality circles, has its own body of literature outlining a unique history and range of issues. Such literature may help shed light on how and why middle and frontline managers respond the way they do. The present study is focusing on one specific employee participation initiative, namely, employee involvement in the ATO's performance management processes.

In the context of employee participation and involvement in the ATO, the contradictions associated with being 'caught in the middle' can find expression in a variety of forms. Some of which are associated with managerial perceptions of power. Middle and frontline managers may view an expectation to devolve power to employees as part of the 'employee involvement' process, as being inconsistent with their increased responsibility for results and meeting performance targets by taking control of broader directions for subordinates. Whilst other managers may simply see the devolution of power as conflicting with their interests of job security or understanding of the new management role. The issue of power is at the heart of both the notion of 'caught in the middle' and the inclination of managers to adopt employee participation programs.

The literature offers considerable support for such a view. Parnell et al (1991, p34) claims that management perceptions that the process will lead to a decrease in power will be more likely to engender a negative response to the introduction of participatory techniques. The issue is further complicated by the literature which also highlights the tendency of managers to adopt a unitarist approach in times of crises or when there is a need to retain power (Cressey et al 1985 and Thomason 1984) and the propensity of line managers to appease the senior management objectives at the expense of subordinate employees (Roethlisberger, 1945) and engage in what Marchington et al (1993: p 570) refer to as 'impression management'.

Such assertions lead us to hypothesise that where the introduction of a scheme such as employee involvement in the performance management process creates tensions and conflicts for middle and line managers over a perceived loss of power, middle and frontline managers will feel caught in the middle. The question becomes, do middle and frontline managers feel caught in the middle by a lack of power as a consequence of employee participation?

A number of further issues also emerge from this discussion. Essentially they go to the conflicts and tensions that arise in relations between the middle and frontline managers and the demands placed upon them as a result of their position in the organisational hierarchy.

2.5.4. Demands for Organisational Efficiency.

One such issue is the perception of middle and frontline managers in relation to the impact of participation on organisational and managerial efficiency and effectiveness, and their willingness to adopt participatory techniques in response. Parnell et al (1992, p33) assert that the degree to which managers believe that employee participation will enhance organisational effectiveness, be it in terms of productivity or a higher level of quality decisions, will influence their tendency to support and utilise participation techniques. Marchington and Loveridge (1979, p174) point out that from a management perspective, participation tends to be related to notions of efficiency. Brannen et al note that for participation to be accepted by management it must be seen as being consistent with managerial efficiency goals (1976, p42). They also state that efficiency goals are often the basis for limiting the extension of participatory processes (p23).

Again, there is considerable scope for conflicts and tensions to occur and for middle and frontline managers to be 'caught in the middle'. Participation may expect of managers that they devolve power and involve employees in making decisions about required outcomes. This may, however, conflict with their perception of efficiency and the promotion of best practice. A manager might simply not be able to reconcile the adoption of participation with perceptions of organisational efficiency expected in the execution of their managerial role. So it might be argued that where middle and frontline managers are 'caught in the middle' as a consequence of perceived conflicts and tensions between the involvement of employees and notions of organisational effectiveness and efficiency, the response of middle and frontline managers to participative initiatives will be a negative one.

As a result this study examines whether the issue of organisational efficiency affects middle and frontline management commitment for a particular program of participation. Another question is whether such demands for organisational efficiency and participation contributes to middle and frontline managers being caught in the middle?

2.5.5. Increased Managerial Workloads.

Klein (1984) suggests that the failure of participation programs to incorporate the interests and concerns of managers frequently leads to their demise. Conflicts arise when managers are required to implement new participatory schemes and processes but they have had no say in the adoption of the scheme and how it is to operate. This leads to the creation of tensions associated with being 'caught in the middle'. A manifestation of this point is found in Klein (1984, p89) and Marchington et al (1993: p 573) who conclude that the introduction of employee involvement schemes contribute to an already overloaded middle and frontline management workload. Here, managers are faced with competing demands for their time and attention, and are thus 'caught in the middle'.

This is supported by Parnell et al (1992), who suggest that where managers perceive the participation process as either too complex or as creating unmanageable work loads they will be less inclined to adopt the process. A similar proposition is put forward by Hyman and Mason (1995: p86 - 88), who note that managers often express reservations with various forms of performance management, suggesting that schemes were often too complex to administer.

This raises questions about the relationship between employee participation and the complexity of the schemes and managerial workloads. Do middle and frontline managers perceive participation as creating unmanageable workloads? Do middle and frontline managers perceive employee participation processes in the context of performance management programs as too complex to administer? Do middle and frontline managers feel caught in the middle as a result of the additional workload created by employee participation ? and; Do these workload pressures affect middle and frontline management commitment to participation?

2.5.6. Organisational Relationships and Participation.

To date our discussion has focused on the tensions that arise between middle and frontline managers and senior management. In recognising Roethlisberger's conceptualisation of being 'the man in the middle' as the positioning of the manager in the midst of a series of organisational relationships, with each relationship imposing another set of conflicting demands, there is a need to acknowledge the impact of other groups. In addition to senior management, Roethlisberger (1945) highlights the role played by organisational groups such as employees, managerial peers, specialists and trade unions. Each of these groups may contribute to the conflicts experienced by managers in the implementation of participatory processes, and they may also shape the nature of the managerial response. Whilst the literature does not lead us to expect that these relationships will be the key determinants of managers being 'caught in the middle' or their response to participation, they do nevertheless represent important considerations which might impact on middle and frontline management.

2.5.6.1. The impact of Senior Management.

An important determinant of employee participation is the extent to which senior management are seen to be supportive. As Parnell et al (1992) suggests, the propensity to encourage participation is affected by the degree to which such behaviour is encouraged by the organisation, and in particular, its culture. Whilst most participation programs originate from the top, there is often a perception held at the middle and lower levels that senior management support for such programs is little more than lip service, with no tangible signs of support in the form of resources, rewards and long term commitment to new initiatives. Klein (1984, p90) highlights the prevalence of such perceptions amongst supervisors, and notes that the doubts surrounding the sincerity of upper management is a primary cause for the scepticism held by middle and frontline managers, and is one of the most quoted reasons as to why employee involvement programs fail. Such perceptions clearly represent a mixed message of the type referred to above by Frohman and Johnson (1993), in that whilst middle and frontline managers are told to be participative and involve their staff in decision making, they are not provided with the resources and support to facilitate the process. As a result, these managers are 'caught in the middle' of the need to adopt participation and the need to apply their time and resources elsewhere.

Two questions emerge: To what extent does the middle and frontline management perceptions of senior management support for participation influence the degree of their commitment for participation ? Do middle and frontline managers feel caught in the middle by the level of senior management support for employee participation ?

2.5.6.2. The impact of Specialists.

In many organisations, responsibility for new initiatives rests with HRM, personnel or industrial relations (IR) specialists who oversee its implementation. Personnel and HRM specialists are frequently perceived as promoting the cause of participation, as a consequence of pursuing strategies based on contemporary management theories which are supportive of participation (Frenkel 1989, p130). The significance of their role is also emphasised by Marchington et al (1993, p558), who assert that in many organisations, it is the specialists functions that initiate and champion participation.

This suggests that the role played by specialists is a key ingredient in the promotion of employee participation schemes and may thus be an important influence on middle and frontline management responses to participation. Following on from Roethlisberger's analysis of organisational relationships (1945), middle and frontline managers may still feel 'caught in the middle' as a result of their relationship with the specialists.

The study of ATO managers therefore poses two questions: What is the impact of the role played by IR and HRM specialists on the middle and frontline management response to employee participation? Does this role contribute to middle and frontline managers feeling caught in the middle?

2.5.6.3. The Impact of Managerial Peers.

One important relationship is that between managers as peers. Parnell et al (1992 p34) points out that managers will be more inclined to adopt participatory techniques, where the organisational culture supports such behaviour. In this regard, the behaviour of managers is influenced by that of their peers.

Both Marchington et al (1993) and Roethlisberger (1945) point out that managers may take notice of what their peers are doing in order to either advance their own prospects with their superiors or simply just be seen as doing 'the right thing'. Goal commitment literature suggests that factors such as the influence of peers

will also impact on commitment levels (see for example Locke, Latham & Erez: 1988). Whilst internal rivalries may be such that the actions of one manager may be directly opposed by others. Marchington et al (1993 pp. 570 - 572) for instance suggest that such rivalries are a significant factor in explaining the limited success of many employee involvement techniques.

The significance of peer relationships therefore raises three important questions. Can it be asserted that middle and frontline managers consider the views of their peers to be important in the implementation of employee participation ? What is their significance to employee participation programs? Do they contribute to the notion of being caught in the middle?

2.5.6.4. The Impact of Subordinate Employees.

Another important relationship is that between managers and their subordinate employees. Managers often get their work done through the efforts of their subordinates and as Roethlisberger points out, managers are in a position where they must not only ensure that employees conform to the performance standards, targets, rules and policies of the organisation but also seek to obtain the employees co-operation in meeting their obligations (1945: p270). The manager is faced with the situation where he / she is required to meet the demands of the senior management whilst at the same time seeking to meet the demands of the subordinate employees in order to gain their co-operation. This in itself creates a level of conflict for the manager that is synonymous with being 'caught in the middle'.

Such a relationship takes on a particular significance, when it is examined in relation to employee participation in the performance management process. Here, managers seek to engender the co-operation of their subordinate employees through a process of employee participation and involvement, in satisfying the performance objectives of senior management, and the organisation. The conflict arises if, and when, employees resist these attempts to generate support and commitment for the performance objectives. Employees may, for example simply not support the notion of participating in such a process, or alternatively they may only wish to participate in the process within their own terms, without conforming to the performance parameters established by senior management. Faced with these situations, middle and frontline managers are clearly 'caught in the middle' and irrespective of whether managers side with senior management in enforcing performance requirements, or with the employees, by undermining the process, the incidence of participation in the performance management process suffers.

This raises two questions. Do employee views and attitudes affect the level of middle and frontline management support for participation? and; Does this create some degree of conflict for them ?

2.5.6.5. The Impact of Trade Unions.

As an appendage to the manager - employee relationship it is also important to consider the question of trade union involvement. Previous research has shown that the presence and activity of trade unions does effect managerial attitudes and practice.

Dunkerley (1975 p64 - 66) asserts that in unionised organisations, supervisors were less likely to exercise authority and participate in decision making. He further suggests that the presence of trade unions lessens the role of supervisors in acting as a communication link between senior management and operative employees (p65).

Roethlisberger (1945: p272) notes that trade unions further complicate the position of the foreman, by formalising the relationship between foremen (managers) and employees through a series of rules, procedures and regulations. This, according to Roethlisberger, takes away the last vestiges of initiative of judgement and personal relations with subordinate employees (1945: p272). In practice this often means that conflicts and disputes that arise at the workplace level between manager and employee are often taken up by unions directly with senior management, effectively by-passing frontline, and sometimes middle, management. As a consequence, middle and frontline managers are again 'caught in the middle' as decisions on matters in which they have a direct interest is made elsewhere, often without their involvement or approval.

This has particular application in the context of employee participation programs, where the formal involvement of unions in consultative committees, and the introduction of change has often been seen as displacing lower level managers. Graversen (1986: p16), highlights how union involvement in decision making at the Williamstown Naval dockyard had shaped the views of foremen. According to Graversen the foremen essentially perceived the participative process as a threat, as the unions by-passed foremen and went directly to senior management. This created ambiguity as to the foremen's role and subsequently led to the view that the process of 'democratisation' had 'gone too far' and resulted in the local union shop committee gaining too much power. The foremen were clearly 'caught in the middle' and as Graversen concludes, the final outcome was one where the foremen had assumed a negative or sceptical attitude towards the industrial democracy program.

Given the above findings, it would be reasonable to hypothesise that union involvement in the participation process, especially where focused directly at the workplace level and the individual employee would further marginalise middle and frontline managers. This in turn would lead to the kind of negative responses by middle and frontline managers, as noted in the Graversen study, which further impede the implementation of employee participation and involvement. Accordingly this study addresses the question of the impact of trade union involvement in participation programs on middle and frontline management support for those programs and whether they contribute to managers feeling caught in the middle.

2.6. Conclusion.

This chapter focused on the concept of employee participation and its application in the workplace by middle and frontline management. The discussion was driven by two key themes, the impact of employee participation on middle and frontline managers, and the extent to which middle and frontline management responses affect the success of such programs.

The first section explored the notion of employee participation. This included a discussion on the three main expressions of participation, including the forms, level and scope of participation. Each expression is shown to have clear implications for the level of managerial prerogative and is centred on specific participatory programs and initiatives. The research literature utilises such concepts to develop various continuums of participation.

The first concept examined was that of industrial democracy. Based on the notion of political pluralism, industrial democracy recognises the right of employees to participate in, and exert influence on, decisions that affect their working lives. Implicit in this concept is a redistribution of managerial power away from management to employees. Industrial democracy usually manifested itself in the form of representative participation in joint decision making processes and was generally confined to high level strategic decision making. Industrial democracy represents one extreme of the participation continuum.

The second concept was that of employee participation. This concept moves away from the sharing of power espoused under industrial democracy and emphasises consensus, compromise and co-operation within broad parameters controlled by management. Although still pluralist in nature, employee participation involved an accommodation of interests rather a recognition of any democratic rights. In practice, employee participation is shown to straddle many levels of organisational decision

making and areas along the participation continuum and frequently finds expression in forms of joint consultation which do not challenge managerial prerogative.

The third expression of participation identified was that of employee involvement. In contrast to other forms of participation, the scope and level of employee involvement centred on the workplace and the implementation of management decisions rather than actual decision making. Employee involvement represents the other extreme of the participation continuum. Focusing directly on individual employees in the workplace, it most frequently found expression in the form of information sharing processes, direct consultation in specific work tasks and semi-autonomous work groups. Conceptually, employee involvement does not involve any challenge to managerial prerogative and is more closely aligned with a unitarist framework.

An important trend highlighted in the first section is the growth in employee involvement programs and schemes over the past decade. This is shown to have particular application to the APS, where employee involvement programs are being incorporated into broader human resource management policies and specific agency based objectives aimed at increasing efficiency and productivity. Employee involvement is therefore identified as the contemporary approach to participation and raises the issue of why particular forms of participation prevail over time.

The second section explored the determinants of employee participation and involvement. Adopting Glew et al's framework of the participation process, a range of factors, such as organisational culture, trade unions, formal rules and policies, individual characteristics and the introduction of technology are all identified as possible determinants of employee participation (1995 p398). Within this discussion, the role of management emerges as a significant determinant of participation. The advent of employee involvement, with its workplace focus, places particular emphasis on the role of middle and frontline managers as a key determinant of participatory outcomes, yet there remains a trend in the literature to treat management as a generic group with little discussion of the role played by middle and frontline managers in this process.

In order to facilitate an analysis of role played by this group, the literature was used to develop a definition of middle and frontline managers. A number of alternative approaches were highlighted. The preferred approach, advanced by Broussine and Guerrier (1983) centred on a range of common roles and features applicable to both middle and frontline managers. Another issue involving the middle and frontline management dichotomy was the question of differences in attitudes

between middle and frontline management groupings on the issue of participation. Whilst there is no conventional wisdom on this question, a close examination of the literature suggests that differences between the two groups may occur.

The association between middle and frontline managers and the operation of employee participation revolves around two issues, the nature of the involvement of this group in participation, and the impact of participation on this group. Middle and frontline managers are shown to play a central role in the participation process, and therefore are in a position to influence participatory outcomes. Yet for the most part the literature has only dealt with these issues in general terms. Both the response of middle and frontline managers to employee participation, and specific nature of the impact of such programs on these managers remains unexplored.

The third section argues that middle and frontline managers contribute to participatory processes in three ways; their level of commitment to employee participation, changes in the level of managerial power as a result of employee participation, and the outcome for middle and frontline managers in terms of the tensions and conflict felt by this group in implementing employee participation programs.

The level of middle and frontline management commitment is seen as the main response of this managerial group to employee participation and as such represents one of the major themes of this thesis. Within this discussion, Cressey et al (1985) argue that variances in the level of managerial support for participation may be found between support for the general notion of participation and participation on specific issues. It is also evident from the various continuums of participation constructed by Cressey et al (1985), Knudsen (1995) and Wang (1974) that management support will also vary between issues and specific forms of employee participation. Issues such as the provision of organisational support and perceptions of power were also identified as factors that influenced management commitment towards participation.

The final section examines the impact of employee participation on middle and frontline managers. Recognising the changing managerial role experienced by this group as a consequence of employee participation, the discussion highlights the tension and conflict experienced by middle and frontline managers in carrying out their new participatory role. This was expressed through the notion of feeling "caught in the middle".

Drawing on the available literature, the issue was explored through a range of factors such as perceptions of power, competing managerial demands such as organisational efficiency, and managerial workloads and the relationship between middle and frontline managers and other organisational players. Each factor was examined in the context of middle and frontline managers feeling 'caught in the middle'. Such issues represent the main focus of the analysis undertaken in this thesis.

Chapter 3 - Employee Participation in the Australian Taxation Office 1975 -1996.

3.1. Introduction

As the main revenue generating arm of the federal government, the Australian Taxation Office (the ATO), holds a central position in the machinery of government. Like other government agencies, the ATO has had to face the prospect of micro economic reform during the last decade. Factors such as the increased complexity of taxation and related legislation, the growing impact of technological change, political pressure for improved service delivery and greater efficiency, and a shrinking public sector resource base, have continually altered the business of revenue collection, and the effect of these changes have spilled over into the employee relations within the ATO.

During this period it is possible to notice a change in work organisation within the ATO, away from the Taylorist approach towards one where employee participation is central to the work environment. A number of forms of employee participation have been observed operating within the period 1975 - 1996. These include participation of a representative (indirect) and direct kind. Within these categories, expressions of participation have included information sharing, consultation and joint decision making. Their significance within the ATO during this period and the part played by middle and frontline management in their operation are now explored.

3.2. Participation in the ATO - 1975 - 1984.

The period 1975 - 1984 witnessed the emergence of employee participation within the ATO. The growth in participation stemmed from a number of influential factors, each of which emphasised its importance in improving the working life, productivity and efficiency of employees. Its initiation grew out of the recommendations of the 1975 Royal Commission on Australian Government Administration (RCAGA), which called for the introduction of agency level participatory processes (RCAGA, p295). Following this, the Government became committed to the establishment of consultative machinery (see Prime Ministers Press Release 14 June 1976), initially through its adoption in the area of occupational health and safety in response to an APS wide code of General Principles on Occupational Health and Safety in Australian Government Employment. The growth of employee participation was also encouraged by senior tax office managers as part of a broader management re-organisation. The initiative of the then Second Commissioner of Taxation, P.J. Lanigan, which sought to implement participatory reforms across the organisation is such an example. As Lanigan himself noted, the ATO, at a national

level, recognised the need for organisational reform and participation was to be an important component of the new management approach (Lanigan, 1976: p44-45).

3.2.1. Forms of Participation in the ATO - 1975 - 1983.

This section examines the forms of participation found in the ATO both nationally and at the former Melbourne (now Casselden Place) branch office in the period from 1975 to 1983. Throughout this period two distinct forms of participation are distinguishable. The first is an indirect form of participation predominantly based on consultation with unions through a range of "joint consultative committees", linked to the RCAGA recommendations and Occupational Health and Safety developments. The second, focuses on direct participation undertaken by the ATO as part of the management initiated organisational development projects in the mid 1970s. Both are briefly discussed.

3.2.1.1. Indirect Participation - 1975 - 1983.

The most prominent form of employee participation in the ATO in the decade to 1983 was the use of representative consultation, centred on formal forums and committees, at national and branch levels. The most notable of these was the ATO Joint Consultative Committee (JCC) operating at a national level. The JCC was based on the public service wide Joint Council model, and included representatives from senior national management and national union officials. Its purpose was to provide a forum for consultation between management and the unions on issues of national significance.

Despite it originating within management circles, the operation of the JCC appeared to be adversely affected by a less than enthusiastic management response; it was never formally ratified even though it had operated since 1976. This lack of interest and involvement by management was exhibited even at the most senior level; the then Commissioner of Taxation did not participate in the forum. As a result, many of the management representatives who attended the JCC were unwilling or unable to make binding decisions, which according to one ATO union, undermined the whole participative process (see FCU (TOB) Management Union Consultative Committees - National Office file 12.35). One union was highly critical of the process, citing management's strict adherence to the principle of managerial prerogative and their failure to put key issues on to the consultative agenda as two of the many reasons why the JCC was ineffective (FCU (TOB) August 1987 & National Office file 12.35).

Given union criticisms of the JCC, it is perhaps surprising that both management and unions were prepared to continue with the process. The continuation of the JCC appeared to be explained by management's sense of duty towards satisfying broad government undertakings on consultation (i.e., Prime Ministers Press Release 14 June 1976), rather than a desire to involve unions in the decision making process.

In addition to the JCC, at least two other national consultative committees were active in the period to 1983. One was the standing committee on technological change, formed in the early 1970s, and the other was a national occupational health and safety committee, formed in 1980. It is not possible, because of the paucity of information about their operations, to assess the effectiveness of these committees as a mechanism of participation.

At this time there also existed a number of branch level committees. In the Melbourne branch these were a branch occupational health and safety committee, a flexitime disputes committee, a tellers deficiency committee and a salary overpayment committee. The later three were formed under the umbrella of an office wide staff representative committee. These committees exhibited similar structural characteristics to the national JCC, but representation came from different levels.

The branch office occupational health and safety (OH & S) committee enjoyed a productive lifespan. Formed in July 1976 in accordance with the APS wide "Code of General Principles on Occupational Safety and Health in Australian Government Employment" the purpose of the committee was to

review all aspects of safety and health and to consider and make recommendations on reports and suggestions by staff members.
(ATO, SM 84 of 1976).

The relative success of the (OH & S) committee appeared attributable to the promulgation of the "Code of General Principles on Occupational Safety and Health in Australian Government Employment". The code established a number of specific requirements, such as the formation of the committee and its structure. Union representatives, were to be included. In addition to the broad structural requirements, the Code imposed a number of responsibilities on local management, such as the promulgation of a statement of safety policy, and the implementation of a range of safety practices. This effectively defined branch managements' role not only in general health and safety issues but also in its dealings with unions and the committee. Branch management were not at liberty to utilise the forum for their own purposes as had been the case with the local staff committee.

3.2.1.2. Direct Participation - Pre 1984.

Direct participation in this period found expression in two main forms. The first involved a process of direct employee consultation through a committee structure. The second focused on direct employee involvement in the job and work redesign process associated with the organisational development program. Both are briefly examined.

a. The Melbourne Staff Committee.

The Melbourne office Staff Committee, established in early 1977 as a pilot exercise, was the centrepiece of direct participation at the branch level. Its primary objective was to

"enable senior branch management officers to obtain opinions of a representative selection of staff members on matters having a bearing on office operations"

(ATO, Staff Memorandum 26/1977).

This committee was a forum for broad consultation, with no decision making powers. The extent of participation was exclusively on management terms, with their authority over the committee reflected in both its structure and operations.

Membership of the committee was voluntary, and consisted of twelve invited staff members drawn from various sections and classifications across the branch. Although staff were encouraged to make themselves available to participate on the committee, both the nomination and final selection of participants remained a management decision (ATO, Staff Memorandum 3/1981). Staff participants attended the forum as individuals, without any representative mandate or formal canvassing of broader staff views; suggesting that the process was one of direct participation rather than of the indirect kind.

The committee's functions were to canvas opinions and discussion, in order to improve efficiency and job satisfaction within the branch, and provide advice and support to managers who had the authority to make decisions. The committee did not make formal resolutions, but merely recorded its discussions in summarised form and passed them on to the Assistant Deputy Commissioner (Management), who made contributions and provide guidance on relevant matters. Matters concerning working conditions and the employee welfare were considered to be outside the scope of the committee (ATO, SF 112/3 file).

Unlike the JCC, the driving force behind the committee was clearly the management objective of improved organisational efficiency. There is no evidence to suggest that the committee reflected any branch management commitment to in-principle support for participation. In this context, the committee was little more than an additional management resource. Although the introduction of the staff committee was met with some initial enthusiasm by both staff and management, it gradually declined and was discontinued due to a lack of interest on the part of staff, who were reluctant to participate in the process, despite the constant calls made over the period to 1983 for staff members to act as committee representatives (see for example ATO, SM 3/1981 and SM 71/1983).

By 1984 the staff committee was defunct. Management reported the main problem as an increasing lack of interest due to the trivial nature of the matters discussed, confusion and conflict over the role of the committee and a lack of ability, and reluctance, on the part of staff representatives to properly contribute to an evaluation of management initiatives (ATO, SF 112/3). Branch management also believed that the decline may have in part been due to a general satisfaction on the part of staff with management's performance (ATO, SF 112/3). The unions, who were excluded from the committee, viewed the management domination of the process as undermining the "consultative" aims of the exercise and chose not to work through the committee even where appropriate. Rather, they chose to deal with management through other bargaining forums as the need or issues arose.

b. The Organisational Development (OD) Projects.

Alongside the various committees and consultative structures, direct participation also manifested itself in the ATO's organisational development (OD) program. The emphasis was to be on building the long term commitment to change through the implementation of individual projects whereby employees could see the benefits of change through participation.

Driven at a senior level by Second Commissioner Lanigan, the overriding aims of the OD process were to improve long term productivity and simultaneously maximise the job satisfaction. The ultimate objective of the OD projects was to create the semi-autonomous workplace, where staff would have the greatest amount possible of involvement in job related matters. The aim was to improve organisational efficiency. Whilst the specific initiatives undertaken in the ATO have been comprehensively documented elsewhere (Andreatta and Rumbold 1974, Lanigan 1976, RCAGA 1976 and Saul 1976), several key aspects of the participation process are considered here.

The projects, which were centred in the branches, adopted a range of participatory formats. For example, in the assessing areas, the process was one of direct participation, with management conducting surveys of individual staff as basis for change. This was followed up by a process of job rotation, enlargement and enrichment, where staff were to be afforded greater autonomy in job decision making (see Lanigan 1976, pp47 - 48). In the Direct Data Entry areas, participation also focused on job autonomy at the team level through the introduction of semi-autonomous work teams. The exercise was also one of job enrichment, with team members performing the total task of data input, verification and error correction. On a broader level, the Parramatta decentralisation process sought to engender a new participative managerial style (Lanigan 1976, p50). The process involved the establishment of a new autonomous branch office with managers encouraged to adopt a more open and participative management style and to encourage employees to accept responsibility for their work. Utilising information sharing processes, such as briefing sessions, and promoting autonomous decision making through extensive training and appropriate selection of managers, the aim was to establish the maximum amount of autonomy at all levels throughout the office.

Despite early optimism and "encouraging signs" of improved employee morale and satisfaction (See Lanigan 1976 and RCAGA Appendix 3L), many of the project changes subsequently lost momentum. In the Melbourne branch office for instance, the ability of employees to exercise choice in terms of the type, and timing of work and job rotation remained limited despite the introduction of the semi-autonomous work groups (Andreatta and Rumbold 1975). There was very little modification to the role of the supervisor (frontline manager). A supervisor's role continued to be the monitoring of output to ensure that daily group targets were met. Unions were critical of the way in which semi-autonomous work groups were set up, particularly the continual focus on high individual productivity, which was monitored electronically, and a philosophy which emphasised the group's responsibility in

ensuring that the allocated work was done with no real participation by either employees nor the unions (ACOA & APSA, August 1984). To quote the union perspective *even the decision as to when to take a tea break was determined by the arrival of the tea trolley* (ACOA & APSA, August 1984). As Teicher (1988 pp. 4-5) has highlighted, there was no commitment to the democratisation of work as a goal itself; individual projects were almost exclusively management orientated, with unions having little, if any, involvement. What is particularly interesting to observe about the organisational development reforms in place during this period, especially those applied in the Melbourne office, is that the emphasis on quantity of output led to a resurfacing of the unitarist management style that had previously prevailed. Clearly the OD process in the ATO failed to deliver lasting participatory reforms.

3.2.2. Management Role in Participation - Pre 1984.

During this period, senior management's role was central to the committee process. At the national level, the structure of participation ensured that the nature and scope of the issues raised at the JCC limited management and union involvement to senior personnel. At the branch level, it was again senior management who facilitated consultation. Middle and frontline managers played no direct role in the process. Similarly, few, if any, middle and frontline managers played any direct role in the OH & S forum. Reflecting the prevailing hierarchical management culture based on notions of command and control (see Simpson, 1996 p11), middle and frontline managers were largely irrelevant to consultation. Their views and attitudes were not sought nor were they directly affected by the operations of the committees.

Middle managers did, however, influence the eventual outcomes of the OD process in the ATO. Middle and frontline managers were required to attend OD seminars and join small project groups, to identify problems affecting the local branch office and to seek solutions. It was from these groups which were established in all branches, that many OD projects were initiated (Lanigan, 1976, pp. 45-46). Middle management focus on output, efficiency and productivity also reshaped the nature of the OD initiatives by reducing the amount of job autonomy and enforcing a strict adherence to a quantitatively orientated quota system. As one former Melbourne supervisor noted, the local assessing executive (middle managers) were solely concerned with the productivity figures, and any change or initiative on their part was almost exclusively directed at meeting the weekly quota. Any suggestion which did not have a demonstrable effect on productivity was simply not entertained (R.Thomas Interview 5/2/93).

In summary, management initiated and controlled the incidence of participation in the ATO during this period. Their willingness to implement participatory reforms was linked to the issue of organisational efficiency. Initially this took shape through senior management, who expressed a commitment to the organisational development theories that underpinned the emergence of participation through the OD program. It was also expressed in indirect terms through joint consultation. The pursuit of productivity and efficiency encouraged middle management to initially implemented, and subsequently stifled, a range of direct and indirect participatory reforms. With the exception of the JCC and the Occupational Health and Safety committee, both of which were largely imposed from the national level, the level of participation within the ATO was, by the end of 1984, negligible. Management responses played a central role in determining such a participatory outcome.

3.3. Industrial Democracy, Legislation, Plans & Committees 1984 to 1987.

The period 1984 to 1987 witnessed a renewed impetus for employee participation based on the principle of industrial democracy. This was driven by a number of factors, including Government legislation, Parliamentary demands for increased ATO efficiency and, in particular, the appointment of a new Commissioner of Taxation, Trevor Boucher, who contributed to a substantial change in the style of management within the ATO.

The key legislative change was the introduction of Public Service Reform Act in October 1984. By 1983, the recently elected Hawke Labor Government, as part of its Prices and Incomes Accord commitments, set out a wide range of reform proposals for the APS (see Dawkins 1983), one of which was the Public Service Reform Act. Proclaimed in October 1984, section 22C of the legislation required Federal departments to develop industrial democracy plans in consultation with unions and other relevant parties. This imposed on those departments an in-principle obligation to introduce industrial democracy and a need to deal with the question of employee participation as an industrial issue. The ATO was also required to comply.

Coinciding with these government policy initiatives, the ATO was also undergoing a process of organisational change. This was expressed in terms of a series of new Government legislative and administrative requirements, a House of Representatives Expenditure Committee review of the ATO (1986) and the 1987 Cullen Report of the ATO's program management performance (Cullen et al, 1987), each of which called for reform. The changes specifically targeted increased

efficiency and effectiveness in the administration and collection of taxation revenue. The sheer magnitude of the changes necessitated a high level of staff co-operation for their successful implementation. It was clear that such co-operation was an unlikely event given the existing management processes. As the Cullen report had observed, the ATO exhibited a general lack of success with training and there appeared to be a problem in that middle managers were unclear about their role in the organisation (Cullen et al, pp. 45-6). Cullen also reported that unions' had similar concerns;

Unions see the ATO as trying to force useful change strategies through a layer of middle managers who are not all committed to reform" (p13).

The report, emphasising the need for the adoption of a participatory approach in management, recommended that:

In managing relationships with the unions, the ATO needs to consult more directly with staff as well as middle managers, and demonstrate a commitment to people issues by specific priorities and actions (p13).

Boucher, in recognising these concerns, endorsed a participative management style and nominated the reform process as an appropriate vehicle to adopt participation. He linked the desirability of employee participation with the objective of improving efficiency, declaring:

The ATO management believes that encouraging staff to participate in decision making processes will lead to better informed decisions, improved moral and increased commitment" (Commissioner of Taxation, 1986 / 1987 Annual Report, p41).

3.3.1. Forms of Participation 1984 - 1987

The participatory initiatives of this period were characterised by an in-principle approach to participation through an indirect consultative committee structure, at both the national and branch level. This involved the re-establishment of consultative processes through the national and branch level consultative committees, the preparation of industrial democracy plans and the resurgence of participative job redesign practices, based on the organisational reform program initiated by Commissioner Boucher. Whilst many of these later initiatives were undertaken as part of a change process designed to address efficiency issues, they were also linked to the ATO industrial democracy plan.

3.3.1.1. Consultative Committees and Industrial Democracy Plans.

The thrust of the ATO's response to the Labor Government's industrial democracy policy position and the pending legislative requirements was to revitalise existing joint consultative structures.

As the main consultative forum, the JCC, attracted the most attention. Adopting the existing JCC structure, the Commissioner intervened in the forum to ensure it was active and dealt with issues of substance, as a means of facilitating an in-principle approach to participation. The rejuvenated JCC, chaired by Commissioner Boucher, set in motion a series of initiatives associated with the forthcoming industrial democracy legislation. The focus of industrial democracy (ID) was to be on the improvement of both the efficiency of the organisation and the quality of work life for staff (L. Fallick in ACOA Tax Facts, November 1984).

In addition to the JCC, consultative structures dealing with occupational health and safety (OH&S committee) and technology (ADP committee) issues continued in operation. These issue based committees were seen as an integral part of the consultative process, but were distinguished from the in-principle JCC as a result of an industrial democracy sub-committee debate which rejected the idea that the OH & S and ADP Committees should come under the umbrella of JCC (L. Fallick in ACOA Tax Facts, November 1984).

The industrial democracy plan was a clear expression of an in-principle support for employee participation. With the objectives being to comply with the statutory obligations of the Public Service Reform Act and to introduce a number of initiatives aimed at fostering the principles of "industrial democracy" in the ATO (Part 1, ATO Industrial Democracy plan 1985/1986). The plan incorporated both in-principle and issue based initiatives, and a review process.

The plan outlined fifteen specific initiatives, such as awareness and training sessions, job redesign processes, union participation in staff selection and staff suggestion schemes, amongst others. It also highlighted three key areas where final agreement had not been reached, such as the union facilities claim, the issue of access by union officials and the amount of resources committed by management to industrial democracy (Part 5 ATO - Industrial Democracy plan 1985/1986). The plan, whilst predominantly directed at the national level, also outlined the responsibilities of management at the branch level. The national plan required the establishment of branch level management / union consultative committees and sub-committees based on interim charters (Attachment D, Industrial Democracy plan 1985/1986), whose

responsibility it would be to develop a local branch ID plan, setting out specific targets and strategies for participation (September 1985, Folio 105, SF file 112/3).

In the Melbourne branch office, management, despite some apprehension, proposed a committee structure comprising a high powered delegation of six management representatives, including the Deputy Commissioner, three Senior Assistant Deputies, and two other middle managers and six union representatives. Management organised the agenda. At the same time, sub-committees on occupational health and safety, staff selection practices, accommodation and staff development and training were formed. By November 1985, all branch consultative structures were operational.

Initial meetings of the Melbourne branch industrial democracy consultative committee (IDCC) were well attended by senior management and union representatives (see IDCC Minutes, 20/11/85 and 26/2/86). Common issues raised in these early meetings included local health and safety matters, staff development and training initiatives, union involvement in staff selection processes and questions concerning union rights and facilities. A large portion of the time at these meetings was taken up by matters referred to it by the various sub-committees, and on going discussions on the role and respective charters of the sub-committees. One major on-going item was the development of a Melbourne branch Industrial democracy plan (Folios 254-256 SF File 112/3). As issues raised at the IDCC, and its various sub-committees became increasingly concerned with more prosaic matters, the level of management and union representation at the meetings was downgraded.

By the end of 1987 both parties were dissatisfied with the outcomes obtained at the forum and the resulting draft plan. This led to a souring of relations. As Jim Grisdale, a former secretary to the IDCC, noted:

relationships between union and management representatives were becoming increasingly strained as both parties failed to get any tangible results, the unions reps, in particular, were continually complaining that nothing worthwhile came out of the discussions and arguments developed over petty things such as notifications of meetings, and agendas and minutes being posted out. (Grisdale Interview, 20/6/90).

Further, as the ATO, at all levels, became increasingly concerned with broader issues such as Self Assessment, and a myriad of efficiency reviews, and the significant industrial questions they raised, the unions began focusing their efforts on participating in the reform process at the workplace level (see below). Within such an environment there appeared to be little scope for any meaningful consultation through

forums such as the IDCC. The fact that the IDCC continued to operate at all appeared to reflect a desire on the part of both parties to fulfil their respective obligations under the national industrial democracy plan rather than as a result of any commitment to branch level consultation and participation.

3.3.1.2. Participation in Joint Reviews and the implementation of change.

By mid to late 1985 a number of organisational reviews had commenced. These included, amongst others, an examination of the Debt Recovery/Management area, reviews of the s33A qualifications requirement, the proposed self assessment reforms and a series of on-going general efficiency reviews culminating in an inquiry by the House of Representatives Expenditure Committee. Trevor Boucher and national office management had identified such projects as "ideal for staff participation" (Commissioner of Taxation, 1984-1985 Annual Report, p 35).

The nature of these participatory processes were largely based on indirect union representation. The unions were involved to varying degrees in working parties, steering committees, discussions at the JCC and through the preparation of detailed submissions on change issues. According to one Administrative and Clerical Officers Association (ACOA) national delegates committee member, the extent of union participation in national issues was increasing to levels not previously witnessed in the ATO (P. Holmes). Although as Teicher has reported, the nature of union participation in these early (pre 1988) reviews was constrained by the management initiated processes (Teicher 1990[1], p217).

Each review process consisted of a national steering committee, backed up by a national review team that would handle all operational matters such as reviewing the existing processes and formulating proposals. The unions were granted representation on both bodies, and as Teicher (1990[1], pp. 220-1) has noted, union involvement was extensive. In the Melbourne branch office, the unions were represented on all work design and review teams. Many of the early review team processes contained very little direct staff consultation, with union submissions representing the only element of participation. At the review team level, the process was one of joint decision making. Once the review team had completed its work that the unions would commence negotiations at the steering committee level. As Teicher has noted, this process effectively constituted an indirect form of participation similar to the consultative committee structures (Teicher 1990[1], p217).

In addition to the indirect, union based, committee structure, new forms of participation also began to emerge. In the taxpayer audit review, an integral part of the participative process adopted by the review team was a comprehensive survey of audit staff, covering aspects such as job content, and job and career attitudes, which in turn was followed up by a series of open ended interviews. The surveys and interviews were both an information gathering exercise for the review team, and a process of consultation conducted jointly by management and union representatives. Of interest was the participative methodology adopted by the review team which commenced the redesign process from non supervisory positions and worked up the chain of command, as opposed from the usual "top down" approach (Taxpayer Audit Program Review, Staff Surveys and Interviews, April 1987). Unlike earlier reviews, the issue based participatory processes here combined elements of information sharing, indirect consultation and joint decision making.

3.3.2. Management Role in Participation - 1984 - 1987.

A significant influence on the changing role of middle and frontline managers during this period was the high profile of the new ATO Commissioner, Trevor Boucher. By declaring and demonstrating strong support for participation he contributed to its growth. His leadership stimulated support for participation amongst senior managers at a national level. Notwithstanding such support, a diversity of opinions and attitudes within managerial ranks affected the consultative process, and at times these differences were so manifest that the unions describe the management representatives on the Occupational Health and Safety committee as belligerent and obstinate, and a threat to the credibility of the ATO's pursuit of industrial democracy. This was in contrast to the JCC, where management representatives seemed to be unanimously supportive of participation (L. Fallick in ACOA Tax Facts, November 1984).

At the branch level, management were often seen to be resisting the move towards greater participation. The prevailing view amongst local senior and middle managers, even before the proclamation of the Public Service Reform Act, was one of restrained hostility towards the new proposals. This was clearly articulated in correspondence from the then acting Deputy Commissioner to National Office, which stated:

While we should not be seen to be resistant to the concept of industrial democracy, there is no obvious merit in being in the forefront in implementing these initiatives.....we should proceed with extreme caution
(17 February 1984 - SF file 112/3 Folios 149-150).

Branch senior and middle management clearly felt threatened and appeared intent on limiting the potential impact of the any future initiatives.

They asserted that the consultative forums should not be given decision making powers, proclaiming that "*responsibility for (the) administration of the office rests with management*", and that it would be "*difficult to see (the) proposed JMSCC (Joint Management Staff Consultative Committee) performing any meaningful role in the administration of the office*" (D.C. Letter to N.O. Folios 149-150 and "Summary of Branch Office Comments" -Folios 168 -173 both in SF file 112/3). Further, they argued for a greater retention of managerial prerogative by advocating the co-ordination of the participative process by management and a clear delineation between the JCC and any branch committees as well as restricting the nature of the JCC agenda to issues of national relevance or referrals by branch management, specifically excluding appeals and complaints against branch office management (Folios 169 & 173, SF file 112/3). Finally, they also questioned whether the organisation had the resources to service the requirements of full consultation (Folio 169, SF file 112/3). Based on these comments it is apparent that the Melbourne branch management had no real desire to implement any new participatory changes.

Branch management's opposition to the participatory reforms appeared to be based on their adversarial relationship with local union representatives, and a desire to maintain managerial prerogative; a necessary corollary to the achievement of efficiency objectives within their branch. They were particularly critical of the Melbourne branch union representatives, who were viewed as irresponsible, confrontationist and aggressive; the antithesis of what was required for an efficient office (Folio 172 SF file 112/3). The then Senior Assistant Deputy Commissioner for Operations, agreed at least in part with this view of effective decision making when he said :

In order to achieve this, union representatives must be responsible and accountable for their contribution towards improving office efficiency. This will depend on the calibre of union representatives and their ability and willingness to perceive and understand all aspects of particular issues. We have serious reservations regarding the ability of current union representatives in this office to fulfil this role (Folio 258 SF file 112/3).

Another concern of middle management was their fear that participation would encourage unions to bypass them in decision making, by going direct to national management (Folio 172 SF file 112/3).

This would help to explain their strong hostility to union involvement; particularly the notion of unions being established as the "single channel" for consultation within the committee structure. They viewed this approach as undermining their right to directly consult non union staff. It also led to a call for the inclusion of a staff liaison officer on the committee to cover the non union component of the staff (SF file 112/3 Folios 149-150).

The Melbourne industrial democracy plan also reflected an expressed desire of branch management not to be at the cutting edge of industrial democracy. As stated by the then Melbourne Director of Resources in an internal memorandum:

I have been reluctant to pursue locally initiated measures in advance of the National Office implementation strategy for both ID and EEO.....I have discussed the need for National Office direction in regard to the implementation of ID, especially in view of the basic differences in definition between the unions and the APS
(Sullivan, Folio 257, SF File 112/3, October 1986).

Differences in the approach to, and definition of, industrial democracy also surfaced during discussions of the Industrial Democracy Implementation Sub-Committee charter, where branch management did not accept a union proposition that specifically included the process of *joint decision making in all aspects of Victorian Branch operations as soon as possible* (folios 272 -275, SF 112/3 & IDCC minutes 26/2/86). It appeared that branch management preferred such matters to be determined by national office.

In essence, the industrial democracy legislation, and the national industrial democracy plan, both facilitated by senior national management, were major factors behind the emergence of in-principle participation within the ATO, both at a national and branch level. In terms of issue based participation, senior national management again played a vital role in facilitating participation through their active involvement in the joint review consultation process. Although unable to alter the nature of the participatory structures and processes adopted nationally, branch managers, at both senior and middle levels played a key role in shaping the outcomes of the processes. By resisting change and relying on national management for direction, branch management clearly limited the impact of the participatory initiatives.

Whilst some senior and middle branch managers also played a role in the organisational redesign process as participants in work design and review teams, most branch managers were more concerned with "business as usual" activities rather than facilitating participation in the redesign process. Middle and frontline managers, who, as noted in the Cullen report (Cullen et al, 1987, p13), were not always viewed as being committed to reform, were largely relegated to participants in the surveys and interviews. With few notable exceptions, the role of the middle and frontline managers in the participatory process was still largely inconsequential.

3.3.3. 1983 - 1987 Conclusion.

In conclusion, the 1983 - 1987 period witnessed the re-emergence of in-principle industrial democracy as a legislative necessity and, to a lesser extent, as a valuable management tool in the implementation of major organisational change. The nature and extent of the participative reforms undertaken during this period were driven by the industrial democracy legislation, supported by the Commissioner of Taxation, both of which played a crucial role in imposing in-principle participation on the ATO management. Forms of in-principle participation were confined to indirect expressions of participation through the joint consultative forums. The ATO industrial democracy plan also introduced the notion of issue based participation as a means of facilitating change and reform. The issue based initiatives, whilst largely based on indirect union involvement, also introduced direct participation in the form of staff surveys and management publications, which emerged as part of the reform process.

Within this process the role of national management, was significant to participatory outcomes. Commissioner Boucher, in particular, was seen as the driving force behind many of the participatory initiatives within management (Teicher, 1990 and Mathews, 1992). As the above discussion highlights, there were considerable layers of management, predominantly at the branch level, who did not support the introduction of industrial democracy initiatives. This was particularly evident in the Melbourne branch response to notions of in-principle participation. As the Cullen report also noted, branch management had traditionally focused on the general day to day aspects, with little time for personnel issues such as employee participation (Cullen et al 1987, p36). In this regard, branch management's suspicion of industrial democracy as being incompatible with improving efficiency and productivity was clearly predictable.

3.4. Employee Participation - Award Restructuring and Technological change 1987 to 1992.

The period from 1987 to 1992 witnessed a shift in the purpose of participation. Participation was adopted as a management tool to facilitate efficiency measures. This was accompanied by a move towards the application of participation to deal with specific change issues.

The main factors influencing the development of participation in the period 1987 to 1992 were associated with initiatives directed at workplace reform. Important amongst these were key decisions of the AIRC. Two such cases were the March 1987 decision known as the two tier wage case, and the August 1989 decision that established the Structural Efficiency Principle (SEP). Both decisions emphasised the importance of restructuring, productivity and efficiency in determining wage outcomes. What followed in the period from 1987 to 1992 was a flurry of organisational change initiatives (Callus et al, 1991). These decisions also encouraged the parties to adopt participation as a vehicle for change.

In the ATO, award restructuring provided the industrial setting for two major change initiatives, the Office Structures Implementation (OSI) process and the ATO's Modernisation program. Both embraced employee participation as a vehicle for change, thus providing impetus for the extensive programs of participation that were to follow. Each initiative and rate of participation is briefly discussed in turn.

3.4.1. The OSI Process.

The origins of the OSI process can be traced back to the March 1987 wage case decision, which established a two tier wages system. Under this system the first tier provided for an across the board wage increase, whilst the second tier made further increases conditional on improvements in workplace efficiency through changes in work practices. The application of this second tier process in the APS found expression in the Office Structures Review (OSR) program negotiated between the government and public sector unions in November 1987.

The central feature of the OSR program was the provision of pay increases based on a radical restructuring of the then existing APS awards into a more simplified staffing structure of eight levels. The associated job redesign program was the catalyst for a series of job enrichment initiatives. These occurred through improved supervision, increased job training and multi skilling, a review of restrictive management and work practices and a flattening of organisational and decision making structures (ATO, 87-88 Annual Report, p7). Within the ATO, the application

of this new award structure and the job redesigned program which accompanied it was known as OSI.

Like the OSR program, the OSI agreement offered ATO management the opportunity to reap considerable productivity benefits. From a union perspective, the OSI program allowed unionists to break down the traditional 'Taylorist' job structures that existed in the ATO (P. DeCarlo Interview).

Both management and the unions agreed that participation was an appropriate tool for the implementation of OSI. Unlike previous attempts at job redesign, there was general agreement between union officials and senior ATO management that participation should be extended to cover as many aspects of the OSI process as possible. It was agreed that in addition to union representation on all decision making bodies involved in the process, employees would also participate directly in the development of ideas and options for change. As Commissioner Boucher stated in a mid 1987 staff circular on the restructuring issue:

Management, unions and staff will be working together to redesign jobs and it will be most important, if the task is to be done properly and effectively, for all staff to be co - operative and willing to participate in the process. This is in everybody's best interest. (T.P.Boucher, SM 43/1987).

So that the OSI program was to rely on both direct and indirect forms of participation.

3.4.2. The Modernisation Program.

Coinciding with the implementation of the OSI process, the ATO also embarked on a series of further change initiatives that were aimed at developing "the Tax Office of the future". The change process, which would encompass technological, organisational and human resource issues, became known as "Modernisation". This was to be the most ambitious change initiative so far undertaken in the ATO, likely to impact upon virtually every element of the work undertaken by the ATO and the working lives of all employees.

In contrast to OSI, which focused on the reorganisation and redesign of the then existing jobs and work practices, the concept of the Modernisation project was to develop, and ultimately implement, technological and organisational options for the future. The primary objective of the Modernisation process was to build "*a more efficient and effective Tax Office; one which will be a better place to work*" (ATO, "The Tax Office of the Future" December 1987). At a cost of \$700 million, over ten years, the focus was on the five key elements; people (or employees); the organisation; technology; clients and locations (ATO, "The Tax Office of the Future"

December 1987). By 1997, ATO management reported that Modernisation had produced significant efficiency gains to the Government by reducing the rate of growth in ATO staff levels by 25 - 30% and reduced the cost of taxation revenue collection (Simpson, 1996: p16).

Employee participation was central to the Modernisation process. Given the size of their investment, the Parliament and Government were concerned that industrial relations problems could frustrate the implementation of the project (JCPA, 1987 Report 287). ATO management could ill afford to fail to deliver the benefits and savings expected of Modernisation. Failure to meet the agreed expectations would inevitably lead to long term funding shortages as well as serious political ramifications for the Commissioner and his senior managers (Simpson, 1996: p16). The key to success was the level of commitment to change, by management at all levels, and the various internal and external stakeholders such as staff, unions, and tax agents. This was clearly recognised by the then Second Commissioner in charge of Modernisation, Michael Carmody, who stated that:

We will not achieve our goals unless we all share a high level of commitment to building a better tax office. In one way or another, we all have a part to play in Modernisation, whether that be through direct involvement in project teams, in contributing to their work or in generally taking up the challenge of implementing the new approaches.

(ATO Newsletter, Vol 2, No 2, February 1989, p17).

In essence, the restructuring process and the specific change initiatives drove the impetus for employee participation in the ATO during this period. As opposed to the *in-principle* approach that prevailed in the years immediately following the introduction of industrial democracy legislation, the focus of participation since 1987 has, almost exclusively, been issue based.

3.4.3. Participatory Processes and Structures - 1987 - 1991.

Both Teicher (1990 [1]) and Mathews (1992) have extensively covered the ATO's OSI and Modernisation structures and processes. Both contributions highlight how the focus of employee participation in the ATO during this period was dominated by issue based participation, underpinned by organisational objectives of change and improved efficiency. It is appropriate to examine the salient points of these participatory processes.

3.4.3.1. Office Structures Implementation (OSI) - Processes & Structures.

Employee participation in the OSI program commenced prior to the ratification of the second tier agreement in 1987, with unions and management jointly considering work flows and job designs as part of that agreement (Office Structures Review Update Bulletin 3, 13/8/87). Following the ratification of the second tier agreement, ATO management developed a set of principles for the national implementation of OSI. A key element of the principles was participation by staff in the OSI process, through their unions. (ATO, Office Structures Implementation Handbook, May 1988).

The implementation of participative job redesign occurred at three levels within the organisation. At the national level, senior tax management, together with union representatives, would determine a broad view of redesign options and objectives, undertake initial decisions on the various options and ultimately make the final implementation decisions. At this level the process was one of consultation. At the branch level, local union representatives and managers, together with the branch executive, were to ensure that the process of consultation and feedback from staff was occurring, and that job redesign decisions were being implemented. This branch office level was also the conduit between the national and workplace levels for the development of ideas and options, and the on going feedback process. The third level at which job redesign took place was the workplace. Consultation at this level was conducted directly with employees through a variety of means including questionnaires, the conduct of brainstorming sessions with all staff, the establishment of project teams from existing staff and through the usual union representative channels. (ATO, Office Structures Implementation Handbook, May 1988).

Participation in this setting was facilitated through a number of organisational decision making and support structures. Central to this process was the Management Advisory Committee (MAC). Established in 1987, specifically to manage the implementation of OSI and ATO Modernisation, the MAC effectively replaced the JCC as the peak consultative forum in the ATO. The MAC played a prominent role in both the OSI and Modernisation processes. In contrast to the JCC, the MAC moved away from the in-principle approach to participation towards an issue based approach. The role of the committee was to approve the establishment of specific projects, resolving matters of principle and monitoring their subsequent progress. With the change process dominating proceedings at the MAC, and employee relations generally, union involvement in the forum was confined to issues associated with the

change process. Within this environment, there was no scope for in-principle participation.

At the branch level, indirect participation was facilitated through the Branch Office Steering Committee (or the BOSC), which also contained union representation. The BOSC's role was to oversee all the local work re-organisation options and proposals before passing them on to the MAC for endorsement, as well as convening OSI working parties, developing their 'terms of reference', providing guidance and monitoring subsequent progress. (ATO. "OSI Handbook", May 1988, p21). The BOSC was primarily concerned with ensuring that the general policy direction developed at the national level was in fact implemented at the branch level. In this regard, the extent of participation was constrained by national parameters.

Also at the branch level, Branch Working Parties, were established to develop work re-organisation and job redesign proposals. These groups, whose composition varied according to the actual functions and/or work areas being examined, involved both management and union nominees from affected areas. (ATO. "OSI Handbook", May 1988, p22). An integral part of their role was to canvass and consider the views of affected staff and relevant managers, including branch middle managers, as widely as possible. This included direct consultation with staff through group and team meetings and surveys. In some instances, direct processes such as learning circles were also utilised (OSI Word Processing Interim Report, March 1989). It was the working party's responsibility to ensure that the participative process was functioning effectively at the workplace level. Having consulted staff and management, they would develop restructuring options, which were then taken back to workplace by the working party union nominees for endorsement by union members. Branch Working Parties therefore not only represented a form of indirect joint decision making, but also acted as the driving force behind the implementation of direct employee participation in the OSI process.

As Teicher points out, the OSI job redesign process was based upon direct participation, which in turn was moderated by indirect union representation on steering committees and other bodies (1990 [1], p266).

3.4.3.2. The Modernisation Process - Processes & Structures.

The Modernisation project was linked to the award restructuring process by addressing a number of human resource issues related to the introduction of technological change. The extensive participation process associated with Modernisation was based on two major elements. The first involved the integration of the Modernisation program with the structures and processes, such as the MAC, developed as part of OSI. The second, and more significant element of the participatory process evolved directly out of the formal agreement on the change process, which became known as *the Modernisation Agreement*. Formally certified by the AIRC in March 1990, the agreement secured union support for the Modernisation process, whilst protecting jobs through a "no compulsory retrenchment" clause.

The Modernisation agreement set out a requirement for consultation with the union before final decisions were made (Clause 29.1. - 1990 ATO Modernisation Agreement). This involved the provision of relevant information, and the entitlement to union representation on all national and branch level steering committees, project teams and working parties including ATO support and facilities (Clauses 29.1. and 24 - 1990 ATO Modernisation Agreement). The ATO Modernisation agreement has been very important to the participative process. It enshrined union participation as a central element in every individual Modernisation project. It has been described as a significant occurrence in union and management relations in the APS, and subsequently seen as a landmark in this field (Simpson, 1996: p15).

The ATO Modernisation agreement documented the way in which participation would occur. At a national level, Modernisation structures largely mirrored those of OSI. The MAC played a central role in the Modernisation process, initiating, monitoring and reviewing final proposals, and establishing the general policy for the process. As with OSI, high level consultation with the union(s) was facilitated through the MAC, with each project governed nationally by a project steering committee, operating as a subcommittee of the MAC. All steering committees included a union nominee. The participative process was a consultative one, with unresolved or disputed issues either referred to the MAC or dealt separately in formal negotiations.

At the branch level, participation was a mixture of direct and indirect participation, centred on consultation via the project teams. The project teams, which included one union nominee, developed a range of options for change, including issues such as technical specifications, workforce planning, work and job redesign and implementation processes. Project teams were also responsible for facilitating consultation directly with affected employees. Such processes involved the dissemination of information and project reports to staff for comment and feedback, regular "walkthroughs" in affected areas by project team members, and regular meetings with employees from affected areas. (Attachment K, ATO Modernisation Staff Session Papers, December 1988). In contrast to OSI processes, union members did not vote to endorse specific proposals.

Joint branch level steering committees, with the task of overseeing the development and implementation of Modernisation processes, were also established. In the Melbourne branch, this role was taken up by the Modern Melbourne Steering Committee (MMSC), which in effect succeeded the BOSC. Agenda items focused exclusively on Modernisation related processes and issues (MMSC Minutes 1991 - 1993), limiting the participation process to one of issue based consultation. By late 1992, the distinction between industrial issues and the matters associated with the Modernisation process was becoming increasingly blurred. The MMSC was spending an increasing amount of time responding to union concerns on the implementation of specific initiatives, and on some occasions the forum sought to resolve problems through negotiations (S. Nalliah). To a large extent this was a reflection of the widespread impact of the Modernisation process in the ATO. It also reflected the fact that the MMSC had now replaced other branch consultative forums. Participation was now totally focused on change issues.

3.4.3.3. Employee Participation Training .

An important feature of both OSI and Modernisation processes was the provision of organisational training and its emphasis on employee participation. The objective was to engender a management style that espoused and adopted a participatory approach to change and work issues. As Commissioner Boucher noted in the OSI Handbook:

A key principle is the further development of a modern management style - one which cares for people, and consults and involves them in changes which affect them and their work. Inherent in this management style is recognition of the role of unions in representing staff, and seeking to work with them in pursuit of our common interests. Office Structures Implementation provides an opportunity to pursue our goals by reorganising work and redesigning jobs using participative processes which will carry us into computer redevelopment and re-equipment, and beyond" (Trevor Boucher, OSI Handbook, May 1988, Foreword).

OSI training focused extensively on participation. Training programs were targeted at specific groups with courses developed for new recruits, EEO target groups, and middle and frontline managers. A central feature of these courses and programs was the emphasis on participation as a means of facilitating change (Melbourne OSI Newsletter No 2). The OSI handbook dedicated significant sections to the participative process, including a detailed guide to undertaking a participative work and job redesign ATO. "OSI Handbook", May 1988, p37).

Modernisation training also focused on a participatory management style. A key component of this process was introduction of a training program which focused on managerial roles underpinned by a participative approach. Known as the *Managing in the Nineties (or MINS)* program, the course was conducted over a 17 day period for all senior, middle and frontline managers, covering issues such as formal managerial responsibilities, performance management and decision making, amongst others. A central theme of the program was to promote a participatory management style across all levels of the ATO (ATO, MINS Participant Handbook, Book No2, 1991). In this regard, the MINS program represented, a significant step in the devolution of employee participation to middle and frontline managers and the workplace.

3.4.3.4. The Melbourne Branch Organisational Effectiveness Program.

Coinciding with the introduction of OSI and Modernisation was the development of an Organisational Effectiveness Program (OEP). Confined to the Melbourne branch office only, the OEP was initiated by senior branch management in late 1987. The aim of the program was to shift corporate values and culture in the desired direction through the use of employee participation. As the then Senior Assistant Deputy Commissioner, in reporting on the OEP, noted:

They (Managers and Supervisors) have been concentrating on building a management style that values the contributions of all people; makes decisions through participation and consultation; and work as a team. This style means that we can effectively manage in a changing environment.

(ATO Melbourne, Annual Report 1987/1988, p1).

A central component of the OEP was the Employee Relations Plan. The plan was a management document, based on broader management objectives, with no union or employee input. Reflecting an increased emphasis on direct participation the Employee Relations Plan set out an integrated approach based on a three tier structure through which employee participation could be linked to corporate and change strategies.

The first tier focused on the formal industrial democracy process, based on representative structures such as the IDCC. The second, entitled workplace democracy, sought to concentrate on direct participation in the workplace through processes such as workplace meetings. The third tier addressed the wider concept of employee relations across the whole of the branch office. The plan set out managerial roles and identified key strategies and activities that would be undertaken by branch management (Employee Relations Plan, pp. 11 - 17). It effectively replaced the earlier industrial democracy plan at the branch level and provided a framework for both direct and indirect forms of participation through which branch management could negotiate improved organisational efficiency and change initiatives.

Whilst the OEP and Employee Relations Plan were eventually subsumed by OSI and other change initiatives, they highlight the increasing emphasis on issue based participation and the emergence of direct workplace participation as an issue for middle and frontline managers.

3.4.4. Management Role in Participation - 1987 - 1991.

This period saw the emergence of direct participation as an important management tool in the implementation of organisational change, initially through the OSI process and then through the Modernisation program. Particularly significant during this period was the change in the role of management.

As with earlier developments, senior management, particularly Commissioner Boucher and his management team, were key players in the high level consultative process, and they again played a central role in the development of participation at the branch level. The Management Board, for instance, viewed OSI as providing for a significant step forward in participation:

The Management Board believe that for a participative style of management to work staff need to be provided with a sense of common purpose and direction.....all (branch) offices should be given the opportunity to participate in corporate decision making through involvement with the Management Board, OSI activities have provided a start on this".
(ATO, 87-88 Annual Report, p16)

It is observed that during this period both middle managers and employees also adopted a more prominent role. At the branch level, middle managers (usually group heads) played an important role in indirect consultative processes as participants in forums such as the BOSC and MMSC. In the Melbourne office, the OEP and Employee Relations Plan emphasised the importance of middle and frontline managers in more direct forms of participation. Middle managers were also involved in direct consultation with OSI working parties and Modernisation project teams. In the workplace, middle and frontline managers were accorded tasks such as encouraging staff participation in OSI and Modernisation by gathering staff feedback on proposals and facilitating involvement in the final implementation process. In job redesign processes, middle and frontline managers were often active participants.

In essence middle and frontline managers emerged from OSI and Modernisation process with an increased responsibility for facilitating participation. Both processes encouraged a participative management style, while the Modernisation agreement explicitly imposed on management an obligation to consult. Whilst senior management continued to drive the process at a national level, the devolution of the change process down to the branch and workplace level meant that middle and frontline managers now had a key role as facilitators of participation.

3.4.5. Impact on Management.

Another important question about the role of participation is the possible impact of participation on management. Have the various participatory OSI and Modernisation processes affected ATO managers ? There are a number of ways in which managers might be affected by the introduction of participation.

One such way is the use of participatory structures and management styles to reduce managerial layers and positions. A key outcome of the OSI restructure was the integration of classifications and job redesign across all levels, which replaced many single task work areas, such as typing pools, file control and data processing areas, with multi-task participative team structures. This reduced the number of middle and frontline managerial positions. Whilst the OSI “lines of control anomalies review” altered both the classification level and number of frontline managerial positions (OSI Lines of Control Working Party Report & G.Greco). Such changes drew a hostile response from managers who resented the increased workload created by the changes. As some managers commented:

The flatter office structure since March 1988 reorganisation has created enormous workloads on audit managers.....the downgrading of manager classifications with same and increased responsibilities represents exploitation of managers.....

(Jans Report - Working for Tax 89 - 2, p4.32)

Another aspect of the OSI restructure was its affect on the role of managers in the workplace. With an emphasis on greater autonomy over work tasks, increased responsibility for decisions and more involvement in workplace decision making, OSI again increased middle and frontline management workloads. One example was the provision for frontline managers to take an active role in reviewing staff performance and skill development (ATO, 87-88 Annual Report, p7). This again led some managers to remonstrate:

Too much responsibility is being placed on the line managers to look at staff and their development and also be responsible for day to day admin functions.

(Jans Report - Working for Tax 89 - 2, p4.32)

The impact of Modernisation, was just as significant. On a general level, Modernisation continued to engender the creation of a participative management culture through processes such as the MINS training. More specifically, the Modernisation Agreement imposed on management, especially at senior and middle levels, an obligation to consult the union on a range of issues. In practice, union representatives utilised these consultative provisions to contest managerial

prerogative. This frequently involved middle management decision making (see for instance Workforce Planning Committee Minutes 7/93). In this regard, the Modernisation Agreement represented an intrusion on the right of managers to make unilateral decisions.

The participatory processes of both OSI and Modernisation impinged on the managerial role. There some was hostility at the middle management level to the nature and extent of this intervention. Reflecting the opposition, middle and frontline management responses to staff surveys conducted during this period frequently included comments such as:

Let managers manage - the participative process is going too far;
(Jans Report - Working for Tax 89, p62)

and

We 've gone too far with the participative processes AND making people happy in their jobs.....

(Jans Report - Working for Tax 89 - 2, p4.34)

The extent of the impact of participation through OSI and Modernisation clearly represented a significant transition from the pre 1987 period and a forerunner of what was to follow.

3.4.6. Participation & Change - Conclusion.

A distinguishing feature of OSI and Modernisation was the comprehensive employee participation program. During this period the participation processes of OSI and Modernisation had in effect replaced the ATO Industrial Democracy Plan. As the Commissioner of Taxation acknowledged, the focus was on the application of participatory principles to the various job redesign and reorganisation projects that were undertaken as part of the change process (Annual Report 1989 - 1990, p 80). This reflected a movement away from the in-principle approach of the pre 1987 period to participation that was issue based.

The nature of the participation was one of consultation. Although some OSI processes were expressions of joint decision making, this always occurred within management parameters. The underlying objective was to facilitate the change process in the most efficient and effective manner. The notion of indirect participation was embedded within the change process at all levels. In addition, more direct forms of employee involvement occurred in the development of options and their implementation. So participation was expressed in a combination of representative structures including both direct and indirect forms, with the more direct

forms of staff involvement being elevated and an issue based approach to participation becoming the norm.

A significant outcome of the change process was the devolution of participation to branch and workplace levels. As a consequence, the role of managers at this level changed. Middle and frontline managers were required to assist the participation process in the development and implementation of change, as well as adopt a participative management style as an outcome of the change process itself. The effect on middle, and to a lesser extent, frontline, managers, was a role in facilitating participation. In contrast to earlier periods, branch managers, especially at middle levels, were no longer permitted to sit on the participatory sidelines. The consequences of this changed role not only resulted in an increase in managerial workloads, it also represented a challenge to traditional managerial prerogative.

3.5. Enterprise Bargaining - Employee Participation in Productivity and Performance 1992 - 1996.

The period 1992 - 1996 has been dominated by the development of enterprise bargaining. Enterprise Bargaining and the APS related Agency Bargaining have, since their inception in 1992, been a major influence in shaping the nature and extent of employee participation in the ATO. Under Enterprise and Agency Bargaining, the shift towards issued based, and direct, forms of participation has continued with significant implications for the role of middle and frontline managers.

From the outset Enterprise Bargaining linked participation with the issue of workplace reform. Enterprise Bargaining principles obliged the parties to provide for consultation as part of that process. Part VIB of the former Industrial Relations Act required certified agreements to be processed through consultation.(DIR, 1995, p12), as well as requiring the parties to include provision for consultation in the agreements. Also, the former Labor Government embraced consultation as the basis through which co-operative workplace reform could be achieved in the APS.

In the APS, Enterprise Bargaining occurred on two levels. The first was an APS wide level where up to 1996, two APS wide Enterprise Agreements were negotiated: the *Improving Productivity, Jobs and Pay in the Australian Public Service: 1992 - 1994* agreement, and the subsequent, *Continuous improvement in the Australian Public Service, Enterprise Agreement: 1995 - 1996*. Both agreements set in train a range of APS wide productivity reforms and provided the context for what was to follow at the next level by establishing APS wide parameters for agency based bargaining. The focus was on improving productivity through a process of

consultation and co-operation. The 1995/1996 APS wide agreement for example established a consultative framework, outlining participatory mechanisms and procedures which could be applied at the agency level, involving employers, unions and employees (*Continuous improvement in the Australian Public Service, Enterprise Agreement: Attachment B, Schedule 1, Flexibility Clause, p22*). The explicit purpose of this framework was to facilitate operation of the agency according to its needs. The mechanisms were characterised by issue based consultation of both a direct and indirect kind.

Based on the framework established through the APS wide Enterprise Agreements, the second level focused exclusively on bargaining at the individual agency level. This was known as Agency Bargaining. Up until 1996, the ATO had negotiated two Agency Bargaining Agreements. The first ATO Agency Agreement was finalised in 1994. At the heart of this agreement were four productivity initiatives aimed at enhancing organisational efficiency, through participation. The agreement established the parameters for participation by setting out the roles and responsibilities of both management and the unions, the issue being the implementation of productivity initiatives, and the limits to participation being that management were the ultimate decision makers. There was also in-principle support for the timely exchange of information prior to decisions being made.

In setting out the roles of the respective parties, the agreement shaped the nature of the participative process. It stated that ATO managers were responsible and accountable for the implementation of strategic planning and day to day decision making. They were also required to maintain open lines of communication and information sharing with staff in order to effectively manage their areas. The unions were also required to support ATO corporate goals by working with management to develop and implement recognised best practice in participative processes by employees and delegates at the workplace level within the jointly established corporate framework. The unions were to acknowledge that ATO management was responsible and accountable for day-to-day decision making, and were required to contribute to the efficient and effective operation of peak ATO decision making and consultative forums (see Clause 23 1994 ATO Agency Agreement).

The second ATO Agency Agreement was certified in March 1996. Spanning a fifteen month period to 30 June 1997, the aim of this agreement was to further develop continuous improvement activities by finalising some of the initiatives from the previous agency agreement. The agreement viewed employee participation as an integral part of the reform process. It stated that:

The parties to this agreement share the conviction that the co-operation of management and the staff and unions is critical to the development of a more efficient organisation. The shared objective is an ATO built on participation, teamwork, trust devolved responsibilities based on innovation and excellence and a shared vision of the future....

(ATO Agency Bargaining Agreement 1996, p31)

With a clear focus on organisational efficiency, the agreement redefined industrial democracy as

a principle which aims to involve ATO employees, and their unions, more fully in decisions that affect their working lives, thereby contributing to a more efficient and productive ATO and enhancing the quality of working life of all staff.

(Clause 8, ATO Agency Bargaining Agreement 1996, p7).

In dedicating an entire section to “*Industrial Democracy*”, the agreement reaffirmed the roles and responsibilities of the parties, nature of union representation on management and consultative forums, the provision of ATO facilities for union involvement and ATO funding of the union research centre (URCOT). The agreement also contained a commitment to develop and implement best practice participative processes which would be embodied in an ATO industrial democracy plan.

By early 1997 a draft industrial democracy plan, had been prepared. Now called the ‘Workplace Democracy Framework’¹, the context of the ATO’s approach to participation was outlined in the Commissioner’s foreword, it stated:

The Australian Taxation Office faces an increasingly dynamic environment impacted by..... increasing demands for productivity improvements and contestability..... In this environment, I view participative management practices as essential to achieve a more efficient and productive workplace and to improve the quality of our working lives. To be effective it will require the commitment of managers and team leaders at all levels. For all Australian Taxation Office staff industrial democracy will only be perceived as relevant if consultation and participation become part of the daily workplace culture of the organisation.

(ATO 1997 Draft Workplace Democracy Framework, p2).

The emphasis was on linking participation with productivity and efficiency, by devolving it through middle and frontline managers to the workplace.

¹ “The name change was agreed by ATO Management, CPSU and URCOT, in order to avoid the confusion that sometimes surrounds Industrial Democracy and Industrial Relations”. (ATO Workplace Democracy Framework, p6).

The document set out both the formal arrangements as well as a guide for participative management practices. Formal arrangements were centred on an in-principle approach to participation through union representation at management and consultative forums at both a national, regional and branch office level. Outlining the role of the forums and their participants, the document drew a clear distinction between union participation in management decision making, and consultative, forums. Essentially, the unions would only be entitled to a joint decision making role at the formal consultative forums. Although unions would continue to participate in management decision making forums, their role was limited to one of information sharing and consultation. The guide for participative management practices focused on more direct participative processes, emphasising the use of staff meetings, semi-autonomous team work and job rotation as opportunities for workplace participation.

In seeking to integrate participation into the workplace, the document emphasised the role of managers. All managers were required to practise and encourage industrial democracy, and were thus seen as being responsible for ensuring that effective information sharing and consultation occurred in the workplace (ATO 1997 Draft Workplace Democracy Framework, p14). The draft document was clearly indicative of the direction of employee participation in the ATO.

3.5.1. Participation Structures and Processes.

Within the context of the two Agency Agreements and the draft workplace democracy framework a number of forms have been observed. These included participation of a representative (or indirect) kind, as well as more direct forms. Within these forms, expressions of participation included direct information sharing, both direct and indirect consultation, and direct joint decision making. These are now explored in some detail.

3.5.1.1. Indirect Consultation.

Linked to the requirements of the Agency Agreements, management still retained an element of an in-principle approach to participation. The focus of in-principle participation was now the ATO Management Board, where the union was granted one position on the board as a means of facilitating consultation. Similar consultative processes also exist through a multitude of national level committees that function as either subcommittees of the management board or as management boards to the various business and services lines. These included seven Management board sub-committees covering areas such as ATO security, Resources, Business systems acquisition, Social Justice, and Human Resources; and since the 1994 Agency

Agreement, eight national business and services line forums. All of which contained at least one union nominee. For the most part the union role in these forums is confined to information sharing and consultation. Similar forums also exist at a state based regional level.

At the branch level, formal consultative arrangements, were governed by the 1996 Agency Agreement requirement for branches to establish local consultative forums. In the Melbourne office, the formal consultative process had, prior to 1993, continued to function through the MMSC. By early 1993, local union dissatisfaction with the MMSC led to union calls for the reinstatement of the Industrial democracy consultative committee (PSU - SDC Letter to R.Leuing - Feb 1993). As a result management reconstituted the MMSC as the Casselden Place Steering Committee (CPSC) and reformed the IDCC as one of its sub-committees (called the Industrial Democracy Sub-committee or IDSC). The operations of the renewed IDSC were formalised in a charter. It was empowered to deal with a wide range of issues such as the adoption and implementation of branch policies and practices, branch level disputes, accommodation issues and unresolved issues from the workforce planning, EEO and occupational health and safety. It was also charged with the responsibility for the monitoring of participative processes within the branch. In practice the IDSC reflects most of the key elements associated with in-principle consultation. By 1996 the IDSC represented the major consultative forum at the branch level.

In addition to the IDSC, a plethora of other branch level committees also emerged as part of the consultative process. Committees such as the workforce planning committee, the EEO sub-committee, and the HRM steering committee were all issue based management decision making forums, which facilitated consultation through a union presence. Various branch business and service lines consultative committees were also formed around the structure introduced through the 1994 Agency Agreement. These committees, which contained middle and frontline managers, focused exclusively on individual business line issues (BSL CC Charters, IDCC Minutes, Feb 1995). However with the agenda open to any issue of relevance to the particular business and service line, such forums represented an in-principle approach to consultation.

3.5.1.2. Direct Consultation.

The consultative process was not confined to indirect participation. As part of the organisation's growing focus on HRM strategies, management were encouraging the direct involvement of staff in decision making. The ATO had, since 1987, commissioned regular surveys of staff attitudes. These two - yearly surveys conducted by external consultants, canvassed opinions of a random sample of staff across all classifications in the ATO. In particular, the surveys were aimed at addressing specific corporate and HRM issues, such as staff commitment, performance, and training. The surveys were based on questionnaires covering a range of management initiated topics. Surveys were frequently followed up with a series of focus group discussions involving staff. The process involved information sharing, and an exchange of views. It also included a commitment by management to consider staff views in their decision making, whilst retaining the right to make the final decision. In targeting the views of individual employees on management nominated issues, without union involvement, the process was clearly one of direct participation.

3.5.1.3. Consultation in Work and Job Redesign.

A significant element of the participative process to emerge from both the 1994 and 1996 Agency Agreements was the organisational restructure associated with the shift from functional groupings to a client based business and service line structure. The 1994 Agency Agreement established the parameters for union participation in the process. The union was entitled to nominate a number of representatives for each business and service line for the purpose of developing detailed planning of the new structures, through blueprints, and a subsequent work and job redesign phase (Clause 37.2, 1994 ATO Agency Agreement). In addition to union involvement, management further agreed to consult directly with staff, and to develop the work and job design through a participative process.

In practice, the process was a mixture of direct and indirect participation, through consultation and some limited indirect joint decision making. Management, through middle management blueprinting nominees, consulted directly with staff through a series of information sharing and feedback sessions. Union representatives also conducted similar sessions with union members as a means of obtaining feedback and views to feed into blueprinting process.

The process differed from previous participative change processes in two key elements. First, the imposition of tight management parameters ensured that the main

focus of the process was the achievement of a desirable business outcome. Participation was principally used to obtain feedback on management generated proposals. Second, management limited the scope and extent of indirect participation by embarking on a extensive process of direct participation through management information sharing and feedback sessions. This represented a shift in management's approach, reflecting management's increasing focus on issue based participation through more direct mechanisms.

3.5.1.4. Information Sharing.

With the 1996 Agency Agreement and Workplace Democracy framework both emphasising the importance of two way communication, information sharing is now an integral part of the ATO's participation process. The ATO approach to information sharing is encapsulated in a national communication strategy which aims to promote an open and frank environment where issues confronting the organisation at all levels can be discussed directly with staff (B.Webb, ATO Communication Strategy, January 1996).

One long standing information tool has been the use of newsletters and bulletins. At a national level a glossy monthly colour pictorial, entitled *Tax People* contains articles on topical administrative and technical issues within the organisation, including interviews with managers and staff, a letters column and the usual array of social news. A more recent national publication, containing articles by the Commissioner, and other senior national managers on various management and industrial issues is the "*Tax Telegraph*". The *Tax Telegraph* played a important role in communicating management messages during the 1996 Agency Agreement bargaining period. Issuing on a regular basis through the period, its distribution was often accompanied by staff meetings, where middle and frontline managers would discuss the issues raised in the publication, answer questions and obtain feedback. The *Tax Telegraph* served two main purposes; it was a vehicle for communication, keeping staff informed of the management position on the agency bargain, and served as an instrument of consultation with staff by facilitating a feedback process. It was subsequently tendered as evidence at the AIRC certification hearing of 1996 Agency Agreement as proof of the consultation process undertaken with staff.

At the branch level, local management also produced a range of publications. Within the Casselden Place (formerly Melbourne) branch, middle management initiated the production of regular newsletters as a means of facilitating two way communication. One newsletter (The Audit Informer) also provided a telephone

hotline where staff could ring anonymously and leave comments or questions for management to respond in a subsequent edition. With increased electronic communication and funding constraints, many of the local program (or Business Line) newsletters have now ceased publication. By June 1997, only one Casselden Place branch newsletter continued to be published on a regular fortnightly basis (The SB Eye).

Another important element of the information sharing process has been the use of direct discussions between management and staff through regular team and section meetings. Although a common feature of communication in the ATO, it was not until the early 1990s that management sought to structure the flow of information to the workplace through a process of briefing circles. The arrival of agency bargaining has further reinforced the importance of this process. In the ATO, the aim of the process was the exchange of information in a timely and consistent manner (ATO, "*Team Briefings; an Introduction*" Audit Communications Unit, August 1991). In practice, the briefing circle process would involve the handing down of information from senior national or branch management through the layers of middle and frontline managers, who subsequently briefed their staff in the workplace. The briefings also specifically allow for staff feedback at any stage of the process, and the inclusion of additional local information.

In the Melbourne (Casselden Place) office, a management review of the process reported a number of problems relating to the approach adopted by some middle and frontline managers (presenters) involved in the process and the limited scope of information passed on to staff (ATO, Dec 1991, "*Briefing Circles Review - Taxpayer Audit A Review by Michael Meehan*"). The review also found that the information passed down to the teams was poorly structured with no details of relevant contact persons attached to any of the items (ATO, Dec 1991). Perhaps the greatest concern was the overwhelmingly downward flow of the information and the absence of staff feedback despite the management claim that managers were specifically requesting feedback at each session (ATO, Dec 1991). Despite these problems, the briefing circle system has continued to operate in the Melbourne (Casselden Place) branch in a modified form. There is now a greater emphasis on national and regional information as opposed to local issues. Whilst feedback is still encouraged, the briefing sessions in practice are now little more than an opportunity for staff to clarify details of management decisions and messages. The briefing circles, with their emphasis on direct communication between individual managers and employees, constituted a genuine example of direct participation through information sharing.

With the advent of an integrated computer local area network (known as 'Taxlan'), ATO management have increasingly utilise the computer as an information dissemination tool. Management have made increasing use of electronic mail facilities and computer based bulletin boards to disseminate detailed information on change processes, industrial issues, direct communications from senior national management and general administrative and tax technical information. The use of the electronic mail has also been used to generate feedback on specific issues. During the consultation phases of the 1996 Agency Bargain for instance, senior management invited staff to provide written feedback on the Agreement through the electronic mail facility. Over 100 comments and questions were received. The use of information technology has emerged as a significant information sharing tool. The primary purpose has been one of directly informing and educating employees about management objectives, plans and decisions.

3.5.1.5. Joint Decision Making.

Two forms of joint decision making are observed in this period. The first involves a process of direct employee participation through the use of semi-autonomous teams. The second also focuses on direct employee participation, through their involvement in various performance management programs. Both are briefly examined.

a. Teams.

Closely linked to the ongoing change processes of the 1994 and 1996 ATO Agency Agreements, was a renewed focus on the concept of teams and team based work as a form of direct participation. Within this context, the Workplace Democracy Framework argues that teams have the potential to both promote the achievement of organisational goals and provide greater employee autonomy, control and involvement in decision making (ATO 1997 Draft Workplace Democracy Framework, p13).

The current approach taken in the development of the new team arrangements draws heavily from the establishment of client based teams that were developed as part of the Collection Systems Modernisation (CSM) process in 1992. Under the CSM model, teams were to take full responsibility for decisions relating to their own work processes and structures, and staff in the client based teams were to perform a broad range of functions.(ATO, CSM 93 Framework Document, pp. 8-10). Actual work targets and performance standards however continued to be set by middle management. All team decisions were to made in a participative manner, with a view

to optimising client service (p9). This involved a process of information sharing, consultation and joint employee decision making within the management parameters. This commonly occurred through staff meetings. Within this context, frontline managers were no longer required to check and control work, they were expected to facilitate the participative processes by encouraging staff to make decisions and keeping the lines of communication with the rest of the organisation open (p9).

A significant contribution to the development of teams was made by the 1995 ATO teams policy paper (ATO Teams Paper, Submission to HRM Sub-committee, August 1995). The teams paper stated that there were clear constraints to the level of participation in teams, with all team decisions made within the framework of the organisation's policies, goals and decision making processes (ATO Teams Paper, Submission to HRM Sub-committee, August 1995, p5). Teams were not to achieve high levels of participation at all costs. Other factors, such as the ATO's communication and information systems, classification structures, selection processes, reward systems and organisational culture, were all recognised as potential constraints to the level of employee participation and team autonomy (p 6). Participation in this context would be issue based and focused on the improvement organisational efficiency and the attainment of corporate goals.

Essentially, the nature of the participative team process is one of joint decision making. Despite the clear limitations to the decision making process imposed by management, employees are accorded a significant level of job autonomy. Decisions relating to overall work and team functions are made directly by employees, based on information provided by management, and through a process of consultation and negotiation with other employees and frontline managers. Participants are then considered to be jointly responsible for such decisions. Employee involvement, whilst established as part of the team model, was largely focused on specific work and job related issues.

b. Participation in Performance Management Processes

Employee participation in the ATO performance management program epitomises the directional move that has occurred in both the development of participation and the role played by middle and frontline managers in the ATO. Within this program, participation is both of a direct and issue based kind. Focused exclusively at the workplace level, performance management in the ATO obligates middle and frontline managers to involve individual employees in work and job related decision making. The key elements of this process are now explored.

Although initially raised in the 1987 two tier and 1989 SEP decisions, a recent revival of APS interest in performance management has been sparked by two key factors. The first is the 1995/1996 APS wide Enterprise Agreement, where performance management re-emerged in the guise of a performance appraisal system for senior officers, and the use of performance indicators as APS best practice (Continuous improvement in the Australian Public Service, Enterprise Agreement: 1995 - 1996, Attachments C & I). A second factor was the Government discussion paper, Towards a Best Practice Australian Public Service (Reith 1996), which reaffirmed the importance of performance management issues as a means of improving APS performance, and more closely aligning APS practices with those of the private sector.

Following the APS trends, performance management in the ATO has, since its inception in the early 1990s, operated through a series of distinct programs. The first program, which grew out of the 1989 APS wide SEP agreement, focused on performance pay and appraisal arrangements for the Senior Executive Service and APS senior officers. The second program, originating in the OSI period, focused on the use of performance (or expectation) statements for all staff below the senior officer level as basis for facilitating employee feedback. The third program, also emerging out of the OSI decision, utilised performance management structures to link job and classification level competencies to establish individual employee training and developmental needs through learning plans.

Whilst the application of these programs was largely unsuccessful, with low levels of implementation (Marsden, 1996), the recent resurgence of interest at an APS wide level has seen ATO management renew its commitment for performance management. The 1996 ATO Agency Agreement explicitly outlined the ATO intention to develop and implement a coherent and strategic approach to performance management in consultation with the unions (Clause 52, ATO Agency Bargaining Agreement 1996, p41). It also forms part of the management agenda for the new (1997) round of agency bargaining.

Employee involvement has been a critical component of the ATO performance management program. From the introduction of performance management in consultations with the union (Bucknall, PSU Performance Feedback Project Report, 1990) to the implementation of programs in the workplace, where direct communication and joint determination of performance goals between managers and their employees is regarded as an integral part of the performance management process. In examining the responses of middle and frontline managers to this form of participation, it is the interchange between manager and employee that is of particular interest.

The ATO performance management process has been based on a series of different guidelines dealing with appraisals for senior officers (PSC, Feb 1992), performance feedback (ATO, Performance Feedback - Policy and Guidelines, Sept 1989) and learning plans. The general structure and processes proposed by the various guidelines were broadly similar, and, as with most versions of performance management, the ATO's programs all contained three central elements: the setting of clear objectives for individual employees (derived from broad corporate goals), a process of formal monitoring and evaluation of individual's performance against the objectives, and utilisation of outcomes from the review process to obtain a desired behaviour and / or identify training needs (see also Sisson and Storey, 1993, pp. 131 - 135). A more recent model has expanded on these elements (ATO Performance Management Systems, D. Elliott, 21 Feb 1997). Whilst the individual employee remains the focus of the process, their goals and objectives are linked to corporate values, team agreements, performance objectives, and external benchmarks (ATO Performance Management Systems, Attachment B).

In practice, this translated to the development of formal written performance statements or learning plans for individual employees. Structurally each statement or plan would be required to state the objectives or goals to be attained by the employee, details of how they would be reached, specification of a time frame, and a summary of the evidence that would demonstrate the final achievement. Details of job expectations, outcomes and performance indicators were to be determined jointly by individual employees and their managers at the outset through a process of negotiation. Plans generally covered six to twelve month cycles with provision for regular reviews, where any mutually agreed changes could be incorporated. At the end of the appraisal cycle, managers would meet with individual employees to provide appropriate feedback or make bonus pay determinations. Performance statements were compulsory for all senior officers, with each officer required to sign the statement. Similarly learning plans were compulsory for all officers. Although

performance / expectation statements were not compulsory for all staff below the senior officer level, all managers and employees were required to participate in a formal feedback process.

Much of the language surrounding performance management in the ATO refers to the empowerment and involvement of employees in taking direct responsibility for the performance of their job. From a management perspective, performance management provided individual employees with the opportunity to have a voice in formulating decisions about matters affecting their performance (ATO, Performance Feedback - Policy and Guidelines, Sept 1989).

As a process it required all employees to have a clear understanding of their work requirements in terms of skill and competency levels, work targets and broader organisational objectives. This required the provision of information as a first step. The performance management cycle also required managers to meet with, and discuss the work performance of, employees on at least three occasions; at the outset to mutually develop goals and objectives, during the mid term review to discuss progress and changes, and at the completion of the cycle to provide an overall assessment of performance. This ensures that the process includes both an exchange of views (i.e., consultation), and a decision making process to which both the employee and manager are a party to (i.e., co - decision).

Employees were not free to set targets, expectations or performance indicators that were beyond the parameters set by management. This was not self management. Whilst employees had the option of not participating in the process, managers were required to provide some form of feedback and develop learning plans for individual employees, even if this required managers to unilaterally develop statements on behalf of employees.

In the case of disagreement over any issues, employees were free to engage the involvement of third parties such as union delegates, and other middle or frontline managers to assist in their resolution. There was an implicit understanding that disagreements should be resolved through a process of negotiation. Although in the case of the senior officer appraisal scheme, the guidelines provided for a review mechanism in the form of a joint management / union committee where statements and plans were reviewed and disputed issues could be resolved.

The process was therefore one of direct participation. By focusing on specific performance questions at the workplace level, participation was also issue based. It also imposed on middle and frontline management a clear obligation to involve their staff in making work and job related decisions. Aside from any instances of unilateral statements, participation in performance management took the form of joint decision making within the parameters of management designated national, regional and branch work targets and broader corporate objectives (ATO, Performance Feedback - Policy and Guidelines, Sept 1989).

3.5.2. Role of Management in Participation - Agency Bargaining Phase.

Enterprise bargaining has witnessed an increased involvement by workplace managers in the bargaining and consultative process (DIR, 1996, p14). Reflecting such a trend, the advent of agency bargaining in ATO has accorded middle and frontline managers a central role in the organisation's participatory processes. Compelled by the Agency Agreements, ATO managers at all levels now have a role in and responsibility for, the implementation of employee participation. This represents a significant shift from previous phases of participation, where the emphasis was on senior, and to a lesser extent middle management.

At senior levels, management continue to play a significant role in establishing the direction of employee participation. Through the agency agreements, senior management have linked participation to the attainment of efficiency and productivity goals. In practice senior management continue to facilitate consultation at a national level, through the management board and its offshoots. They also play a significant role in information sharing, initiating key corporate messages. In essence, the agency bargaining process has expanded the participatory role of senior managers.

Middle managers have also experienced an expansion in their participatory responsibilities. With agency bargaining engendering a growth in the level of workplace based participation, middle managers are required to play a prominent role in consultative forums and processes. The introduction of business and service line consultative committees in the Melbourne office, for instance obligated middle managers to deal with a indirect consultative process, that they would have otherwise avoided. The extent of this expansion was even greater in the area of direct participation. Under the Agency Agreements, middle managers play an important role in facilitating information sharing. For instance, in the briefing circles scheme, middle managers were conduits between senior management, and frontline managers and staff, passing key messages down the line. In the teams process, the level of

participation and the degree of autonomy permitted was in part dependent on decisions made at middle management levels. Middle managers were also required to involve their subordinate managers and staff in the development of work and training plans through joint decision making in performance management processes. Participation had become an important issue for middle managers.

In practice, middle managers have, as in the past, not been entirely comfortable with various forms of employee participation. The main area of concern appeared to be the indirect consultative process, which involved dealing directly with the union. This was clearly reflected in the Melbourne branch by middle management's willingness to devolve the consultative process out of the representative committee structure (MMSC & CPSC) into more direct workplace based forms by isolating disputes in the IDSC, and excluding middle managers from union consultative processes to adopt a more direct approach to consultation in the workplace. Although middle managers retained a significant role in the indirect processes, such as the Business and Service lines consultative forums, they appeared more comfortable with, if not committed to, direct, issue based, forms of participation.

Through agency bargaining, its focus on workplace performance, and the incorporation of earlier HRM workplace based initiatives, the role of frontline managers has also changed. Whilst frontline managers have traditionally played a marginal role in facilitating participation, they are now central to the process and crucial to its successful implementation in the workplace.

For the most part the role of frontline managers role has focused on direct forms of participation. In accordance with their Agency Agreement responsibilities, frontline managers play a crucial role in facilitating information sharing. Particularly through the implementation of briefing circles (or staff meetings) and the direct dissemination of information amongst employees in the workplace. As a management review of briefing circles highlighted (ATO, Dec 1991, "*Briefing Circles Review - Taxpayer Audit A Review by Michael Meehan*"), frontline managers exert considerable influence on this process. The review found that many managers failed to adequately prepare for the briefing circles, with many providing only edited versions of higher management decisions and deliberations, whilst others provided only brief information and were unable to answer staff questions. In some instances, frontline managers simply failed to hold any briefing sessions (ATO, Dec 1991). Staff dissatisfaction with such an approach was highlighted in a local branch newsletter, which stated:

It is about time that people should know the impact the briefing sessions have had in Audit. In my situation, no impact what so ever. The reason being, my manager has only called one session since the procedure began and that was as a result of the team complaining.....

(Letter to the Editor, Melbourne Audit Informer, Nov 1991, p11)

The frontline management response to such initiatives could therefore be seen as being a determinant in the success of the process.

The use of information sharing as a participatory tool is also reflected in other specific participatory processes. Frontline managers, for instance, play an important role in the facilitating semi-autonomous team processes. In the CSM program, frontline managers were required to encourage employees to make decisions by facilitating team meetings and keeping the lines of communication with the rest of the organisation open (ATO, CSM 93 Framework Document, p9). This provides the basis for processes such as job rotation, and autonomous decision making to occur.

Beyond the team environment, frontline (and middle) managers played a central role in facilitating direct participation in performance management mechanisms. This represented issue based participation in its most direct form. Through processes such as performance feedback and learning plans, frontline managers were required to engage in two way communication with subordinate staff, on issues such as work goals and objectives, manager and subordinate performance and development needs. The exchange of this information provided the basis for managers and individual employees to jointly devise performance (or expectation) and developmental plans and facilitate a two way feedback, appraisal and review process. Frontline managers not only played an active role in this process, their role and support for the process was integral to its application in the workplace.

An internal ATO review of performance feedback for instance reported little consistent improvement in the level of performance feedback over the 1992 to 1995 period (Marsden, 1996, p7). The review also reported that frontline managers were perceived by staff as avoiding feedback processes and acknowledged that the level of feedback depended on the individual nature of the middle / frontline manager (Marsden, Focus Groups Report, July 1996, p4).

In essence, the spread of direct forms of participation has increasingly emphasised the role of middle and frontline managers. Whilst the contribution of senior managers as facilitators and drivers of participation remains important, the workplace focus of agency bargaining reforms has accorded middle and frontline managers a new role in the participation process; facilitating direct, and to some extent indirect, employee involvement with a view to enhancing performance, implementing change and attaining organisational goals.

3.5.3. Impact of Participation on Management - Agency Bargaining Phase.

The impact of employee participation on management in this period has been two fold.

First, the changes implemented through the ATO Agency Agreements has reduced the number of managers. This is particularly evident in the introduction of teams and team work, where a study of pilot teams in the Hobart branch found that middle manager positions were being abolished (URCOT, Teams in the ATO: views from a branch office, Nov 1994, p 11 - 12). Similar findings were reported in a post implementation review of CSM teams in the Newcastle branch (Newcastle Withholding Taxes CSM PIR Team, April 1995).

Second, the introduction of direct participatory processes such as team work, and performance management has had a significant impact on the role of middle and frontline managers. The URCOT study of pilot teams in the Hobart branch, for instance, noted that virtually all team managers and employees reported an increase in the mentoring and co-ordinating roles of frontline managers, with a corresponding decline in the level of operational duties (URCOT, Teams in the ATO: views from a branch office, Nov 1994, pp. 11-12). Frontline managers were now taking on administrative issues, the implementation of performance management, and training at the expense of direct technical input and control over functions (URCOT, Nov 1994, pp. 11 - 12). There has also been a reduction in the amount of direct supervision exercised by frontline managers. (URCOT, pp. 12 - 13). As a result, the amount of participation in work flow decisions varied between teams. Although levels of employee participation had clearly increased, there remained a tendency for frontline managers to retain decision making power in relation to problem resolution and work flow issues. The Newcastle review implies that this may in part be due to a lack of understanding of the concept of semi-autonomous teams on the part of managers and employees (Newcastle Withholding Taxes CSM PIR Team, April 1995 p6).

Both sets of findings point to situation where failure of frontline managers to yield power and control over some decisions, was clearly seen as impeding the progress of the participation process. What emerges is that the response of frontline managers to the relinquishing of supervisory control is one of the key determinants in the development of semi-autonomous teams and hence the level of participation.

Another important outcome of the changed role has been to increase workloads and reduce the amount of time available to middle and frontline managers. Both the URCOT study (URCOT, Nov 1994) and Newcastle CSM review (CSM PIR Team, April 1995) identified the reduced availability of frontline managers as a barrier to increased employee participation in team decisions. A similar point was also previously made in relation to early performance management processes during the 1987 - 1992 period (see Marsden, 1996), where managers viewed the introduction of such changes as an additional burden to their workload. The question that emerges is whether the issue of increased workloads influences the willingness of managers to adopt a participatory approach in processes such as performance management.

Finally, the URCOT study also found that the changes have created a degree of confusion over the role of the frontline manager, with some (team) managers continuing to retain power over operational tasks (URCOT, p12). This has clear implications for participation in performance management processes, and may assist in explaining why the implementation of such programs has been less than successful.

3.6. Conclusion.

This chapter has traced the evolution of employee participation in the ATO, since the mid 1970s, through four distinct phases. Within each phase, the basis for the implementation of employee participation is linked to a series of external factors that has shaped the nature and form of participatory structures and processes. Four key points are noted.

First, there has been a shift away from an in-principle approach to participation, towards the use of issue based employee participation as a tool in the pursuit of organisational change and workplace efficiency. The participation process is now a combination of both in-principle and issue based forms, with the latter clearly more prevalent. This has been driven by a number of factors such as; changes in the broader industrial and political environment, including the shift from a centralised wage system to one based on productivity and efficiency improvements at the organisational and workplace level; Government policies and legislation

promulgating employee participation; Governments demands for a modern and efficient ATO; and changes to ATO management.

Secondly, the increased focus on issue based participation has been accompanied by an expansion in the incidence of participatory mechanisms and processes aimed directly at employees. The thrust of these activities involve management communicating directly with employees on either an individual or collective level but without union or other third party intervention. This has spawned the rise of information sharing, direct consultation, and even joint decision making on work and job specific issues through a series of specific initiatives. Of these, employee involvement in performance management processes represents the most advanced and direct form of participation, with individual employees and managers required to directly negotiate and make joint decisions on a range of operational issues.

Thirdly, as a result of the shift in the nature and location of participation, middle and frontline managers now play a central role in the implementation of the participatory process. Whereas most middle and frontline managers were able to remain removed from earlier in-principle participatory initiatives, the emphasis on the workplace and the use of direct participation as a means of improving organisational efficiency and performance placed them strategically at the centre of more recent participatory processes.

Fourthly, the implementation of these participatory processes has largely affected middle and frontline managers. The changes have resulted in some reduction of management positions, especially at middle levels. Such reductions have for the most part been a direct consequence of the various ATO restructuring processes. The major impact of the process has been to change the role of middle and frontline management with managers now required to facilitate both direct and indirect participatory processes.

Having identified direct, issue based participation and the role of middle and frontline managers as key elements of the participation process in the ATO, the discussion raised a number of other issues for further consideration. The issue of management support for the principles of employee participation has been shown to be a key factor in shaping the nature and extent of participatory schemes. This is clearly highlighted in the positive role played by Commissioner Boucher and the negative role played by managers in the Melbourne branch during the introducing of the 1984 industrial democracy reforms. The level of middle and frontline

management support for the notion of employee participation emerges as a key question.

With middle and frontline managers now playing a pivotal role in shaping direct, issue based, forms of participation, such as employee involvement in performance management, their response to these schemes can also be seen as an important determinant of their successful implementation and operation. As the implementation of consultative committees in the Melbourne office highlighted, middle management support for employee participation was clearly linked to organisational efficiency. Managerial support for direct issue based forms participation may also be similarly linked to perceptions of organisational efficiency and effectiveness.

Another unresolved issue is the impact of such participatory processes on management. The implementation of employee participation processes in the ATO has clearly forced changes in the role and responsibilities of middle and frontline managers. The ATO experience with the briefing circles program, and the introduction of teams, has shown that middle and frontline managers have not always embraced the new role. As the URCOT and CSM reports have highlighted, factors such as workload burdens, loss of power over operational issues, and confusion over role requirements, may all contribute to this situation. Whereas in the organisational development schemes of the 1970s, it was a managerial focus on improving efficiency and productivity that ultimately weakened many of the participatory changes. It can be seen therefore, that the imposition of participatory requirements on middle and frontline managers may create a level of conflict and tension, as managers seek to balance competing demands and issues. The question that follows from this discussion is what have been the consequences of the employee participation programs and the managerial role that accompanies them, for middle and frontline managers. Conflicting demands between management staff and unions, loss of power, increased workloads and perceptions of efficiency are all important issues in this setting. Not only might such factors represent an outcome of the participatory management role, they may also be factors which determine the acceptance of the new role, and consequently employee participation itself.

It is these questions that will form the basis of the investigation and analysis that follows.

Chapter 4 - Research Issues and Methodology.

4.1. Introduction.

The purpose of this chapter is to outline the research methodology adopted in this thesis and demonstrate how it contributes to the research objectives. The chapter begins with a brief statement identifying the major research questions and outlining the rationale for the study. This is followed by a detailed statement of the research methodology, and its justification, as well as an examination of the rationale behind the selection of the broader contextual setting and the specific case study selected. The next section outlines the research process focusing on the research survey / questionnaire of middle and frontline managers, and in particular, a justification of the content of the questionnaire. The chapter will conclude with a brief overview of the overall research plan.

4.2. The Research Questions.

As stated in the introductory chapter, the research question is to examine middle and frontline management responses to the implementation and operation of a performance management initiative through a program of workplace based employee participation within two Melbourne branch offices of the Australian Taxation Office. The literature suggests that middle and frontline managers are integral to the process of employee participation, yet there appears to be a dearth of empirical studies directed towards analysing the contribution of middle and frontline managers to the issue of employee participation. This research will contribute to an understanding of the role played by middle and frontline managers in this process. The research will, because of its contextual setting, also provide a valuable insight into how middle and frontline managers and employee participation have been incorporated into the human resource strategies adopted by senior management.

The research objective is to examine the response of middle and frontline managers to the implementation and operation of a program of workplace based employee participation. To this end, the study will be guided by two major research questions. They are:

1. *What has been the impact of an issue based program of employee participation, namely the implementation of performance management initiatives through participation, on middle and frontline managers in two branches of the ATO ?*

and

2. *What has been the response of middle and frontline managers to the implementation of an issue based program of employee participation; specifically, the implementation of performance management initiatives through a process of employee participation within two branches of the ATO ?*

An extensive review of the literature showed that whilst management were often treated as a homogeneous group in a discussion of their role in the participation process, the role of senior management differs considerably from that of middle and frontline management in that process. Further, the impact of participation on the various roles is also likely to differ. For some middle and frontline managers participation means a reorientation away from the traditional power to manage; for others, the new role has effectively made them redundant. It is the emergence of this changing role that leads to the first research question as to the impact of employee participation on middle and frontline managers. One of the consequences of this new managerial role has been the use of middle and frontline managers as conduits between senior management and employees, facilitating the implementation of participation in the workplace. This, according to the literature, means that the success of employee participation depends as much on the support and contribution of middle and frontline managers as that of senior managers. In this context, the response of middle and frontline managers to employee participation programs must be seen as critical to the success of participatory programs. In essence, the literature is suggesting that middle and frontline managers are a key determinant to the success of employee participation. This in turn provides the basis for the second research question, namely, middle and frontline managers' response to the operation of employee participation programs.

4.3. Methodology.

4.3.1. The Case Study

The method adopted in this thesis is a case study approach which focuses exclusively on one organisation, the Australian Taxation Office (ATO). The case study approach allows for examination of the operation of an employee participation program within a particular workplace setting. The advantage of this approach is that it allows the research to focus in depth on middle and frontline managers responses and identify the various outcomes associated with such responses without having to concern itself

with problems of definition, common activity and terminology. The case study approach allows for a common understanding of what is meant by employee participation, the context within which participation is used and what the program actual involves and requires from managers. It also facilitates, with relative ease, the identification of the middle and frontline management target group. Moreover, any survey of this group is clearly manageable in terms of time and available resources.

As with all case studies, the major disadvantage is the risk that the findings by being confined to the one specific organisation are narrow; thereby limiting scope for generalisation. However it is felt that any shortcomings of the case study approach will be more than compensated for by the opportunity provided to conduct an in depth study and identify at the micro level issues that are crucial to the success or failure of employee participation. Whilst generalisations may not be possible, the case study approach will provide the platform for the identification of issues that may warrant further investigation.

4.3.2. Why the Australian Public Service ?

The broad contextual setting for the study is the public sector, in the form of the Australian Public Service (APS). The selection of the APS is based on four important considerations.

First, as the previous chapters have already noted, the APS has a long and extensive history of employee participation. The current legislation requiring APS departments and authorities to implement some form of employee participation have been in force over a decade and this has resulted in the implementation of a large number of participatory programs across the APS. This effectively guarantees that the case study organisation will have a program of employee participation in place. Moreover, it is also possible to delineate an evolutionary trend of participation in APS, which provides a strong point of departure for examining and explaining the contribution and involvement of middle and frontline managers.

Secondly, the APS is a large employer in Australia. This means that any program of participation that has its basis in the APS will affect a large number of employees across a wide range of functions and activities, and may therefore be portrayed as a significant development and best practice in the implementation of participatory approach to industrial and employee relations (see for instance Mathews' (1992) analysis of the Modernisation process in the Australian Taxation Office).

Thirdly, despite a multitude of reforms and changes over the past decade, the APS remains bureaucratic in nature and highly structured. This effectively provides a vast body of middle and frontline managers, who will, in some manner, be involved in a process of employee participation.

Finally, and perhaps most significantly, the development of employee participation in the APS has attracted increasing interest. The issue of employee participation through consultation and other direct forms of employee involvement has been central to the program of workplace reform and enterprise bargaining in Australia. Yet, as already stated, very little of the literature has focused on the significance of middle and frontline managers to employee participation. This study will address this gap in the literature.

4.3.3. Why the Australian Taxation Office ?

The case study chosen is two branch offices within the Australian Taxation Office (ATO), namely the Casselden Place (Melbourne Central Business District) and Moonee Ponds branch offices of the ATO. In part the reasons for the selection of the ATO as the case study organisation mirrors those of the selection of the APS as the contextual setting. The history of employee participation in the ATO precedes the organisational development experiments of the early 1970s. This has subsequently been followed by range of participatory initiatives undertaken both in response to the 1984 industrial democracy legislation, and as part of the ongoing organisational reform processes and the industrial agreements which accompanied them. As a result, the ATO has an established tradition of employee participation. It therefore provides a strong foundation from which to conduct an examination of employee participation and an analysis of middle and frontline management responses to it.

Given the presence of a large and extensive program of employee participation, it is not surprising to find that the literature contains a number of important contributions dealing directly with employee participation in the ATO. As pointed out in previous chapters, both Teicher (1990 [1]) and Mathews (1992) have documented and analysed participatory initiatives undertaken by the ATO during the 1980s and early 1990s. However neither of these studies have focused on the direct participatory processes in the workplace, nor have they examined the important role played by middle and frontline managers.

The selection of the ATO, therefore provides an opportunity for the research to build on the current literature by documenting the more recent participatory initiatives of the early to mid 1990s, and examining the role played by middle and frontline

managers in the operation of employee participation. Finally the selection of the ATO as the case study was also influenced by the availability of research material and data. Original material, including relevant internal files and documents, and trade union documentation, were made available; and a survey of middle and frontline managers across two branch offices within limited time and resource constraints, was possible.

4.3.4. The Australian Taxation Office: - The selection of two branch offices.

The ATO currently consists of 26 branch offices spread across major Australian cities, including a national office in Canberra from which it is managed, and a number of smaller regional offices in small centres and in rural Australia. At the time of the research most of the 26 branch offices performed broadly the same range of activities and were subject to the same national employee participation and human resource management policies. Union coverage in the ATO is extensive, with an estimated 65% of staff belonging to one of three unions, the Community and Public Sector Union (CPSU), the Australian Services Union, Tax Officers Branch (ASU [TOB], formerly FCU [TOB]) and the Media Entertainment and Arts Alliance (MEAA).

With a workforce of 18,212 (Commissioner of Taxation, Annual Report, 1995 / 1996, p 161) and an employee - manager ratio of approximately 1:8, it was estimated that over 2000 employees of the total workforce were in management positions. This vast network of offices, together with the large number of managers, made it difficult to undertake a study, which could identify and understand the complex workplace processes and relationships that may be influential in determining middle and frontline management responses. Given that most offices performed a similar range of activities and pursued a similar set of participatory and human resource management policies, a case study approach was selected as the appropriate method.

A study of one branch office would provide the best approach to conducting an in depth analysis of middle and frontline management responses. The inclusion of a second case study based upon another branch office provided an additional perspective. The choice of two branch offices therefore generated a data set providing the basis for an in depth analysis of management responses to employee participation and an opportunity to explore the research question with two discrete workplace environments that differed in such ways as age, demographics, and level of union activity. Another advantage of adopting two branch offices was that it increased the size of the sample, thereby enabling a more robust statistical analysis.

The decision to select the Casselden Place (formerly Melbourne) branch is primarily based on the fact that the office has been the subject of previous research interest on the topic of employee participation (see for instance Andreatta and Rumbold 1974, and Teicher 1990[1] and 1992). This study will add to this body of literature by examining the more recent forms of employee participation adopted. The selection of the Moonee Ponds branch was made primarily because it provides a contrast to the Casselden Place office from a number of perspectives. There are, for instance, notable differences in the current size, industrial environment, cultural characteristics, and histories of the two branches. The Casselden Place (Melbourne) office has over the last few years been subject to an intense program of downsizing, with staff numbers going down from approximately 1300 in 1992 / 1993 to 620 (Commissioner of Taxation, Annual Report, 1995 / 1996, p 163). Recent organisational plans indicate that the office will decline to 300 by the year 2000 (ATO Vision 2000). By way of contrast, the Moonee Ponds office has grown from around 700 to 916 over the same period (Commissioner of Taxation, Annual Report, 1995 / 1996, p 163). Unlike Casselden Place, it is forecast to further increase to over 1000 staff by the year 2000. Largely as a result of these changes, the industrial environment in Casselden Place has, according to some union activists, been tenser over the past few years, with manifestations of a more hostile response towards both management and the main union, the CPSU, evident (Interview with M. Cooke & G. Greco).

Finally, the selection of the Casselden Place and Moonee Ponds branches was an attractive alternative as the level of knowledge of, and familiarity with, the participatory programs, management and staff in the two branches assisted in facilitating the research process. This was a key factor, which helped boost the middle and frontline managers response rate to the research questionnaire. The geographical location of the two offices also assisted in meeting the time and resource constraints of the research.

4.3.5. Who are the Middle and Frontline Managers in the ATO?

The typical middle and frontline manager in the ATO is male, in his late thirties, at the Administrative Service Officer 6 level, with almost fifteen years of service and between five to ten years experience as a manager.

Of the 127 managerial respondents, the study found that 65% were frontline managers, in the form of team leaders, with the remaining 35% categorised as middle managers. Most middle managers (28%) occupied sectional managerial positions, with frontline managers and operative staff as subordinates. A further 5% occupied business and service line director positions, where in most cases they managed both subordinate middle and frontline managers and operative staff. The majority of managers were at middle or senior levels of the classification structure with 24% of managers at senior officer grade C level, and a further 35% at the Administrative Service Officer 6 level.

Most managerial positions were occupied by males, who outnumbered females by 65% to 35%. Females remain under - represented in middle and frontline management ranks, with 35% occupying managerial positions whilst representing 49% of total staff (Commissioner of Taxation, Annual Report, 1995 / 1996, p 161). Most females (73%) occupied team leader positions, as opposed to 27% in middle management. Male representation was more evenly spread with 60% of males occupying frontline management positions, and 40% in middle management.

Possibly as a result of limited recruitment and ongoing redundancy programs in the ATO, the age and experience of middle and frontline managers tended to fall in the mid range. A majority of managers (70%) are aged in the 30 to 44 age group. No managers were under 25 or over 55 years of age. Female managers tended to be younger, with 67% in the 25 to 39 age group as compared to 52% of males. Reflecting this general age grouping, most had between 10 to 15 years of service in the ATO. Half of all managers had less than 5 years managerial experience in the ATO and a further 31% had between five and ten years experience. It therefore may be argued that most ATO managers were at a mid point in both age and career stage. As a result it would be reasonable to assert that in light of their age, classification and experience, most would be familiar with the notions of employee participation and performance management processes as they applied in the ATO.

4.3.6. Why Employee Involvement in the Performance Management Process ?

The study will examine middle and frontline management responses to employee participation as applied to employee participation in the ATO's performance management processes. The selection of this particular application of participation is predicated on a number of important factors.

It is important to recognise that the complexity and magnitude of the ATO's employee participation over the past decade makes it difficult to adequately address the research questions in relation to all of the various expressions of employee participation that currently exist or have taken place over the past few years, within the confines of this study. It was felt that in order to analyse managerial response comprehensively, specific attention would have to be focused on one form of employee participation only. Whilst such a narrow approach clearly limits the value of any broader conclusions drawn across the whole range of participatory initiatives, it nevertheless provides the basis for a clearer, more in depth analysis. Such an approach would facilitate a clear insight into how middle and frontline managers view employee participation both in-principle and in practice.

Turning to both the literature, and current participative practice in both the APS and the ATO, it became evident that employee involvement was the most recent expression of participation observed. It represents not only the preferred option of senior management in the ATO, but it is also gained considerable support from governments and employers generally. Employee involvement was also one of the most contemporary forms of participation in the wider community. In contrast to other forms of participation which are predominantly representative in nature, and only involve senior management and, at best, a few middle managers, employee involvement in the performance management program affords all middle and frontline managers a direct and important role in the participatory process. Under the various performance management programs, middle and frontline managers were directly responsible for facilitating the involvement (participation) of their employees. An employee involvement program therefore provides evidence for in depth analysis of middle and frontline managerial responses to employee participation.

As outline in previous chapters, the notion of employee involvement includes a variety of actions and activities, such as team briefings, individual consultations and joint decision making on operational decisions. It can also be used to apply a program of performance management. The aim of performance management in the ATO is to improve overall organisation performance, productivity and efficiency by directly involving individuals in performance related decisions. Performance management

therefore represents an important human resource management initiative that has employee involvement as its basis. Furthermore, it deals directly with the kind of operational issues and decisions that traditionally have been the sphere of middle and frontline management influence. Indeed, middle and frontline managers in the ATO now have a managerial obligation to implement performance management processes. The combination of these factors places middle and frontline managers at the centre of the participatory process, as they implement performance management programs. For many middle and frontline managers, the implementation of performance management will represent the most significant, if not only, form of employee participation encountered. The middle and frontline management response to employee participation may therefore be shaped by the experience of the performance management processes.

Finally, the selection of performance management is also influenced by history. The introduction of performance management has been problematic and for this reason alone its analysis is of interest. There have been a number of indications, in the form of comments by the Commissioner of Taxation (Commissioner's Address to Staff, September 1995) and an internal ATO report (Marsden, 1996) detailing the low incidence of performance management, which point to some concern about its successful implementation.

Such an outcome is of significance to this study for two main reasons. First, the failure of the performance management program in itself would have clear implications for the incidence of employee involvement in the workplace. The failure of managers to implement the performance management processes, carry with it the implication that they will not adopt a participatory approach to the operational decisions covered by performance management. Secondly, were it to fail, the factors accountable for this would still need to be determined. Would a hostile middle and frontline management response to employee participation be a contributing factor? Would managers not be implementing performance management because they do not support the notion of employee participation as it is proposed in the current context? The present study addresses these questions.

4.4. Research Methods.

The broad range of issues addressed by the research question: namely questions to do with employee participation, middle and frontline managers, and performance management, necessitated the adoption of a range of research methods. An extensive literature review on the issues of employee participation, middle and frontline management, organisational theory, and human resource management was conducted. Particular attention was directed to literature dealing with the employee participation and industrial relations in the APS and the ATO. Chapter 2 contains the literature review and here the research questions are developed.

A number of informal and unstructured interviews were held with managers, union officials and union activists in the Casselden Place office. These were necessary to provide a contextual understanding of industrial relations in the ATO as well as for developing an understanding of participatory processes existing in the workplace, how participation was generally perceived by managers, unions and staff, and the perceived outcomes of such processes at the time. These interviews provided a useful insight to the participatory environment and assisted in developing the research questions.

Access to the internal employee participation files of both the ATO and the then main tax office union, the Federated Clerks Union (Tax Officers Branch) (FCU(TOB)) was obtained. Original documentation relating to employee participation policies and practices at both a local and national level, human resource management policies, and the implementation of performance management in the ATO was also collected and analysed. This material was particularly useful in identifying the evolution of employee participation in the ATO and it provided background material to the introduction of employee involvement in the performance management process. The internal ATO and union files provided a valuable insight into management responses to employee participation in the few years immediately after the introduction of the industrial democracy legislation in 1984.

Finally a traditional questionnaire survey was administered to middle and frontline managers in the Casselden Place and Moonee Ponds branches of the ATO. The purpose of this questionnaire is discussed in the following section.

4.4.1. The Questionnaire:- Preparation.

The starting point of the survey was to develop a questionnaire, which addressed the research questions. With reference to the research literature, a range of issues were highlighted as being pertinent to the question of management responses to employee participation. These issues were then re-examined with reference to ATO documents and materials. From this exercise it was possible to draft a list of research statements and associated questions. These questions were then translated into a draft questionnaire which was piloted in the Casselden Place office, the participants being four middle and frontline managers. They were asked to provide critical comments and point out any ambiguities within a five day period. Written responses were obtained from three middle manager and frontline managers, and verbal feedback was received from one other. One manager failed to respond within the five day period allowed. The pilot provided useful feedback in relation to a number of issues. Definitions of terms such as "caught in the middle" and "performance management" required further clarification; and the size of the questionnaire was reduced.

ATO management gave permission to administer the questionnaire to middle and frontline managers in both branch offices during working time. Initially this was achieved verbally and was followed up by written requests to the respective director of Corporate Services line in each of the two branches. Whilst approval from the Casselden Place director was granted within 24 hours, the Moonee Ponds branch Corporate Services director indicated that approval would need to be obtained from each of the various individual business and service line directors in the branch. This resulted in a brief delay. In the end, the Moonee Ponds approach which saw directors advise middle and frontline managers in their business and service lines of the survey through their briefing circle process was more successful as it engendered a degree of support for the survey amongst middle and frontline managers and contributed to the higher response rate from this office.

4.4.2. The Questionnaire:- content and design.

A copy of the questionnaire is reproduced at Appendix 1. It contained 49 questions. They covered a range of issues and factors relevant to middle and frontline management and their responses to employee participation.

The first group (Questions 1 to 6) was concerned with the demographic and employment details of the managerial population under investigation. The purpose of these questions is twofold. First, they provide an accurate picture of the middle and frontline management grouping that is being examined. Second, they also provide a body of data from which cross tabulations and comparisons can be made where considered appropriate.

The second group of questions (Questions 7 to 11) examines the actions and perceptions of middle and frontline managers towards the ATO's performance management program and their level of support for the participatory processes associated with the program. In essence, these questions establish the level of middle and frontline management support for the performance management program. It is important in contextual setting of this study to distinguish between managerial responses to performance management and responses to employee participation. Whilst it may be surmised that where managers do not support performance management, their response to employee involvement in the program will also be negative, it is also possible that managers may express support for employee involvement in decision making in-principle but not extend the same level of support for the performance management program. These questions facilitate a distinction between the two sets of responses and assist in isolating the perceptions, attitudes and actions pertaining to employee involvement and participation.

The third group comprises questions 12 to 17. These questions focus on managerial attitudes, perceptions, and actions towards employee participation in the context of workplace and operational decision making. At a general level, managers are asked to indicate their in-principle position towards participation. More specifically, managers are asked to indicate their perceptions of employee involvement and participation in a range of operational decisions. This is followed by a more concrete indication of their actions in relation to employee participation and involvement.

The purpose of these questions is to provide an insight into the level of in-principle and practical support expressed by middle and frontline managers for employee participation and involvement in operational decisions. The significance of these questions is that the level of in-principle and practical support will be a crucial element of the overall managerial response. For instance, where managers express an in-principle opposition to employee participation, they will clearly be less likely to adopt a participatory approach in practice. The continued implementation of organisational policy committed to employee participation, where middle and

frontline managers express outright opposition to participation may frustrate managers to the point where the opposition to employee participation manifests itself in negative terms on other issues.

The next grouping of questions 18 and 19 focuses on the notion of being caught in the middle. The research literature has highlighted the notion that middle and frontline managers are often "caught in the middle" as a result of the organisational position and the conflicting responsibilities and demands placed on them. As it is possible that such demands and / or responsibilities may affect the managerial response to employee involvement in the performance management program, or that employee participation may represent one such demand contributing to this situation, it is important to establish if, and how, managers are caught in the middle. Accordingly, the aim of the questions is to establish whether the middle and frontline managers surveyed do in fact perceive themselves as being caught in middle as a result of conflicting demands and responsibilities, or in any other way.

What follows are a number of groupings, each of which examines the impact of a specific factor or organisational participant on the managerial responses to employee participation. Questions 20 to 22 are concerned with the issue of power. As noted by the literature, the notion of power is central to the issue of employee participation generally. In this context, the questions examine how managers perceive the impact of employee participation on their power, and how this in turn affects their response to employee involvement in the performance management program. Questions 23 to 28 deal with impact of managerial perceptions of organisational effectiveness and efficiency, complexity and workload burdens on responses to the specific participatory initiatives. Managers are asked how these factors affects their willingness to adopt a participatory approach, and in turn how they perceive employee participation as affecting the individual factors. In a similar light, questions 29 to 34 deal with issues of organisational culture, in terms of perceptions of official policy and senior management views, and the level of support provided by the organisation.

The final four groupings investigate how middle and frontline manager perceptions of the roles, attitudes and actions of other organisational players affects their response to employee participation and involvement. Questions 35 to 37 focus on how the views and attitudes of fellow middle and frontline managers influence responses. Managers are asked to indicate whether there is a commonly held view of participation in the performance management program amongst their peers, the nature of such views, and the extent to which such views influences their response. The role played by industrial relations and human resource management practitioners and

specialists is then examined in questions 38 to 40. Managers are asked to indicate whether these specialists are perceived as playing a role in promoting the participative process, and record how this role impacts upon managerial responses to the employee participation program.

This is followed by a number of questions dealing with managerial perceptions of employee attitudes towards the performance management program, and employee involvement in that program (Questions 41 to 44). This area of inquiry is particularly significant because of the direct organisational relationship between middle and frontline managers and their subordinate employees. Again, managers are asked to indicate how such views affects their response to the particular employee participation initiative. The final series of questions (Questions 45 to 48) investigates how middle and frontline managers perceive the role of trade unions in the employee involvement process and the performance management program. The impact of trade union involvement in the program and associated participatory process on managerial responses, is also examined. As indicated earlier, the final question (Question 49) provides respondents with an opportunity to make any comments on any aspect of the topic under investigation.

4.4.3. The Questionnaire:- administration and data collection.

The survey was distributed to all middle and frontline managers in the two branch offices of the ATO chosen for the study. One of the first tasks was to identify the people who could be classed as either a middle or a frontline manager.

The organisational structure of the various business and service lines in the two branches was used to do this. The typical business and service line structure consisted of a local director, who reported to the local or regional deputy commissioner. In some instances this would be followed by a number of sectional or area managers which were responsible for specific work areas. These work areas would then consist of work teams headed by team leaders. In some work areas, team leaders would report directly to the directors, thereby eliminating a layer of middle managers (e.g., Large Business and International Line).

Through this process all managers in the branch, below the Deputy Commissioner level, who were directly responsible for base level operative employees, without any interposed supervisors, team leaders or other managers, were classified as frontline managers. Managers, who were responsible to a higher level of management, but were separated from base level operative employees by one or more layers of management were considered middle managers. In practical terms, all

directors and area or sectional managers were classified as middle managers and all team leaders or team managers were classified as frontline managers. There were no difficulties in the classification process.

Whilst Deputy Commissioners were physically located at the branch level, they appeared on the ATO organisational chart as part of the national management structure. Deputy Commissioners, therefore, formed part of the senior management structure and had no direct involvement in the implementation of the performance management program. They were excluded from the survey. The total population of middle and frontline managers in the two branches offices was 168 (64 in Casselden Place and 104 in Moonee Ponds) and each received a questionnaire.

As a control mechanism to protect the integrity of the distribution and collection process, each questionnaire contained a three digit reference number. The main purpose of this was to guard against multiple responses from any one participant. Participants were guaranteed anonymity. Questionnaires were distributed as part of a survey package, which included the questionnaire itself, a blank A4 envelope, a covering letter introducing the survey, written instructions on how to complete the questionnaire, and a glossary of relevant terms. The covering letter outlined the purpose of the study, advising participants that ATO management had granted permission for them to complete the questionnaire, and expected time it would take to complete. Participants were assured that all individual answers would be treated as confidential and they were requested to refrain from signing or identifying themselves on the questionnaire in any way. The letter also indicated that completed questionnaires would be personally collected from them on a nominated date. A contact number was also provided in the case participants had further queries.

The survey was conducted over a three week period in September 1996. In the Casselden Place branch office, the distribution of questionnaires was undertaken over the 5th and 6th of September 1996. This involved visiting all the workplaces and approaching all middle and frontline managers on a personal basis. In some workplaces, local directors, other managers and union delegates, provided assistance in this process. Managers were approached on an individual basis and provided with a copy of the survey package and brief verbal explanation of its contents and purpose and an indication of the collection procedure. In instances where managers were not present, a copy of the survey package was left on their desks, accompanied by a handwritten note explaining the survey. A similar process was undertaken in the Moonee Ponds office, commencing on the 12th and 13th of September 1996. In some cases the local directors undertook to distribute and collect the questionnaires on my

behalf. To facilitate the subsequent collection of questionnaires, a survey control list of all managers to whom the survey was distributed, together with their respective location, was prepared for each office.

Participants were given one week to complete the questionnaire. Completed questionnaires were collected from the Casselden Place office over two days on 16 and 17 September 1996. In the Moonee Ponds office, the collection process occurred over the 23rd and 24th of September 1996. There was no evidence of any extraneous factors which may have influenced responses during the course of survey. In both offices, managers were approached on an individual basis and asked whether they had completed the survey; once a completed survey was obtained, their names were marked off the survey control list. Those managers who had failed to complete the questionnaires, were given an additional three or four days within which to complete the survey. In a few instances, managers required some further assistance and clarification in completing the survey. A number of follow up visits to both offices were undertaken within a week of the original collection date to collect any outstanding surveys.

Upon collection, surveys were immediately coded as either 1, representing a Casselden Place response, or 2, for Moonee Ponds responses. In total, 130 completed surveys were returned. Of these 2 from Moonee Ponds and 1 from Casselden Place were either returned blank or contained insufficient data to process. Of the remaining 127 surveys, 50 were from Casselden Place, and 77 from Moonee Ponds. This equated to an overall response rate of 76%, with a 78% response from Casselden Place and a 74% response from Moonee Ponds.

4.4.4. Analysis of data.

The surveys were collated and sorted by reference number to ensure all distributed surveys had been accounted for. Survey responses and their respective branch office codes were then entered into a spreadsheet database (Appendix 2). Responses for each individual question were then totalled to produce a frequency table covering all questions. To further assist the analysis, the frequency totals were also translated into percentage figures (Appendix 3). These frequencies would provide the basic data for the analysis and examination of key research questions. Standard statistical techniques were then utilised to analyse the data and examine the various research questions. This involved the use of SPSS and SAS statistical computer packages. Through these applications, chi - square tests were conducted to examine relationships between selected sets of observed frequencies.

The study might have been enhanced by analysis of significant differences in responses between the branch offices. However as the total number of responses within each branch was not large, this meant that the data was not sufficiently robust to complete such an analysis. Accordingly no single branch results were reported.

Finally it is appropriate to acknowledge that with the data based on self reported individual perceptions, it could be expected that managers would wish to portray themselves in the best possible light, by providing 'self serving' responses. Whilst this has the potential to influenced the data, it is unlikely to represent a significant problem in this instance, as the nature and extent of the results appear sufficiently strong to preserve the validity of the findings.

4.5. Conclusion.

This aim of this chapter was to outlined the methodology adopted in undertaking the study and demonstrate how it will contribute to the fulfilment of the research objective. The examination of middle and frontline manager responses to a program of employee participation in the implementation and operation of the performance management process was identified as the main research objective and two major research questions were proposed. Details of the case study approach, which focused on two branch offices of the ATO, were then provided, together with a rationale for the adoption of the case study approach, the particular organisation and the two branches, and the specific program of employee participation.

The chapter then examines specific details of the research methods undertaken. This initially entailed an extensive review of literature, interviews with both middle and frontline managers, and branch level union activists involved in the participatory process, and, the collection and examination of both published and unpublished material in the form of internal files, documents and organisational and trade union journals. The focal point of the research was a survey of middle and frontline managers in both the Casselden Place and Moonee Ponds branches of the ATO. A summary of the survey preparation, questionnaire content and design, administration and data collection, and subsequent data analysis was also provided. These activities and methods represent the overall research plan for the study.

Chapter 5 - Analysis of Middle and Frontline Managers and Employee Participation.

5.1. Introduction.

This chapter analyses the survey responses of middle and frontline managers. The chapter is organised into two sections. The first section investigates the impact of employee participation on middle and frontline managers. Past research (see for instance, Graversen 1986, Teicher 1996, p127, and Lansbury and Gilmour 1986, p165) has identified changes in managerial roles as the main consequence of employee participation for middle and frontline managers. This study examines evidence from the ATO to determine whether it replicates earlier research or whether there are other outcomes for middle and frontline managers. It also explores the impact of these outcomes on managerial responses to participation. The second section focuses on the question of the manner in which middle and frontline management respond to employee participation and in particular how they respond to employee participation in the ATO's performance management initiatives. The analysis centres on the level of managerial support for employee participation. The chapter concludes with a brief summary of the research findings in relation to the two key areas of investigation.

5.2. The impact of Employee Participation on Middle and Frontline Managers.

5.2.1. Introduction.

The introduction of employee participation in the workplace alters the role and responsibilities of middle and frontline managers who are charged with its implementation. One possible consequence that is frequently overlooked is that the introduction of participation will increase the level of conflict and tension experienced by middle and frontline managers as they balance the need to adopt employee participation with other managerial responsibilities and organisational demands. Wary (1949) and Fletcher (1969) identify such managerial conflict with the notion of managers feeling 'caught in the middle'. Roethlisberger (1945) asserts that such conflict arises out of the relationship between lower level management and other organisational players, workers and more senior levels of management. The demands, requirements and loyalties of each of these groups creates tensions for middle and frontline managers, who are in a positional sense, in the middle. So it could be argued that conflicting demands and organisational relationships surrounding the introduction of an employee participation program may leave middle and frontline managers feeling "caught in the middle".

This section examines the impact of employee participation on ATO middle and frontline managers to identify any such conflict and tension, and in particular, to explore the notion of managers being 'caught in the middle'. Within this context, three questions are examined. They are:-

- (i) Are middle and frontline managers in the ATO caught in the middle?
- (ii) How are middle and frontline managers caught in the middle? and,
- (iii) Are middle and frontline managers caught in the middle as consequence of employee participation ?

5.2.2. Are Middle and Frontline Managers Caught in the Middle ?

Fletcher (1969, p341) argues that supervisors are the "men in the middle" because they are constantly torn by stresses and conflicts created by competing loyalties and demands. Roethlisberger (1970, p267) presents a similar argument, highlighting the relationship between lower level management and the demands, requirements and loyalties of other organisational players as a source of conflict.

Is there any evidence in the ATO of middle and frontline managers being "caught in the middle" ? Managers indicated on a Likert scale 1 to 5, the extent to which they felt "caught in the middle" of the competing demands and responsibilities they faced. Their responses are outlined in Table 5.1.

Table 5.1. Extent to which middle and frontline managers feel caught in the middle (%).

| As a manager, to what extent are you "caught in the middle" of the competing demands and responsibilities placed on you ? N = 127 | Total (%) | |
|--|-----------------|----|
| | Never | 2 |
| | Rarely | 5 |
| | Sometimes | 25 |
| | Often | 39 |
| | Very Frequently | 20 |
| | All the time | 9 |

The results show that an overwhelming majority of middle and frontline managers do feel caught in the middle. Ninety eight percent of middle and frontline managers reported being caught in the middle on at least some occasions, with most (69%) claiming that they were caught in the middle either "often", "very frequently" or "all the time" (table 5.1). This is consistent with Fletcher (1969), in identifying managerial conflict with competing organisational demands.

5.2.3. How are Middle and Frontline Managers Caught in the Middle ?

The study further tests the validity of the assertions about being caught in the middle by examining the question of how middle and frontline managers feel caught in the middle ?

First, managers were asked to indicate whether they felt "caught in the middle" in any other way, other than from competing responsibilities and demands. The responses are outlined in table 5.2.

Table 5.2. Extent to which middle and frontline managers feel caught in the middle in ways other than competing demands and responsibilities. (%).

| | | |
|---|-----------|----|
| Are you "caught in the middle" in any other way ? | Total (%) | |
| | Yes | 24 |
| | No | 75 |
| N = 126 | | |

The data shows that 24% of respondents claimed to be "caught in the middle " in ways other than through competing responsibilities and demands. Managers identified factors such as divided loyalties between management and union, funding and resource constraints, uncertainty over future directions and change processes, and the inability to deal with staff concerns due to a lack of information from above, as the sources of this condition. Whilst managers viewed such factors as distinct from competing responsibilities and demands, they essentially still represented a range of conflicting loyalties and demands.

The findings therefore appeared consistent with those of Fletcher (1969) and Roethlisberger (1970) in identifying managerial conflict with competing organisational demands and loyalties.

5.2.3.1. Caught in the Middle and Managerial Characteristics

One area that is ignored in the literature is relationship between the individual managerial characteristics and the tendency to feel caught in the middle. Are some managers more likely to feel caught in the middle than others ?

Fletcher (1969, p351) points out that the closer line managers are to senior management (by position or identity), the greater the conflict. Paine and Gannon (1973) found that managers and supervisors often face different problems resulting in different job attitudes and performance. Such outcomes suggest that middle managers will feel more caught in the middle than their frontline colleagues. A similar hypothesis is also proposed between managers in higher classifications and those at

lower levels. Age is frequently advanced as a correlate of participation, with both Miller & Prichard (1992) and Verma & McKersie (1987) finding that employee participants in involvement schemes tended to be younger. In adapting such a finding to the notion of "caught in the middle" it could be hypothesised that older managers were more likely to feel to caught in the middle as they were less comfortable and familiar with participation as an approach to management. Conversely it could also be argued that more experienced managers may be better able to cope with competing demands than their less experienced colleagues. Each of these propositions is tested in turn using a chi square test. The results are shown in table 5.3.

Table 5.3. - Level of association between middle and frontline managers feeling caught in the middle and managerial characteristics (%).

| <i>Managerial Characteristics</i> | <i>Chi-Sq Values</i> |
|-----------------------------------|----------------------|
| Middle / Frontline Grouping | 1.258[0.262] |
| Classifications | 0.756[0.385] |
| Age | .027[0.869] |
| Managerial Experience | 5.076[.079] |

No statistically significant relationships between the various characteristics and managerial responses to being caught in the middle were found. The hypotheses in relation to managerial groupings, classification levels and age were not supported. Although not statistically significant, the managerial experience variable result was the strongest with a probability value of 0.079. This is only marginally above the acceptable limit and cannot be completely disregarded. The implication is that the level of managerial experience may be a factor in managers feeling caught in the middle, with less experienced managers feeling caught in the middle more often than more experienced managers. This may be due to more experienced managers being better able to cope with conflicting demands and the associated pressures and tensions.

5.2.4. Caught in the Middle and Employee Participation.

Having established that most middle and frontline managers in the ATO feel 'caught in the middle', it is necessary to establish whether this condition persists for middle and frontline managers in their involvement with participation. This is tested by exploring the impact of a range of issues, which past research has identified as influencing managerial responses to participation, and whether they contribute to managers feeling 'caught in the middle'. This is followed by an examination of middle and frontline management relationships with other organisational groups such as senior management, staff and unions within the context of employee participation. The purpose of this was to determine the extent to which these relationships contribute to middle and frontline managers feeling caught in the middle.

5.2.4.1. The impact of Power on middle and frontline management responses to employee participation.

Central to the concept of employee participation is the notion that it involves a redistribution of power away from management to subordinate employees (Ramsay 1986, p53). Klein (1984), Parnell et al (1992) and others suggest that middle and frontline management, because of this perceived loss of power, will resist employee participation. This implies a relationship between management's propensity to adopt participation and the perceived level of power that will be achieved as a result of the participatory process. Driscoll et al (1978, p34) argue that managers often feel 'caught in the middle' because they lack the power (control) to meet the managerial obligations for which they are responsible. The research focused on three issues here.

- a. Whether middle and frontline managers in the ATO perceive the introduction of employee participation in the application of performance management schemes as redistributing power in the workplace ?
- b. Does the issue of power affect middle and frontline management support for participation programs?
- c. Do middle and frontline managers in the ATO feel caught in the middle because of a lack of power as a consequence of employee participation in the application of performance management schemes?

a. **Middle and frontline management perceptions of power in the context of employee participation.**

The first question is examined with reference to a series of statements which explores management perceptions of power by asking managers to indicate on a Likert scale of 1 to 5, the extent of their agreement with each statement. The survey results are contained in table 5.4.

Table 5. 4. Middle and frontline management perceptions of power as a consequence of employee participation in performance management (%).

| To what extent do you agree with each of the following statements: | Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
|--|-------------------|----------|---------|-------|----------------|
| (a) Staff have too much say in determining performance outcomes. | 10 | 61 | 21 | 7 | 1 |
| (b) senior management retain too much influence in determining performance outcomes at the workplace level | 1 | 20 | 23 | 46 | 10 |
| (c) Employee involvement in performance management processes will lead to a loss of managerial power in the workplace | 9 | 64 | 15 | 13 | 0 |
| (d) Employee involvement in performance management processes hinders my ability, as a manager, to make decisions | 9 | 68 | 11 | 11 | 1 |
| (e) Employee involvement in performance management processes hinders my responsibility, as a manager, to ensure staff meet performance targets and standards | 7 | 72 | 13 | 8 | 0 |
| (f) As a manager, I have too little say in determining performance requirements of my staff? | 9 | 62 | 14 | 13 | 2 |
| N = 127 (% > 100 due to rounding) | | | | | |

The evidence in table 5.4. indicates that middle and frontline managers in the ATO did not perceive employee involvement in performance related decisions as redistributing power within their workplace. In particular, they did not believe that it lead to a diminution in their level of power. A majority of managers (71%) disagreed not only with the notion that staff had too great a voice in determining performance outcomes but also with the assertion that they had too little say in determining the performance requirements of their staff. Managers also rejected the notion that employee involvement would hinder their ability to make decisions (77% disagree) and the belief that employee involvement hindered managerial responsibilities for performance outcomes (79% disagree). The rejection of the explicit statement that employee involvement in performance management will lead to a loss of managerial power in the workplace (73% disagree) provides even stronger evidence that managers did not perceive employee participation as resulting in a loss of power. Fifty six percent of managers perceived senior management as retaining too much

influence in workplace performance related decisions (with a further 23% remaining neutral, and only 21% expressing some form of disagreement). This further supports the view that there has been no real distribution of power.

On the basis of these results, it is concluded that only a small minority of managers perceived employee participation in performance management as redistributing managerial power. This was evident both in terms of relinquishing of power to employees and the perceived failure of senior management to transfer power down the line. The failure of senior management to devolve sufficient influence suggests that rather than view their own devolution of power to employees as a threat, middle and frontline managers may not be satisfied with the level of power as it is devolved from above. Whilst this may to some extent reflect the 'self serving' responses of managers who wish to place themselves in the best possible light by expressing positive views about participation, such findings are not surprising. The specific nature and context of the participatory process, which limited employee involvement to the implementation of low level operational decisions, ensured that there was little challenge to management prerogative, and thus little diminution of managerial power.

b. The impact of power on Middle and frontline management support for Employee Participation.

The influence of managerial perceptions of power on the level of support for participation is explored by examining managers' self reported willingness to adopt a participatory approach in the performance management process, should this lead to a reduction in their level of power. The results are outlined in table 5.5.

Table 5.5. Middle and frontline management responses to employee participation where it leads to a reduction in the level of their power and control. (%)

| Where a participatory approach in performance management reduces the level of your power and control in the workplace, how would this affect your willingness to adopt such a management style ? | | Total (%) |
|--|--|-----------|
| | (a) I would be strongly opposed to a participatory approach. | 2 |
| | (b) I would be less inclined to adopt a participatory approach | 22 |
| | (c) I would be willing to adopt a participatory approach | 61 |
| | (d) I would strongly support and definitely adopt a participatory approach | 14 |
| N = 125 | Did not respond | 1 |

The results here indicate that 74% of middle and frontline managers would still adopt a participatory approach even where employee participation in performance management processes reduced the level of their power and control in the workplace. The level of power appeared to affect responses to employee participation in only 24% of managers. These results show that whilst there is some evidence of the level of power influencing managerial support for employee participation, the extent of this influence is limited.

A further measure of the influence of power on limiting managerial support for participation is obtained by determining whether managers who perceived participation in performance management as leading to a loss in power showed less support for the process. Here the evidence was provided by the cross tabulation of managerial responses in table 5.4. (c) with managerial levels of support for participation in performance management processes. Results are shown in table 5.6.

Table 5.6. The impact of perceptions of power on support for employee participation in performance management programs (%).

| Support for EP in Performance Management. | EP leads to loss in Power Agree % | EP leads to loss in Power Disagree % | EP leads to loss in Power Neutral % | Totals % |
|---|-----------------------------------|--------------------------------------|-------------------------------------|----------|
| Yes | 81.25 | 98.91 | 94.74 | 96.06 |
| No | 18.75 | 1.09 | 5.26 | 3.94 |

The evidence indicates that managers who viewed participation as leading to a loss of power were less inclined to support participation, as compared to those who did not perceive it as leading to a loss of power. Using a chi-square test, the result of 11.347 [.003] suggests that the relationship between perceptions of power and support for participation is quite strong and statistically significant. Given the small sample size and overwhelming level of support for participation, it is difficult to draw any definite conclusions from the data on this point. Nevertheless the results in table 5.6 suggest that a relationship between perceptions of power and support for participation does exist in this case which is consistent with the findings of Parnell et al (1992).

One possible explanation of the above outcome could be the contextual factors. With employee participation in performance management initiatives not resulting in significant power losses, managers will feel less threatened by the process, and thus be more willing to support and adopt it. Power remains an issue for middle and frontline managers.

c. The notion of Power and Caught in the middle.

The proposition that a perceived loss of power contributes to managers being caught in the middle was tested by asking middle and frontline managers whether they felt caught in the middle by a lack of power. Their responses are contained in table 5.7.

Table 5.7. Extent to which middle and frontline managers feel caught in the middle by a lack of power (%).

| Do you ever feel that you are "caught in the middle" because you lack the power to meet the demands and obligations placed upon you as a manager ? N = 127 | | Total (%) |
|---|-----------------|-----------|
| | Never | 7.87 |
| | Rarely | 14.96 |
| | Sometimes | 56.69 |
| | Often | 15.75 |
| | Very Frequently | 3.15 |
| | All the time | 1.57 |

The results show that 78% of middle and frontline managers reported being caught in middle due to a lack of power on at least some occasions. Whilst it was not uncommon for managers to feel caught in middle as a result of a lack of power, this was not a frequent occurrence for most managers. The results nevertheless support the notion that a perceived lack or loss of power is clearly a contributing factor to feeling caught in the middle.

Following on from Driscoll et al (1978, p34) and the above finding that managers do feel caught in the middle by a lack of power, it may also be hypothesised that middle and frontline managers will feel more caught in the middle where employee participation in performance management is perceived as leading to a loss of power. To what extent are the results in table 5.7 a consequence of employee participation in the performance management process?

The question is examined by cross tabulation of managers who felt 'caught in the middle' because of a lack of power, and those who perceived participation in performance management processes as leading to a loss of power. The 'caught in the middle' measure was divided into two categories; those caught in the middle more often (including often, very frequently or all the time responses) and less often (including never, rarely and sometimes responses). The results are contained in table 5.8.

Table 5.8. Extent to which a loss of power contributes to middle and frontline managers feeling caught in the middle (%).

| Employee Participation in Performance Management leads to a loss of Managerial Power. | Caught in the Middle - More Often (%) | Caught in the Middle - Less Often (%) |
|---|---------------------------------------|---------------------------------------|
| Agree | 6 | 7 |
| Disagree | 11 | 61 |
| Neutral | 4 | 11 |
| Total | 21 | 79 |

Managers who viewed participation as leading to a loss of power were also more inclined to be caught in the middle more often. Conversely, those who did not view participation as leading to a loss of power were more inclined to be caught in the middle less often. With a chi-square result of 7.284[0.026], the relationship between perceptions of power and feeling caught in the middle is statistically significant. The hypothesis that middle and frontline managers will feel more caught in the middle where employee participation in performance management is perceived as leading to a loss of power is supported.

5.2.4.2. Middle and frontline management responses to employee participation and organisational support.

The importance of organisational support for employee participation is acknowledged in the literature. Parnell et al (1992), point out that the managerial propensity to adopt a participatory approach is in part dependent on their perception of the organisation's level of support for employee participation. Others (Teicher 1990[1], Ardern 1988, and Klein 1984) note the importance of management support in encouraging participation at subordinate managerial and employee levels. The lack of sufficient training is highlighted as a factor also limiting the success of some programs of employee participation (Marchington et al 1993).

The issue of support is explored through an analysis of middle and frontline manager's perception of the organisational support for employee participation. This is achieved by analysing middle and frontline management perception of organisational support, and the effect of these perceptions on the level of managerial support for employee participation.

Four elements of organisational support for employee participation in the ATO's performance management initiatives are tested. They are formal organisational expressions of support for participation, perceptions of senior management support for participation, the level of support provided by immediate superiors, and the level of training and resource support. Each is examined in turn.

a. Formal Organisational Support for Employee Participation.

The presence of a supportive organisational culture is seen as a key factor in influencing the propensity of managers to adopt a participatory approach (Parnell et al, 1992). The existence of such a culture partially relies on the extent to which the organisation formally supports employee participation. In the ATO, the formal rules and policies governing the implementation of the performance management process provide clear evidence that structures and processes supporting employee participation do exist (e.g., ATO Performance Management guidelines - Sept 1989). These are in the form of staff involvement in the development of performance outcomes, individual expectation statements and training plans, which were outlined in chapter 3. Does this translate to a feeling by middle and frontline managers of organisational support?

To determine this, middle and frontline managers were asked whether they perceived the organisation as supporting employee participation in performance management processes. Over two-thirds of all respondents (68%) perceived the ATO as formally supporting a process of employee participation in performance management schemes. This represents a positive acknowledgment of the ATO's formal policy towards employee participation.

Despite the overall endorsement of formal policy, there remains a strong residual feeling of lack of support. This is reflected in the 32% of managers who did not perceive the organisation as formally supporting participation. These views suggest that the organisational culture experienced by managers is not a supportive one. As some of these managers commented:

It just means that the Organisation continues to pay lip service to such schemes (Q39, No122); and

Organisation pays more lip service than it acts to facilitate, for example, most managers get less feedback than frontline staff (Q49, No160);

Such comments highlight the feelings of lack of support. Furthermore, they indicate that the organisation is perceived by a considerable minority as failing to facilitate both participation and performance management processes. For these managers, the mere presence of formal policies and structures are not enough. The organisation is

perceived as failing to walk as it talks on the issue and as such is not providing support for the participation process.

b. Senior Management Support for Employee Participation.

Another measure of organisational support is the extent to which senior management are supportive of employee participation. Senior management are, as Teicher (1990 [1]) and Klein (1984) maintain, an important element in fostering participation. Whilst they are often the initiators of participation, it is possible for their actions to be at odds with the formal policies and approaches existing at the time. As Ardern (1988) has noted, the perceived actions and attitudes of senior managers, may indeed be one of the barriers to the level of formal organisational support. Do middle and frontline managers believe that senior management support employee participation in the performance management process?

A majority of managers (57%) believed senior management were not supportive of employee participation in performance management schemes. Senior management behaviours and actions were not seen as supporting employee participation, and thus by implication, did not reflect the official and formal expressions of support for employee participation made by the organisation. As one manager noted:

I am sceptical about senior management's attitude. I feel that senior management go through the consultative process as "lip service" already having a hidden agenda with a known outcome (Q49, No 123)

This suggests that senior management are not perceived as matching their own rhetoric of participation. Supporting previous views put forward by Klein (1984), Ardern (1988), and others, the finding may point to senior management attitudes and behaviours as an impediment to the overall level of organisational support.

c. Support for Employee Participation from Immediate Managers.

Akin to the issue of senior management support, the perceived level of support from immediate managers and superiors is also a crucial component of broader organisational support and organisational culture. As Roethlisberger (1970, p267) notes, "*there is probably no relation more important than that of the subordinate to his immediate superior*". Immediate managers and superiors are usually in a position to exert the most direct and strongest forms of influence on subordinate managers in adopting a participatory approach. This may occur in terms of facilitation, mentoring or even encouraging subordinate managers to participate in decision making themselves. It is also argued that subordinate managers often engage in "*impression management*", that is, behaviour which will place them in a favourable light with their

immediate superiors (Marchington et al 1993). The views of immediate superiors may therefore be important in influencing middle and frontline managers and the success of participation programs.

What level of support do middle and frontline managers see as being offered by their immediate superiors for the process of employee participation? Managers were asked to indicate on a Likert scale of 1 to 4, the level of support offered to them by their immediate managers in the process of involving employees in the performance management programs. The results are shown in Table 5.9.

Table 5.9. - Level of immediate management support for employee participation (%).

| What level of support does your immediate manager offer you in the process of employee involvement in the various performance management schemes ? | Total (%) | |
|--|--------------------|-------|
| | Strong support | 19.69 |
| | Adequate support | 55.91 |
| | Inadequate support | 15.75 |
| | No support | 8.66 |
| N = 127. | | |

The majority of managers (91.35%) received some form of support from their immediate superiors, with the remaining 8.65% reporting no support. For 75.6% of managers, the level of support was perceived as strong or adequate. This indicates that middle and frontline managers perceive their immediate managers as providing high levels of support in application of the participation process.

d. Training and resource support for Employee Participation.

The provision of training and resources has been highlighted as being a particularly important element of support in the promotion of employee participation. Marchington et al (1993, p573) point out that many employee involvement initiatives lose their impetus because of inadequate training provision at lower (supervisory) managerial levels. The importance of training is also highlighted by ATO managers themselves, who, when asked to nominate three forms of organisational support, mostly identified the ATO's Managing in the Nineties (or MINS) training program as the major form of organisational support. Hence the extent to which middle and frontline managers perceive the organisation as providing an adequate level of training is an important element of managerial perceptions of organisational support.

How do middle and frontline managers perceive the level of training and other associated forms of support ? Middle and frontline managers were asked to indicate on a Likert scale of 1 to 4 the extent of satisfaction with the level of support in terms of training and resources. The results contained below in table 5.10. reveal that 55% of managers reported a strong or adequate level of organisational support in terms of

training and resources. Of these, the overwhelming majority (53%) perceived the level of training and resources as adequate only. With 6% of managers reporting that they received no support, and a further 39% claiming that the level of training and resource support provided was inadequate, the results indicate that there remains a large minority of managers for whom there is inadequate training and resource support.

Table 5.10. - Level of middle and frontline management satisfaction with organisational support for employee participation (%).

| To what extent are you satisfied with the level of organisational support, such as training, resources, etc, offered to you as a manager, as you seek to involve employees in the performance management decision making ? | Total (%) | |
|--|--------------------|----|
| | Strong support | 2 |
| | Adequate support | 53 |
| | Inadequate support | 39 |
| | No support | 6 |
| N = 127 | | |

Two findings emerge from the data. First, it is clear that the ATO provides a level of employee participation training and resources. Secondly, whilst a majority of middle and frontline managers perceive this support as adequate, there remains large minority who do not share this view.

e. Conclusion - Perceptions of Organisational Support for Employee Participation.

In summary, middle and frontline managers appear to have mixed feelings about the overall level of organisational support. Although most managers perceive the organisation as supporting employee participation in terms of formal policies and structures, training and resources, a large minority clearly do not. The strongest level of support is perceived as coming from immediate managers; whereas senior management are seen by a majority of managers as not supporting the participatory process. This suggests that middle and frontline managers are receiving mixed messages, especially from senior management, and, as a result, a large minority of middle and frontline managers do not perceive the organisation as supporting employee participation processes.

Moving to the impact of organisational support on middle and frontline management support for employee participation, the findings of Parnell et al (1992), Marchington et al (1993) and others suggest that managerial support for, and the propensity to adopt, a participatory approach will be affected by the level of organisational support. To what extent does the evidence from the ATO support this contention? This question is investigated by asking managers how the level of support provided by the organisation affects their willingness to adopt a participatory approach. The results are outlined in table 5.11.

Table 5.11. - Impact of organisational support on middle and frontline management support for employee participation (%).

| | | Total (%) |
|--|--|-----------|
| How does the support provided by the organisation affect your willingness to involve staff in performance management decision making ? | Irrespective of the level of support, I will not adopt a participatory approach: | 4 |
| | As the level support is inadequate, I will not adopt a participatory approach: | 2 |
| | As the level support is inadequate, I am less willing to adopt a participatory approach: | 17 |
| | Given an adequate level of support, I am willing to adopt a participatory approach: | 47 |
| | I strongly support employee involvement and will adopt a participatory approach at all times, irrespective of the level of support provided: | 30 |
| N = 127 | | |

Sixty six percent of managers indicated that their willingness to adopt a participatory approach was in some way affected by the level of organisational support. The main inference that can be drawn from this result is that the level of organisational support for employee participation is an important influence on managerial responses to participatory processes in the performance management schemes.

In examining the impact of the level of support on middle and frontline management response, 47% indicated that given an adequate level of support they were willing to adopt a participatory approach, whilst 30% would adopt a participatory approach irrespective of the level of support provided. A further 19%, who viewed the level of support as inadequate, would either refuse, or be less willing, to adopt a participatory approach. The residual 4% opposed participation irrespective of the level of support.

The evidence supports the findings of Parnell et al (1992), Marchington et al (1993) and others, which identified the various elements of organisational support as a key influence on the presence of employee participation. The level of organisational support for employee participation is considered by a majority of managers to be at

least adequate; and, as a consequence, most managers are willing to adopt a participatory approach. There remains however a sizeable minority for whom the level of organisational support is perceived as inadequate. This may provide some explanation of the differences between the level of management support for, and actual application of, employee participation in the performance management process which are discussed further below.

5.2.4.3. Employee Participation and Perceptions of Organisational Effectiveness and Efficiency.

Organisational support for employee participation is often seen as contributing to improved decision making, productivity, efficiency, and greater overall organisational effectiveness (Marchington 1979, Davis & Lansbury 1996). Brennan et al (1976) suggest that perceptions of organisational efficiency will influence managerial tendencies to support and adopt participatory practices. Parnell et al (1992) argue that managers will be more inclined to adopt a participatory technique where it is perceived as contributing to organisational effectiveness. There is also a contrary view as Marchington & Loveridge suggest, that managers often view the involvement of employees in decision making as an impediment to timely and incisive decision making (1979, pp. 175-9), and others suggest that employee involvement may even be unnecessary (Bradley & Hill 1987, p73). In these circumstances, the need to involve staff in decision making and efficiency requirements are seen as conflicting demands and may contribute to managers feeling caught in the middle. What evidence does the ATO experience provide to support these ideas?

The study examines whether the issue of organisational efficiency affects middle and frontline management commitment for participation, and whether this contributes to them feeling caught in the middle. For the purposes of this analysis, organisational efficiency is viewed as a synonym for organisational effectiveness.

5.2.4.3.1. **Impact of Organisational Efficiency on Managerial Support for Participation.**

This issue is explored by establishing managerial perceptions of organisational efficiency and participation, and determining how such perceptions affect support for participation.

a. **Managerial Perceptions of Organisational Efficiency and Participation.**

Managers were asked to indicate on a five point Likert scale the extent to which they viewed employee participation as being incompatible with organisational efficiency. Table 5.12. shows their responses.

Table 5.12. - Managerial perceptions of conflict between employee participation and organisational efficiency (%).

| To what extent do you agree that there is a conflict between the need to maximise efficiency in the workplace and the need to involve employees in decision making processes? N = 127 | | Totals (%) |
|--|-------------------|------------|
| | Strongly Disagree | 4 |
| | Disagree | 33 |
| | Neutral | 19 |
| | Agree | 36 |
| | Strongly Agree | 8 |

The results indicate that 44% of managers perceived the need to involve staff in decision making as conflicting with the need to maximise efficiency, whereas 37% did not. A further group (19%), remained non-committal. So it is evident that for the majority, there is a conflict between organisational efficiency and employee participation goals. This appears to provide support for the views expressed by Marchington & Loveridge (1979, pp. 175-9) and Bradley & Hill (1987, p73) who argue that managers often view participation as an impediment to, and unnecessary in, the pursuit of efficiency objectives.

Managers were also asked whether employee participation hinders efficiency in the case of the performance management programs. Table 5.13 shows the results.

Table 5.13. - Managerial perceptions of conflict between employee participation in performance management programs and organisational efficiency (%).

| Do you believe that employee involvement in performance management hinders your ability to adopt the most efficient and effective approach to getting the job done ? N = 127 | | Totals (%) |
|---|-------------------|------------|
| | Strongly Disagree | 11 |
| | Disagree | 53 |
| | Neutral | 21 |
| | Agree | 13 |
| | Strongly Agree | 2 |

Sixty four percent of managers do not believe that employee participation in performance management is a hindrance to their efficiency goals. Only 15% of managers adopted the opposite view. Managers appear to view participation in the

context of performance management as a different proposition to the notion of participation generally and whilst it might be expected that there is less support for a specific participation initiative, this has not been the case. Further, this does not support Marchington & Loveridge's (1979, pp. 175-9) assertion that participation is seen as an impediment. This may be due to the nature of performance management with its stated aim of improving organisational efficiency, productivity and performance. It may also be due to a formal organisational requirement to involve employees in decisions about the attainment of efficiency goals. With participation linked to the efficiency driven objectives of performance management programs, it can be described, as Bradley & Hill (1987, p75) point out, as yet another management tool.

b. The Impact of managerial views on support for participation.

What is the nexus between efficiency goals and the adoption of a participatory approach? Managers were asked to indicate whether the need to be efficient affects their willingness to adopt a participatory approach. The results are reported in table 5.14.

Table 5.14. - Impact of demands for organisational efficiency on managerial support for employee participation - measure 1 (%).

| Does the need to be efficient affect your willingness to adopt a participatory approach in respect of performance management processes ? | Totals (%) | |
|--|------------|----|
| | Yes | No |
| | 26 | 74 |
| N = 127 | | |

A sizeable majority of managers (74%) indicated that their willingness to adopt a participatory approach in performance management processes was not affected by efficiency considerations and so there appears to be little evidence of a relationship between perceptions of efficiency and participation on this issue. This is not surprising, as employee participation in performance management processes may be viewed as an integral part of the ATO's performance goals, and thus not seen as impeding efficiency. The data here serves to further strengthen the earlier findings about organisational efficiency.

How is the willingness of middle and frontline managers to adopt a participatory approach affected by efficiency considerations? Managers who previously reported some effect were asked to indicate on Likert scale of 1 to 5 ranging from "*will not adopt a participatory approach*" to "*will adopt a participatory at all times*", how efficiency affected their response to participation. The results are shown in table 5.15.

Table 5.15. - Impact of demands for organisational efficiency on managerial support for employee participation - measure 2 (%).

| Which of the following statements best reflects your attitude towards adopting a participatory approach ? | Totals (%) | | |
|---|--|----|--|
| | | | |
| | | | |
| | | | |
| N = 56 | Where efficiency is an issue, I will not adopt a participatory approach | 1 | |
| | Where efficiency is an issue, I would be less willing to adopt a participatory approach | 19 | |
| | I am willing to adopt a participatory approach, irrespective of efficiency considerations | 8 | |
| | I strongly support employee involvement as contributing to organisational efficiency and am willing to adopt a participatory approach at all times | 17 | |

Two main associations are highlighted. The first is that participation is viewed as an impediment to efficiency. This was supported by 20% of managers, who claimed that they were either less or not willing to adopt a participatory approach where efficiency was an issue. As Marchington and Loveridge (1979, p179) suggest, these managers when faced with a choice between organisational efficiency and involving staff in decision making will overlook the participatory process. The second is that participation is seen as contributing to organisational efficiency. This was supported by 17% of respondents, who reported strong support for a participatory approach on the basis that it contributed to organisational efficiency.

There are two conclusions to be drawn from this. First, there remains a small group of managers who view employee participation as an obstacle to the attainment of organisational efficiency, irrespective of the particular context of participation. Secondly, the data provides evidence that when viewed in the context of performance management processes, the relationship between employee participation and organisational efficiency is a positive one. So organisational efficiency is both a positive and negative influence on middle and frontline management responses to employee participation. This finding is consistent with that of Parnell et al (1992).

5.2.4.3.2. Are Managers caught in the middle of Participation and efficiency demands?

Driscoll et al (1987, p25) point out that programs designed to increase organisational efficiency are often resisted by supervisors, leaving them caught in the middle. Has this been the case with the ATO's introduction of employee participation in performance management? The question of whether efficiency demands and employee participation contributes to middle and frontline managers being caught in the middle is examined by reference to the data in tables 5.12. and 5.13., and cross tabulation with responses on caught in the middle.

The presence of strong feelings of conflict between the need for employee participation and efficiency goals indicates that middle and frontline managers may feel caught in the middle of what is perceived as competing demands. For at least 44% of managers, participatory obligations and efficiency goals remain a source of conflict (table 5.12). Do these managers feel caught in the middle more often than those who do not perceive such a conflict? The issue is examined by a cross tabulation of responses on the questions of conflict between efficiency and participation and feeling caught in the middle. The results are shown in table 5.16.

Table 5.16. Perceptions of the impact of employee participation on organisational efficiency and the extent to which middle and frontline managers feel caught in the middle.

| Do you agree there is a conflict between efficiency and participation? (As per Table 5.12) | Caught in the Middle More Often. (%) | Caught in the Middle Less Often. (%) |
|--|---|---|
| Agree | 34.65 | 9.45 |
| Disagree | 25.20 | 11.81 |
| Neutral | 8.66 | 10.24 |
| Total | 68.5 | 31.5 |

The results reveal that managers who perceived the need to adopt participation as conflicting with efficiency demands also tended to feel caught in the middle more often. With a chi - square value of 8.351 [0.015] the association is statistically significant. This suggests that where employee participation is seen as conflicting with the need for organisational efficiency, middle and frontline managers will increasingly feel caught in the middle.

Is this the case in the specific context of the ATO's performance management processes? Reflecting the link between employee participation and efficiency related goals, the data in table 5.13 reveals that most managers do not perceive participation in performance management processes as hindering the attainment of efficiency goals. When this data is cross-tabulated with caught in the middle responses, it is expected that managers who do not view participation as conflicting with efficiency will feel caught in the middle less often. The results of the cross-tabulation are shown in table 5.17.

Table 5.17. - Perceptions of the impact of employee participation in performance management processes on organisational efficiency and the extent to which middle and frontline managers feel caught in the middle.

| Do you believe participation in performance management hinders efficiency? | Caught in the Middle More Often. (%) | Caught in the Middle Less Often. (%) |
|--|--------------------------------------|--------------------------------------|
| Agree | 12.60 | 2.36 |
| Disagree | 40.94 | 22.83 |
| Neutral | 14.96 | 6.3 |
| Total | 68.5 | 31.5 |

The results show that although 84% of managers who viewed participation as hindering efficiency were caught in the middle more often, 64% of managers who disagreed that participation in performance management hindered efficiency were also caught in the middle more often. Accordingly there is no relationship between the managers’ perceptions of conflict between participation in performance management and efficiency and the extent to which they feel caught in the middle. This suggests that whilst managers may be caught in the middle between efficiency and participation goals, many are also drawing a distinction between participation in the context of specific performance and efficiency related activities and other forms of participation. It is therefore concluded that whilst middle and frontline managers may feel caught in middle between participation and efficiency demands generally, this does not appear to be the case for the performance management initiative.

5.2.4.4. Middle and frontline management workloads and responses to employee participation.

Additional workloads created by the implementation of employee participation schemes has often been advanced as a factor in explaining the lack of managerial support for, and the failure of, such schemes (Klein 1984, p89; Marchington 1995, p289 & Marchington et al 1993, p573). In addition to workloads, Hyman and Mason (1995, pp. 87-88) have also pointed out that the complexity of many performance schemes may result in managerial misgivings about such schemes. This raises the issues of the complexity and additional workloads of such schemes, whether it is attributable to either the participation process or the nature of the particular performance management program.

This study examines the influence of employee participation workloads and their complexity on middle and frontline management support and the possibility that the competing demands for managerial time and attention created by such workloads are contributing to middle and frontline managers feeling 'caught in the middle'. Each proposition is examined in turn.

5.2.4.4.1. Managerial perceptions of additional workloads, complexity and participation.

Managers were asked to indicate whether they agreed that a range of managerial activities associated with employee participation in performance management processes had created additional managerial workloads. Table 5.18 summarises their responses.

Table 5.18. - Perceptions of additional workloads and employee participation in performance management (%).

| | | Totals (%) |
|--|-----|------------|
| Do you agree with the statement that employee involvement in performance management is an additional burden to the manager's workload in terms of the following: | | |
| | Yes | 43 |
| | No | 57 |
| time spent with staff facilitating the participative process | Yes | 48 |
| | No | 52 |
| increased administration and paperwork | Yes | 34 |
| | No | 66 |
| the need to focus on individual performance | | |
| N = 127 | | |

The results show that the majority of managers did not perceive the participation process as providing an additional workload burden. However, a large minority of managers viewed the time spent facilitating participation and increased administrative duties and paperwork associated with the process as an additional workload burden. For this group, participation provided an additional workload burden.

In addition to the workload issue, managers were asked whether they believed employee participation in performance management processes were too complex to manage. The results show that 72% of managers did not consider the processes too complex to manage. The question of complexity appeared to be less of a concern for middle and frontline managers than the issue of workloads.

In summary the study found that managers were strongly divided as to whether participation in performance management created additional workload burdens. Whilst a majority of managers perceive participation as not creating additional workloads or as too complex, there remained a large minority who did.

5.2.4.4.2. The affect of additional workloads on management support for participation.

Managers were asked to indicate the extent to which their willingness to adopt a participatory approach was affected by workloads and complexity considerations. Responses are outlined in table 5.19.

Table 5.19. - The impact of additional workloads and the complexity of performance management schemes on middle and frontline management support for employee participation.

| To what extent does the complexity, and additional workloads associated with employee involvement in the various performance management schemes affect your willingness to involve staff in operational decisions about performance management issues (i.e., targets, workloads etc) ? | | Totals (%) |
|--|---|------------|
| | Where employee involvement in a scheme is too complex or time consuming, I will not adopt a participatory approach: | 2 |
| | Where employee involvement in a scheme is too complex or time consuming, I would be less willing to adopt a participatory approach | 39 |
| | I am willing to adopt a participatory approach, irrespective of complexity or workload considerations | 32 |
| | I strongly support employee involvement as a means of overcoming complexity or workload problems and will adopt a participatory approach at all times | 26 |
| N = 127 (% < 100 due to rounding). | | |

The data identifies two distinct groups whose responses to employee participation have been affected by the issue of workloads; those who were either opposed or less willing to adopt a participatory approach because of the workloads and complexity issue, and a smaller group who would adopt participation as a means of dealing with workload and complexity issues. Most managers (58%) indicated a willingness to adopt participation irrespective of workload considerations, or as a means of overcoming workload and complexity problems. Whilst 39% of managers indicated that where complexity or workloads was an issue, they were either less, or not, willing to adopt a participatory approach.

The size of this latter group suggests a high level of correlation with those managers who had earlier identified the participative process as contributing to the managers' workload. This is indicative of a negative response to participation. So it might be expected that managers who see participation as contributing to workloads are also less willing to adopt a participatory approach? The issue is examined through a cross-tabulation of the data in tables 5.18 and 5.19. The results are shown in table 5.20.

Table 5.20. - The impact of additional workloads on middle and frontline managements' willingness to adopt employee participation

| Employee Participation is an additional workload burden in terms of: | Still or more willing to adopt participation where workloads are an issue (%) | Not or less willing to adopt participation where workloads are an issue (%) |
|--|---|---|
| 1. time spent facilitating the process | | |
| Yes | 19.69 | 23.62 |
| No | 38.58 | 18.11 |
| 2. increased administration and paperwork | | |
| Yes | 20.47 | 27.56 |
| No | 37.80 | 14.17 |
| 3. the need to focus on individual performance | | |
| Yes | 17.32 | 16.54 |
| No | 40.94 | 25.20 |

The results show that managers who perceived participation as an additional workload burden in terms of time spent facilitating the process, and increased administration and paperwork, also tended to be less willing to adopt participation. With chi square values of 6.550 [0.010] for time spent facilitating the process and 11.815 [0.001] for increased administration and paperwork, the relationship between these additional workload burdens and the willingness to adopt to participation is statistically significant. The evidence suggests that managers see the additional workload burden generated by participation as affecting their commitment to participation. This was clearly applicable to a sizeable minority of middle and frontline managers in the ATO. To that extent the findings provide support for Klein (1984, p89) and Marchington (1995) who argue that the additional workload burden associated with employee participation affects the level of managerial support.

5.2.4.4.3. Additional workloads and Caught in the middle

The question of whether middle and frontline managers feel caught in the middle as a result of any additional workload created by employee participation is investigated by examining the extent to which those managers who perceived participation as creating an additional workload also reported being caught in the middle. These results are reported in table 5.21.

Table 5.21. - Perceptions of additional workloads created by employee participation and the extent to which middle and frontline managers feel caught in the middle (%).

| Employee Participation is an additional workload burden in terms of: | Caught in the Middle More Often (%) | Caught in the Middle Less Often (%) |
|--|---|---|
| 1. time spent facilitating the process | | |
| Yes | 31.50 | 11.81 |
| No | 37.01 | 19.69 |
| 2. increased administration and paperwork | | |
| Yes | 35.43 | 12.60 |
| No | 33.07 | 18.90 |
| 3. the need to focus on individual performance | | |
| Yes | 25.20 | 8.66 |
| No | 43.31 | 22.83 |

The study found no significant relationship between perceptions of participation leading to additional workloads and feeling caught in the middle. The results in table 5.21 shows that the extent to which managers felt caught in the middle did not depend on whether participation was perceived as leading to an increased workload. The inference that emerges from this finding is that middle and frontline managers are not necessarily caught in the middle as a result of any increased workload as a consequence of employee participation.

5.2.4.5. Industrial Relations and & Human Resource Management Specialists and middle and frontline management responses to employee participation.

Personnel and human resource management specialists are frequently perceived as promoting the cause of participation, as a consequence of pursuing strategies based on contemporary management theories which are supportive of participation (Marchington et al 1993, p558). The role played by specialists may be a key ingredient in the promotion of employee participation schemes and thus be an important influence on middle and frontline management responses to employee participation. Frenkel (1989, p144) however reports that the devolution of employee participation down to line managers limits the impact of IR and HRM specialists on participation. Roethlisberger (1945) further suggests that the relationship between specialists and managers may also be a source of tension and conflict. Such conflicts and tensions may in turn contribute to middle and frontline managers feeling 'caught in the middle'. The analysis focuses on these issues by exploring whether the role played IR & HRM specialists influences managerial responses to participation in the application of the performance management process and whether it contributes to middle and frontline managers feeling caught in the middle.

5.2.4.5.1. The impact of IR and HRM specialists on managerial support for participation.

Managers were first asked to indicate whether local specialists played a role in the promotion of employee involvement in performance management processes and to describe the nature of that role. Responses are shown in Table 5.22.

Table 5.22. - Extent of hrm / ir specialist involvement in the process of employee participation in the performance management program.

| Are local HRM and /or Industrial Relations (IR) specialists involved in promoting employee involvement in performance management schemes ? | Totals (%) | |
|--|------------|----|
| | Yes | No |
| N = 126 | 38 | 61 |

Only 38% of managers perceived IR and HRM specialists as playing a role in the promotion of participation in performance management processed (Table 5.22). For the majority (61%), specialists did not appear to play any role. Where managers did perceive specialists as playing some role, they were generally viewed as performing training and advisory functions. In short, the evidence indicates that specialists played a limited role in the promotion of participation.

Where specialists were perceived as playing some role, managers were also asked to indicate how this influenced their willingness to adopt a participatory approach in performance management processes. These responses are contained in table 5.23.

Table 5.23. - Impact of the role of hrm / ir specialists on middle and frontline support for employee participation (%).

| How does the role played by these HRM and / or IR specialists influence your willingness to implement employee involvement in performance management schemes ? | | Totals (%) |
|--|--|------------|
| | I am less willing to implement employee involvement processes as a result of the role played by HRM and / or IR specialists. | 3 |
| | the role played by HRM and / or IR specialists has no effect on my willingness to implement employee involvement processes. | 13 |
| | I am more willing to implement employee involvement processes as a result of the role played by HRM and / or IR specialists. | 9 |
| N = 34 | | |

The results show that specialists do not appear to exert any notable influence on managerial responses to participation. The data in table 5.23 shows that of the managerial respondents who had previously identified specialists as playing a role in the promotion of participation, most (15%) indicated that this role had no effect on their response to participation. Only 12% of managers were influenced by specialist activities. Of these, 9% were more willing to implement participatory processes, whilst the remaining 3% claimed to be less willing to implement participation as a result.

The impact of specialist influence therefore appears limited, with specialists confined to an ancillary role within the participatory process, with no real power to influence its application in the workplace. This is consistent with Frenkel's findings (1989, p144), who notes that such results reflect the devolution of employee participation down to line management levels. This, together with on going rationalisations of specialists functions in the ATO, appears to have limited the scope of such specialists to influence managerial responses.

5.2.4.5.2. IR and HRM Specialists and Caught in the Middle.

Given the limited role of IR and HRM specialists in the participation process, it was expected that few middle and frontline managers would feel caught in the middle as a result of their relationship with IR and HRM specialists. Managers who did perceived IR and HRM specialists as playing a role were asked whether this contributed to them feeling caught in the middle? Responses are outlined in table 5.24.

Table 5.24. - Extent to which the role of hrm / ir specialists contribute to middle and frontline managers feeling caught in the middle (%).

| Does the role played by these HRM and / or IR specialists in the promotion of employee involvement in performance management schemes, contribute to you feeling caught in the middle ? | Total (%) | |
|--|-----------|----|
| | Yes | No |
| N = 57 | 10 | 35 |

Only 10% of middle and frontline managers felt caught in the middle as a result of their relationship with IR and HRM specialists. For the remaining 90%, the role of IR and HRM specialists do not appear to contribute to them being caught in the middle. This suggests that the relationship between middle and frontline managers and IR and HRM specialists is not a major contributor of these managers feeling caught in the middle.

5.2.4.6. Trade Unions and middle and frontline management responses to employee participation.

Previous research has shown that the presence and activity of trade unions affects managerial attitudes to, and the practice of, employee participation (Dunkerley 1975 p64 - 66, Glew et al 1995, p410, Frenkel & Weakliem 1989, p490). Marchington (1992, p473 & 1996, p235) suggests that union activity can co-exist with employee involvement processes.

The structure of employee participation in ATO performance management processes, with its focus on managers and individual employees, effectively excludes unions from any direct involvement. There is little scope for union activity to influence managerial behaviours. The union role is largely limited to a representative one, involved in establishing performance management processes through joint consultative forums at a strategic level, or through individual employee grievances. In practice, when unions have intervened in the performance management process, it has predominantly been channelled through representative structures, such as the Casselden Place Industrial Democracy Sub-committee (see Minutes CPO - IDSC

Meetings Nov - Dec 1993). This shows that whilst union activity can, as Marchington (1992, p473 & 1996, p235) suggests, co-exist with employee involvement processes, the individualistic nature of such participatory processes ensures that unions do not play any direct role, and thus are not expected to directly influence the willingness of managers to adopt a participatory approach. Is there any evidence that the presence and activity of trade unions affects managerial attitudes to employee participation in the ATO?

5.2.4.6.1. The impact of trade unions on managerial support for participation.

This question is approached by identifying managerial perceptions of the role played by unions in the participatory and performance management processes, and measuring the extent to which unions are seen to influence managerial responses to participation in performance management processes. Managers were first asked to indicate whether they perceived the unions, at any level, as playing a role, and whether they should. Responses are outlined in tables 5.25 and 5.26 respectively.

Table 5.25. - Perceived level of union involvement in performance management schemes (%).

| Do you believe that the unions (at any level, e.g., national, branch or workplace) currently play a role in performance management schemes | Totals (%) | |
|---|------------|----|
| | Yes | No |
| N = 127 | 45 | 55 |

The results show 55% of all respondents believed that unions did not play a role in performance management initiatives. Of the 45% who did perceive the unions as playing some role, most nominated the representation of staff both on an individual and collective basis and the pursuit of fairness and equity in the performance management process as the main focus of union activities. A minority of managers perceived the union as pursuing an explicitly negative role, acting as a barrier to the application of performance management (*No 7*), and even subverting the process (*No 00*).

Table 5.26. - Middle and frontline management support for union involvement in performance management schemes (%).

| Do you believe that the unions (at any level, e.g., national, branch or workplace) should play a role in performance management schemes | Totals (%) | |
|--|------------|----|
| | Yes | No |
| N = 127 | 65 | 35 |

As to whether they should play a role, 65% of middle and frontline managers supported a union role in performance management processes (table 5.26). This is not surprising, for as Marchington et al (1993) point out, line managers often have more

in common with their employees than with senior management. In this instance they may even share similar concerns and trepidations about performance management processes. With middle and frontline management desire for union involvement exceeding their perception of actual involvement, there appears to be no conflict between the application of performance management processes and involvement of trade unions.

Managers who perceived unions as playing a role in performance management processes were asked to nominate the extent of union influence on their willingness to adopt a participatory approach. Responses are reported in table 5.27.

Table 5.27. - The impact of union involvement on the willingness of middle and frontline managers to adopt employee participation in performance management schemes (%).

| To what extent does the role played by the unions influence your willingness to encourage employee involvement in performance related decisions? | | Totals (%) |
|--|---|------------|
| | I am less willing to implement employee involvement processes as a result of the role played by the unions: | 8 |
| | The role played by the unions has no effect on my willingness to implement employee involvement processes: | 44 |
| | I am more willing to implement employee involvement processes as a result of the role played by the unions | 6 |
| N = 74 | | |

The results show that 44% of managers perceived union activities as having no effect on their willingness to adopt a participatory approach. Given the structure of the participation process, the absence of a specific union role, nor the lack of union influence on managerial behaviour is not surprising. Of those who reported some effect, 8% of managers claimed that their willingness to adopt a participatory approach was adversely affected by the role of unions, while 6% were more willing to adopt a participatory approach. It is concluded that there is little evidence of union activity influencing managerial behaviours on this issue.

5.2.4.6.2. Do managers feel caught in the middle by trade union involvement in participation?

The intervention of trade unions can, as Roethlisberger (1945: p272) argues, also contribute to middle and frontline managers being caught in the middle. This raises the question of whether middle and frontline managers feel caught in the middle as a result of trade union involvement in this specific program of participation.

Managers who perceived unions as playing a role were asked whether trade union involvement in participatory performance management processes contributed to them being caught in the middle. Responses are reported in table 5.28.

Table 5.28. - Extent to which middle and frontline managers feel caught in the middle as a result of union views and actions on the issue of employee participation in performance management (%).

| As a result of your managerial involvement in performance management schemes, have you at any time been caught in the middle of your performance management responsibilities and the actions and views of the unions on this issue ? N = 75 | | Total (%) |
|--|-----------------|-----------|
| | Never | 13 |
| | Rarely | 16 |
| | Sometimes | 24 |
| | Often | 5 |
| | Very Frequently | 0 |
| | All the time | 1 |

Trade union actions on the issue of participation in performance management processes appears to have contributed to middle and frontline managers' feeling of being caught in the middle. Forty - six percent of managers indicated that they felt caught in the middle by union activity on this issue. The extent of such feelings is however limited, with most managers feeling caught in the middle only "rarely" or "sometimes". The finding nevertheless supports Roethlisberger's assertion that trade unions involvement further complicates the position of lower level management (1945: p272). In contrast to Roethlisberger's view that unions are seen as removing the last vestiges of managerial prerogative, the source of conflict felt by middle and frontline managers here appears to be one of divided loyalties between management and union (see responses on how managers are caught in the middle).

5.2.4.7. Senior Management and middle and frontline management responses to employee participation.

Teicher (1996, p127) argues that senior management often play a crucial role in fostering subordinate support for employee participation. Yet, as both Roethlisberger (1970) and Wary (1949) have observed, the relationship between subordinate line managers and top management is frequently one of conflict. Roethlisberger (1970) states that the relationship between bosses and foremen (or senior and lower level management in this case) is one which imposes demands for the implementation of policies which may be opposed at lower levels within the organisation. Conflict is created as middle and frontline managers seek to reconcile the two competing demands. This is a result of their hierarchical position where they represent senior management whilst not formally part of it, and by supporting and implementing decisions over which they have little or no say. Does the experience of the ATO replicate these findings?

The question is addressed by examining whether middle and frontline management perceptions of senior management commitment to participation in the

ATO's performance management program influence their degree of support for that program, and whether such perceptions contribute to middle and frontline managers feeling caught in the middle.

5.2.4.7.1. The impact of perceived senior management support on Middle and Frontline management commitment for participation.

The issue is explored by determining whether managers who believe that senior management support employee participation also express support for employee participation themselves. Middle and frontline management perceptions of senior management support for participation are cross-tabulated with their level of support for the specific participation program. Details of the statistical analysis are reported in table 5.29.

Table 5.29. - Perceptions of senior management support by middle and frontline management support for employee participation in performance management (%).

| Do Senior Management support employee participation in Performance management? | Support employee Participation in performance management (%) | Do not support employee participation in performance management (%) |
|--|--|---|
| Yes | 41.73 | 1.57 |
| No | 54.33 | 2.36 |

The results show that in the case of the ATO's performance management initiative there is no significant relationship between perceptions of senior management support for participation and the level of middle and frontline management support. Although 57% of middle and frontline managers did not perceive senior management as supporting employee participation in performance management programs, this did not appear to have any significant impact on the level of their support for participation in performance management.

5.2.4.7.2. Do middle and frontline managers feel caught in the middle by senior management responses to Participation?

The extent to which middle and frontline managers felt caught in the middle as a result of perceived senior management attitudes towards employee participation programs is first measured by examining the data in table 5.30. Here managers indicated their feelings about being caught in the middle of senior management directives and staff views on the issue of participation in performance management programs.

Table 5.30. - The extent to which middle and frontline managers are caught in the middle of senior management directives and employee views on the issue of employee participation (%).

| As a result of your managerial involvement in performance management schemes, do you at any time feel caught in the middle of the directives of senior management and the views of your staff on this issue ? | Total (%) | |
|---|-----------------|-------|
| | Never | 7.09 |
| | Rarely | 5.51 |
| | Sometimes | 53.54 |
| | Often | 25.20 |
| | Very Frequently | 7.87 |
| | All the time | .79 |
| N = 127 | | |

The results suggest that senior management (and employee) views are an important contributing factor in middle and frontline managers being caught in the middle on this issue. Over 90% of middle and frontline managers reported being caught in the middle of senior management and staff views on the issue of employee participation in performance management processes. Whilst most reported this as an occasional occurrence (53.5 % indicating "sometimes"), a large minority of managers indicated that they felt caught in the middle on a more frequent basis.

A further measure of senior management influence is obtained by examining middle and frontline managers perceptions of senior management support for participation, and the extent to which they feel caught in the middle. If, as Teicher (1996, p127) asserts, senior management support is important, it could be hypothesised that a perceived lack of senior management support for a participation initiative will be a source of conflict for middle and frontline managers attempting to implement that program, thus leaving them caught in the middle. This raises the question, do middle and frontline managers who believe senior management do not support participation also feel caught in the middle more often? The proposition is tested by cross tabulation of previously reported perceptions of senior management support for participation with the data in table 5.1. Results are reported in table 5.31.

Table 5.31. - Perceptions of senior management support for employee participation by the extent to which middle and frontline managers feel caught in the middle (%).

| Do Senior Management support employee participation in performance management? | Caught in the Middle More Often (%) | Caught in the Middle Less Often (%) |
|--|-------------------------------------|-------------------------------------|
| Yes | 24.41 | 18.90 |
| No | 44.09 | 12.60 |

The results show a relationship between the extent to which managers felt caught in the middle and perceptions of senior management support. Managers who perceived senior management as not supporting participation in performance management also reported feeling caught in the middle more often on this issue than managers who perceived senior management as supportive. With a chi - square value of 6.627 [0.010] the relationship is statistically significant.

The perceived level of senior management support for this specific employee participation initiative therefore appears to be a significant factor in middle and frontline managers feeling caught in the middle. This may be explained by the fact that whilst middle and frontline managers profess strong support for, and are obliged to adopt, employee participation in performance management, they do not perceive senior management as matching that support. As middle and frontline managers seek to implement the process the perceived lack of senior management support represents a source of conflict and tension, leaving them caught in the middle. The finding therefore supports Roethlisberger's assertion that the relationship with senior management is a source of conflict.

5.2.4.8. Peers and middle and frontline management responses to employee participation.

Marchington et al (1993, pp. 570 - 572) have suggested that the views and actions of peer group managers can influence the level of support for participation amongst managers. More specifically, they argue that managers may engage in *impression management*, that is, seeking to gain the attention of higher level management, by promoting the cause of participation. The influence of peer group views is also identified as important in goal commitment literature (see for example Locke, Latham & Erez: 1988). Another dimension of peer group views is the possibility that they contribute to middle and frontline managers feeling caught in the middle. Roethlisberger (1970, p270) contends that peer relationships between foremen may also be a source of tension and conflict, leading to the predicament of being the "man in the middle". He argues that competition amongst peers for recognition from superiors represents "*a peculiar kind of headache for the supervisor*" (p270) Is this the experience in ATO performance management programs? These issues are explored by examining the impact of peer views on middle and frontline support for participation and the extent to which they feel caught in the middle as a result of peer views on the issue of participation in performance management

5.2.4.8.1. The impact of Peer views on Managerial support for participation.

This question is investigated by examining middle and frontline management perceptions of peer views towards employee participation in performance management processes, and the extent to which such views influence their support for participation.

a. Managerial perceptions of Peer views.

Where a commonly held peer view was perceived to exist, managers then indicated the nature of, and the level of importance they attached to, these views. Responses are contained in tables 5.32, and 5.33 respectively.

Table 5.32. - Existence of peer views on the issue of employee participation in performance management programs (%).

| Do you believe that there is a commonly held view amongst other managers in your workplace (your peers) as to the level of support for employee involvement in performance management schemes ? | (%) | |
|---|------------|----|
| | Yes | 44 |
| | No | 11 |
| | Don't Know | 45 |
| N = 127 | | |

Table 5.33. - Perceptions of the level of peer support for employee participation in performance management programs (%).

| To what extent do you believe that other managers in your workplace (your peers) are supportive of employee involvement in Performance management schemes ? | (%) | |
|---|---------------------|----|
| | Strongly Opposed | 1 |
| | Not Supportive | 10 |
| | Supportive | 38 |
| | Strongly Supportive | 2 |
| N = 64 | | |

Whilst commonly held peer views about the issue did exist, these were not widespread, with only 44% of managers reporting the existence of peer group views on this issue. Where commonly held views did exist, most (40%) managers perceived them to be one of support for employee involvement in the performance management process.

b. Influence of Peer views on Managerial support for participation.

Managers were then asked to indicate the extent to which peer views influenced their response to employee participation in the performance management processes and the nature of that influence, in a situation where peer managers were not supportive of participation. These responses are outlined in tables 5.34 and 5.35 respectively.

Table 5.34. - The impact of peer views (%).

| To what extent do you consider the views of your peers on this issue to be an important influence on your views and actions ? | (%) | |
|---|----------------------|----|
| | Not important at all | 19 |
| | Not very important | 19 |
| | Neutral | 24 |
| | Of some importance | 34 |
| | Strongly important | 3 |
| N = 126 | | |

Middle and frontline managers appeared evenly divided as to the extent of peer influence on their response to employee participation. Peer views appeared to have some influence over commitment levels for employee participation programs, with 37% of managers indicating that peer views were of some influence and importance to their own views and actions on this issue (table 5.34). Another 38% of managers believed that peer views were of no or little importance.

One possible explanation for this division can be traced back to managerial perceptions of the existence of peer group views. Do managers who believe peer views exist, also believe such views are an important influence? This is tested by examining the relationship between the two sets of data in tables 5.32 and 5.34. Results are shown in table 5.35.

Table 5.35. - Association between the existence of peer views and the perceived importance of such views (%).

| Are peer views an important influence? | Is there a commonly held peer view as to the level of support for employee involvement in performance management schemes? | | |
|--|---|--------|----------------|
| | Yes (%) | No (%) | Don't Know (%) |
| Not Important | 13.39 | 7.87 | 17.32 |
| Neutral | 13.39 | 1.57 | 9.45 |
| Important | 17.32 | 1.57 | 18.11 |

The results show that managers who indicated that a commonly held peer view on the issue did exist, also tended to indicate that peer views were an important influence on their views and actions. Conversely, managers who did not believe that there was a commonly held peer view also tended to consider such peer views of little or no importance. Although the chi-square value of 8.763 [0.067] is marginally above the acceptable limit of 5% probability, the data suggests a positive relationship between the presence of peer views and the importance placed on such views by managers. It appears that where peer views are seen to exist, they will be of some influence.

Table 5.36. - The impact of peer views on middle and frontline responses to employee participation (%).

| If your fellow managers were strongly opposed to employee involvement in performance management decisions, which of the following statements best reflects your response? | | Total (%) |
|---|--|-----------|
| | I would oppose it, and not adopt a participatory approach | 2 |
| | I would be less inclined to adopt a participatory approach | 19 |
| | I would still be prepared to adopt a participatory approach | 64 |
| | I would be slightly more inclined to adopt a participatory approach | 4 |
| N = 127 | I would be more firmly committed to the idea of employee involvement and definitely more inclined adopt a participatory approach | 11 |

Peer group views did not appear to detract management support for participation. The data in table 5.36 reveals that 79% of managers would either continue or increase their support for participation irrespective of peer views (i.e., known opposition). This contrasts with 21% of managers who would adopt a similar position to their peers and be less supportive of participation. One possible explanation, drawn from Roethlisberger's analysis of peer relationships (1970, p270) and Marchington et al 's discussion of impression management (1993, pp. 570 -572), is that managers may be engaging in internal rivalries, competing with peers for senior management recognition by supporting and promoting a favoured form of employee participation.

5.2.4.8.2. Do middle and frontline managers feel caught in the middle as a result of peer views on Participation?

The study examines whether such peer views contribute to middle and frontline managers feeling caught in the middle by drawing on Roethlisberger (1970, p270) and Marchington et al (1993, pp. 570 -572), who both highlight the tendency for supervisors to engage in impression management and internal management rivalries. This may, as Marchington et al (p571) point out, manifest itself in issues such as employee participation and as Roethlisberger (1970, p270) argues, may also represent a source of conflict and tension for lower level managers, contributing to the feeling of being caught in the middle. This leads us to assert that middle and frontline managers who are willing to adopt employee participation processes where their peers do not support this will feel caught in the middle more often. The proposition is tested by cross tabulation of data outlining responses to participation where peers are not supportive of the process (table 5.33), and the extent to which managers reported feeling caught in the middle. Results are contained in table 5.37.

Table 5.37. - the impact of peer views and the extent to which middle and frontline managers feel caught in the middle (%).

| Level of support for participation in performance management where it is opposed by peers? | Caught in the Middle More Often (%) | Caught in the Middle Less Often (%) |
|--|---|---|
| Less supportive | 16.54 | 4.72 |
| Still or more supportive | 51.97 | 26.77 |

The results indicate that managers were caught in the middle irrespective of the impact of peer views. Accordingly peer views do not appear an important contributory factor to managers feeling caught in the middle on this issue.

5.2.4.9. The Impact of Subordinate Employees on middle and frontline management responses to employee participation.

The role of middle and frontline managers is frequently portrayed as one of upholding and implementing the decisions of senior management by obtaining the conformity and co-operation of subordinate staff. Hence, middle and frontline managers are often required to satisfy the demands of one group, usually at the expense of the other. Whilst the organisational hierarchy imposes formal responsibilities to senior management, lower level managers often view themselves as closer to the people for whom they responsible than as a part of management (Marchington et al 1993 pp. 572-3). In this bifurcated situation, the relationship with subordinate employees frequently creates conflict for middle and frontline managers as they are left caught in the middle of senior management and subordinate employees demands (Roethlisberger 1970, pp. 270 - 273).

Focusing on employee participation in performance management processes, subordinate employees would appear to impact on middle and frontline managers in two interrelated ways. First, their attitudes towards the specific participation program may influence middle and frontline management responses to the programs, particularly their support for the processes. Second, such attitudes may, as Roethlisberger (1970, p270) points out, lead to conflict leaving managers caught in the middle. To what extent is this the case in the ATO?

5.2.4.9.1. The impact of subordinate views on Managerial support for participation.

The impact of subordinate views on managerial support is investigated by examining middle and frontline management perceptions of employee views towards participation in performance management processes, and the extent to which such views influence their support for participation.

a. Managerial perceptions of employee views

Managers were asked to indicate their perceptions of staff support for performance management programs and the associated process of employee participation. Responses are outlined in tables 5.38 and 5.39 respectively.

Table 5.38. - Middle and frontline management perceptions of employee support for performance management programs (%).

| | (%) |
|--|-----|
| What level of support do you perceive your staff giving the performance management processes ? | |
| Strongly Opposed | 0 |
| Not Supportive | 31 |
| Supportive | 59 |
| Strongly Supportive | 6 |
| N = 122 | |

Table 5.39. - Middle and frontline management perceptions of the level of employee support for employee participation in performance management programs (%).

| The level of staff support for employee involvement managers believe exists: | No Involvement % | Informed only % | Consulted so employee views are known % | Decisions made jointly by manager & staff % | Decided solely by employee % |
|--|---------------------|--------------------|--|--|---------------------------------|
| Expectation Statements (for Performance Feedback and / or Appraisal purposes) | 9 | 15 | 32 | 39 | 2 |
| Learning and training plans | 5 | 6 | 21 | 56 | 10 |
| Any other Performance management requirements (e.g., managing under performance) | 13 | 17 | 35 | 28 | 3 |
| N = 123 & 124 for Learning Plans | | | | | |

Most middle and frontline managers perceive their staff to be supportive of both performance management processes and the employee participation program that is used to implement them. The results reveal that 65% of managers believed their staff were supportive of performance management processes (table 5.38), whilst no fewer than 87% of managers perceived their staff as supporting participation in any one performance management process (table 5.39). In particular, staff was strongly perceived as supporting joint decision making and consultation as the preferred forms of participation. Such perceptions of staff support are not dissimilar to the support for participation and performance management processes expressed by middle and frontline managers below (see tables 5.42 and 5.44).

b. Influence of employee views on managerial support for participation.

Managers were also asked to indicate the impact of these views on their willingness to implement participation. Responses are shown in table 5.40.

Table 5.40. - The impact of employee views on middle and frontline management responses to employee participation in performance management programs (%).

| Which statement best reflects the impact of staff views on this issue on your willingness to adopt a participatory approach and involve employees in performance related decisions ? | (%) | |
|--|---|----|
| | I am less willing to implement employee involvement processes as a result of the views of my staff: | 16 |
| | the views of my staff have no effect on my willingness to implement employee involvement processes: | 40 |
| | I am more willing to implement employee involvement processes as a result of the views of my staff: | 43 |
| N = 126 | | |

Staff views do appear have some impact on middle and frontline management responses to participation 59% of managers indicated that their willingness to implement participation was affected by the views of their staff. Consistent with the supportive nature of staff views, most managers (43%) also reported that they were more willing to implement participation processes as a result of staff views. This suggests that whilst middle and frontline managers are affected by staff views on this issue, they are not always at odds with such views. This may indicate that middle and frontline managers are as Marchington et al (1993 pp. 572-3) assert, closer to staff than senior management.

5.2.4.9.2. Do middle and frontline managers feel caught in the middle by employee views on Participation?

On a general level the data in table 5.30 above, revealed that 93% of middle and frontline managers did, at some stage, feel caught in the middle of senior management and staff on the issue of employee participation in performance management. This suggests that staff views and attitudes towards participation in performance management programs do contribute to middle and frontline managers feeling caught in the middle.

Roethlisberger (1970, p270) suggests that the foreman's relationship with workers is a difficult one as he is both required to impose on workers the rules and demands of the organisation, whilst at the same time seek their cooperation. Managers are therefore caught in the middle where it is not possible to meet the organisational demands and obtain the co-operation of employees. It could be hypothesised therefore that in a situation where managers are required to adopt a

participatory approach in implementing performance management initiatives, a perceived lack of employee support for either performance management or the accompanying process of participation will be a source of conflict for managers and hence contribute to managers feeling caught in the middle. This raises the question of whether managers who perceive their staff as not supporting performance management feel caught in the middle more often? The question is examined by a cross tabulation of perceived levels of employee support for performance management, with the extent to which managers reported feeling caught in the middle on the issue of participation in performance management (table 5.30). The results are reported in tables 5.41.

Table 5.41. - Perceptions of employee views and the extent to which middle and frontline managers feel caught in the middle (%).

| Employee support for performance management? | Caught in the Middle More Often (%) | Caught in the Middle Less Often (%) |
|--|-------------------------------------|-------------------------------------|
| Supportive | 16.54 | 17.32 |
| Not Supportive | 48.03 | 18.11 |

With a chi-square value of 7.031 [0.008] there is a significant relationship between managerial perceptions of employee support for performance management and the extent to which managers felt caught in the middle. The data in table 5.41 shows that managers who perceived employees as not supporting performance management felt caught in the middle more often. This appears to be a result of the conflict experienced by managers who are obliged to implement performance management processes, which are not supported by their staff. The managers are caught in the middle of two conflicting demands. The finding is consistent with the arguments advanced by Roethlisberger (1970).

5.3. Middle and frontline management commitment and support for employee participation.

5.3.1. Introduction.

As highlighted in chapter two, a lack of commitment by management is likely to result in employee participation being ineffective and unsuccessful (Parnell et al, 1992). While much of the employee participation literature treats management as a generic group, others (Klein 1984, Teicher 1996) identify middle and frontline managers as important sub groups within the employee participation process. This study explores a range of issues to do with middle and frontline management commitment and support for participation in the Casselden Place and Moonee Ponds branches of the Australian Taxation office. It focuses on the use of employee

participation in the application of a specific performance related initiative, namely, the performance management program and it shows how middle and frontline managers respond to participation in this setting.

It examines the level of in-principle support, the level of support when participation is applied in the performance management scheme, whether the support continues in the workplace, and whether there are any differences in the degree of support between middle and frontline managers. Each of these questions are dealt with in turn.

5.3.2. Middle and Frontline management Support for the General Concept of Employee Participation.

In exploring the question of a general level of support for employee participation, two issues are examined; the level of middle and frontline management support for the concept of employee participation, and the form of participation supported.

The survey asked managers to indicate their attitude to employee participation in operational matters by recording their preference for a range of specific forms of participation arranged in the form of a Likert type scale. The survey results are presented in Table 5.42.

Table 5.42. - Level of middle and frontline management support for the general concept of employee participation in operational decisions (%).

| On a more general level, which statement best reflects your attitude to employee participation in decisions over operational matters such as work targets, how the work will be performed, training etc ? N = 126 | | Total (%) |
|--|--|-----------|
| | Such decisions are best left to managers and employees should not have any involvement; | 0 |
| | Employees are entitled to receive information about decisions, but decisions should be made by management; | 4 |
| | Managers should consult employees to ascertain their views before making decisions; | 38 |
| | Managers and employees should negotiate and where possible come to a joint decision; | 48 |
| | Employees should be responsible for making their own decisions within broad parameters set by senior management; | 9 |

All managers supported employee participation in operational decision making. However each form of participation attracted a different degree of support. The most commonly supported process was joint decision making, with support from 48 % of respondents, consultation was supported by 38 %, employee self management by 9 % and information sharing by 4 %. Overall, the evidence points to a high level of managerial support for employee participation, with joint decision making and

consultation respectively being the preferred forms of participation amongst middle and frontline managers surveyed. This is consistent with Cressey et al 's (1985) observation that managers express strong support for the general concept of employee participation.

5.3.3. Middle and Frontline Management Support for Employee Participation on Specific Issues.

Turning to the question of support for employee participation in the application of a specific initiative, namely, the performance management program, the study by Cressey et al (1985, p7) suggests that some differences in the level of support will be found as support tends to diminish when moving from questions of in-principle support to questions of support for specific initiatives. Is this the case with support for the performance management program in the ATO ?

5.3.3.1. Does managerial support for performance management affect support for participation?

This is answered in two ways; by assessing the support for performance management amongst middle and frontline managers, including the level of their involvement in performance management and by assessing the support for participation in performance management.

5.3.3.1.1. Level of Managerial involvement in Performance Management.

Managers were asked to indicate their level of involvement in the performance management program over the past year, and to outline the frequency and nature of that involvement. The answers to these questions served to ascertain the extent to which they are involved in the application of performance management processes in the workplace.

Responses indicated that 93% of middle and frontline managers reported some level of involvement with performance management programs and activities over the past twelve months (Question 7). Table 5.43 provides a breakdown of the frequency of performance management activity.

Table 5.43. - Managerial frequency of performance management activity (%).

| When was the last time you undertook any activity associated with any of the performance management processes ? | | Total (%) |
|---|----------------------|-----------|
| N = 127 | Never | 4 |
| | Over 12 Months | 8 |
| | 6 to 12 Months | 27 |
| | 3 to 5 Months | 16 |
| | Within last 3 Months | 45 |

With 45% of all managers reporting some level of performance related activity within the last three months, and 43% reporting some involvement over a three to twelve month period, it can safely be concluded that the level of performance management related activity is high.

5.3.3.1.2. Level of Managerial Support for Performance Management.

On the question of support, managers were asked to indicate their level of support for the performance management on a five point Likert scale, which ranged from total opposition to performance management to a position of strong support. Table 5.44 provides a summary of their responses.

Table 5.44. - Middle and frontline management support for performance management programs (%)

| Which statement most accurately reflects the extent of your support for the various performance management programs within the organisation | Not at all - I oppose all aspects of the Performance management programs outlined Do not support it, but will tolerate it as part of the manager's job; Neutral; Support some aspects of it, with reservations about the programs as a whole; Strongly support all programs including its aims and objectives; | Total (%) |
|---|--|-----------|
| | | 1 |
| | | 17 |
| | | 3 |
| | | 57 |
| N = 127 | | 22 |

The results show that 79% of managers expressed support for the ATO's performance management programs. However the level of support was not uniformly strong. Only 22 % of managers were prepared to claim strong support for the programs. The majority of managers, 57%, support some aspects of the process with reservations about the programs as a whole and 17% claimed that they did not support it, but were prepared to tolerate it as part of the management role. The overall level of support for performance management is therefore best described as languid.

Hyman and Mason (1995: pp. 87 -88) propose that such managerial reservations about performance based programs may be explained by the complexity of the processes associated with these schemes. Is this the case in the ATO ? Do managers who do not support performance management also believe that the process is too complex to manage? The question is examined by cross tabulation of the data in table 5.44 and managerial perceptions of the complexity of performance management (see section on Workloads & Participation for further discussion of the complexity issue). The results are shown in table 5.45.

Table 5.45. - The impact of the perceived complexity of performance management processes on support for employee participation in performance management (%).

| Extent of Managerial support for Performance Management. | Participation in Perf Man Processes are too complex ? - Yes (%) | Participation in Perf Man Processes are too complex ? - No (%) |
|--|---|--|
| Do not support | 7.09 | 10.24 |
| Neutral | 1.57 | 1.57 |
| Support | 19.69 | 59.09 |

Whilst the data in table 45 indicates that managers who do not support performance management are more likely to view the process as too complex, statistical testing using a chi square test suggests that the relationship is not significant.

In summary, the high incidence of performance management related activities, and a considerable, if somewhat qualified, level of support suggests that the level of support for performance management should not negatively affect the willingness of managers to support and adopt a participatory approach to any significant extent. Further testing of the relationship between support for performance management and support for the participation process is conducted by cross tabulation of the data in table 5.44 with support for employee participation in performance management. Results are reported in table 5.46.

Table 5.46. - Level of support for performance management by support for employee participation in performance management (%).

| Extent of Managerial support for Performance Management. | Support Participation in Perf Man Yes (%) | Support Participation in Perf Man No (%) |
|--|---|--|
| Do not support | 16.54 | 79 |
| Neutral | 3.05 | 0 |
| Support | 76.38 | 3.15 |

The results show that a lack of management support for performance management was not positively related to a lack of support for participation in performance management. This further supports the view that managerial perceptions of performance management should not affect support for employee participation in the process.

5.3.3.1.3. Level of Managerial support for Employee Participation in Performance Management.

Having established that significant levels of support exists for both employee participation and performance management processes in general terms, it is now possible to return to the issue of middle and frontline management support for the use of employee participation in performance management initiatives.

In examining this question, managers were asked whether they supported employee participation in performance management. 96% of all managers surveyed expressed support for employee participation in performance management. This is contrasted with 100% managerial support for employee participation on a general basis (see table 5.42). So there is little slippage when moving from managerial support for employee participation generally to support for participation on a specific issue. In as much as support for the general notion is greater than support for the specific application, the data confirms the findings of Cressey et al (1985).

5.3.3.1.4. Managerial support for various forms of Employee Participation in Performance Management.

Another important question is the level of management support for specific forms of participation. As Ramsay (1986), Davis and Lansbury (1996), Poole and Mansfield (1992, p202) and Marchington (1996) point out, management give different levels of support for specific forms of participation. Here, the study investigates the form of participation supported by middle and frontline managers.

In examining this question managers were asked to indicate their preferences for particular forms of participation in a specific range of performance related operational decisions. Results for all managers are summarised in Table 5.47.

Table 5.47. - Level of employee participation preferred by middle and frontline managers in operational decisions (%).

| How much involvement and influence would you prefer staff to have in each of the following operational decisions: | No Involvement % | Informed only % | Consulted so employee views are known % | Decisions made jointly by manager & staff % | Decided solely by employee % |
|---|---------------------|--------------------|--|--|---------------------------------|
| setting work objectives and priorities | 1 | 9 | 39 | 49 | 2 |
| Team work targets | 1 | 5 | 26 | 67 | 1 |
| Individual work targets | 0 | 5 | 16 | 70 | 9 |
| Employee training | 0 | 0 | 14 | 76 | 10 |
| determining work processes. | 1 | 2 | 27 | 68 | 2 |
| Other Operational decisions | 1 | 6 | 36 | 55 | 1 |
| N = 127 except Other Category where N = 126 | | | | | |

The evidence in table 5.47 reveals that joint decision making was the most preferred form of participation in all decisions. The level of support for joint decision making was consistently high, ranging from 49% of managers for work priorities and objectives decisions to 76% for employee training plans. Consultation, was the next preferred form of participation on all issues. Managerial support for this process ranged from 14% for employee training plans to 39% for work priorities and objectives. Employee self management and information sharing attracted less support, with less than 10% support on most issues, and no involvement which attracted no more than 1% on any one issue. Such a result is consistent with the forms of participation supported on a general level (see table 5.42). So the main finding here is that joint decision making is the preferred form of participation for middle and frontline managers in both general terms, and in the application of performance management related decisions.

5.3.3.1.5. Variances in the level of support for employee participation within performance management processes.

Another issue is the level of managerial support for specific forms of participation and whether this differs according to the specific issue or decision under consideration. The Cressey et al (1985) and Wang (1974) continuums indicate that operational decisions in the workplace attract employee participation with a high degree of joint decision making (and various forms of self management). Poole and Mansfield argue that managers tend to support participation practices that do not radically affect their control function (1992, p202). There is an expectation that support for specific forms of participation will vary between issues.

The data suggests that management support for forms of participation appears to vary according to the issues involved. Table 5.47 shows that whilst the level of support for joint decision making was consistently high across all operational issues examined, it declined notably as broader operational decisions were considered. While attracting 70% and 76% support for individual team targets and employee training respectively, support for joint decision making in team work targets and the determination of work processes fell to 67% and 68% respectively. The level of support declined further to 49% in the case of setting work objectives and priorities, and to 55% for other general operational decisions. In all cases the decline in the level of support for joint decision making was matched by increases in support for consultation. This suggests that managers are more inclined to support more advanced forms of participation in respect of individual employee / workplace decisions (i.e., individual work targets and individual employee training plans) than decisions extending beyond individual employees and the workplace such as work priorities and targets; the latter attracting support for less advanced forms of participation. The results therefore provide evidence that support for the form of participation will vary according to the issues involved.

These findings can be explained by reference to the nature of the managerial decisions that are the subject of participation. The nature of team and individual targets and employee training decisions clearly fall within the broad definition of job related or operational, workplace level decisions, which research suggests will attract more advanced forms of participation because such decisions do not radically undermine the level of managerial control. It is therefore not surprising to find both senior and middle management formally advocating forms of joint decision making as the appropriate participatory format for processing these kinds of issues (ATO Performance Feedback, Policy and Guidelines, September 1989).

The setting of work objectives and priorities, whilst also operational decisions, are linked to wider corporate decisions which require managerial control. They represent one of the central reasons for the existence of middle and frontline managers and managers clearly perceive them as providing less scope for employee involvement. This finding is consistent with research outcomes proposed by Cressey et al (1985), Knudsen (1995) and others, and the proposition put forward by Poole and Mansfield (1992).

In summary, the two branches of the ATO provide evidence of differences between the level of support for the concept of participation generally, and its specific application in the performance management process. Whilst joint decision making is the preferred form of participation, support for this will, as Cressey et al (1985) and others have argued, vary depending on the nature of the decisions being considered.

5.3.4. The Application of Employee Participation by Middle and Frontline Management.

An alternative approach to exploring questions of managerial support for employee participation, and preference for particular forms of participation, is to scrutinise management's understanding of the application of employee participation on the issue of performance management in the ATO. Is the level of support for employee participation matched by its application in the workplace?

Given strong claims of support for employee participation, and joint decision making in particular, it could be expected that support should manifest itself in evidence of high levels of employee participation. The data is analysed to establish the level and form of participation perceived by middle and frontline management to be practiced in the workplace. Four specific issues are examined; the extent to which managers claim to involve their staff in performance management issues, their perception of the level of staff participation in operational decisions across the organisation, the amount of time managers spent facilitating participation, and whether such responses are consistent with levels of actual support expressed by middle and frontline managers. Each issue is examined in turn.

5.3.4.1. Middle and Frontline Management perceptions of actual employee participation in Performance Management Processes - extent of staff involvement.

The first area of inquiry is an examination of management claims about the degree of employee involvement in performance management processes. Managers were asked to indicate the extent to which they involved their staff in the preparation

of three key areas of the performance management process. Table 5.48 outlines their responses. Responses, which indicated that the particular processes were not applicable in this instance, were excluded from the results.

Table 5.48. - Middle and frontline management claims of the level of employee participation adopted in performance management processes (%).

| | No Involvement % | Informed only % | Consulted so employee views are known % | Decisions made jointly by manager & staff % | Decided solely by employee % | Process is not Applicable in my case % |
|---|---------------------|--------------------|--|--|---------------------------------|---|
| Expectation Statements | 2 | 3 | 24 | 55 | 1 | 14 |
| Learning and training plans | 0 | 0 | 9 | 72 | 17 | 2 |
| Any other Performance management issues | 4 | 3 | 27 | 52 | 1 | 13 |
| N = 127 except Other Category where N = 126 | | | | | | |

The results in table 5.48 show a strong level of participation. Nearly all managers reported some degree of employee involvement in all aspects. This is consistent with the very high level of support expressed by middle and frontline managers for employee participation in the performance management process. Joint decision making was the most common form of employee participation practiced. It was adopted by 55% of managers in undertaking expectation statements, 72% in preparing learning and training plans, and 52% in relation to other performance management issues. This is clearly consistent with the degree of participation supported both in general terms (table 5.42) and in relation to performance related operational decisions (table 5.47). Overall, management practice on the issue of performance management appears to be consistent with both the overall level of support for participation, and the degree of participation supported.

5.3.4.2. Middle and Frontline Management perceptions of actual employee participation in Performance Management Processes across the organisation.

What is middle and frontline management's perception of the existing levels of support for employee participation across the organisation ? Managers were asked to indicate the extent of involvement they believe staff currently have in a range of performance related operational decisions. These results are reported in table 5.49.

Table 5.49. - Middle and frontline management perceptions of employee participation in performance management programs in the workplace.

| | No Involvement % | Informed only % | Consulted so employee views are known % | Decisions made jointly by manager & staff % | Decided solely by employee % |
|--|----------------------------|------------------------|--|--|------------------------------------|
| Setting work objectives and priorities | 14 | 28 | 33 | 22 | 1 |
| Team work targets | 3 | 24 | 30 | 41 | 2 |
| Individual work targets | 3 | 9 | 24 | 53 | 9 |
| Employee training | 4 | 4 | 17 | 57 | 18 |
| determining work processes. | 2 | 15 | 35 | 44 | 4 |
| Other Operational decisions | 6 | 31 | 35 | 25 | 1 |

N = 127 for work objectives, employee training & work process. N = 126 Team targets. N = 124 Individual targets. N = 125 Other Operational decisions

The results in table 5.49 show that managers perceive staff as having high levels of involvement in operational decisions. With perceived levels of 'no involvement' ranging from 14% in setting work priorities to 2% in determining work processes, the level of support for participation amongst middle and frontline managers is, in practice, high. The data in table 5.49 also revealed greater variances in the forms of participation practiced in the workplace, as compared to previous results which highlighted the prevalence of joint decision making. Although joint decision making was still perceived as the most prevalent form of participation in most operational decisions, this did not extend to setting work priorities and

objectives and the 'other operational decisions' category where consultation was viewed as the most common. A large minority of managers also perceived information sharing in respect of setting work priorities and objectives, team work targets, and the 'other operational decisions' category as a common occurrence.

Two key conclusions can be drawn from the data. First, the level of managerial support for employee participation across the organisation appears strong. Secondly, joint decision making was still perceived to be the most common form of participation applied. However, with the application of consultation and information sharing prominent on a number of issues, the evidence suggests that joint decision making was not applied to the extent managers claimed to support it. Both these findings highlight inconsistencies between the level, and forms, of participation supported by managers, and the perceived application of participation across the organisation.

5.3.4.3. Middle and Frontline Management perceptions of the amount of time spent on employee participation.

Here, the amount of time spent by managers facilitating participation in operational decisions is examined. It is used as an indicator of the application of participation in the workplace, and examines whether the level of stated support is reflected in managerial behaviour. Managers were asked to indicate the time spent in facilitating various forms of participation over a one month period. Total and managerial group responses are summarised in Table 5.50.

Table 5.50. - Amount of time spent on employee participation processes in the workplace as reported by middle and frontline managers (%).

| | 0 Hrs (%) | 1-5 Hrs (%) | 6-10 Hrs (%) | 11-15 Hrs (%) | 16-20 Hrs (%) | >20 Hrs (%) |
|---|--------------|----------------|-----------------|------------------|------------------|----------------|
| holding team briefings to furnish information relevant to operational matters; | 4 | 60 | 27 | 7 | 1 | 1 |
| provide information relevant to operational decisions to staff on an individual basis; | 7 | 65 | 20 | 6 | 0 | 2 |
| consult staff to ascertain their views on operational decisions; | 9 | 58 | 25 | 6 | 1 | 1 |
| negotiate any performance or operational decisions with staff with a view to coming to a joint agreement; | 22 | 56 | 17 | 3 | 1 | 1 |
| any other participative process or technique. | 22 | 57 | 18 | 2 | 0 | 1 |
| N = 127 | | | | | | |

It is clear from the evidence that managers spend substantial amounts of time facilitating employee participation. Most managers reported spending between one and five hours per month per participatory process, with the next largest grouping spending between five and ten hours per process per month. Few managers spent more than ten hours on any one particular process but the results indicated that a majority of managers spent some time facilitating at least one form of participation. This evidence verifies the strong level of middle and frontline management support for employee participation reported earlier.

On the question of the time spent on various forms of participation, the results show that in contrast to previously reported levels of participatory activity (e.g., table 5.48), joint decision making did not appear to take the most time. Managers spent more time sharing information and consulting with individual employees and teams, than undertaking joint decision making or other forms of participation. Less than 10% of managers spent no time facilitating information sharing and consultation, whereas 22% of managers reported spending no time (0 hours) facilitating joint decision making in operational or performance related decisions. This represents the largest response in that time span for all other forms of participation (on an equal basis with other participative techniques). The results therefore show that joint decision making is not as prevalent as the level of support would propose; with both consultation and information sharing taking up a greater amounts of reported time.

There are two important caveats to these findings. The first is the amount of time spent may vary over time. Over one quarter of respondents in the Casselden Place branch claimed that the amount of time spent on participation was unusually low when the survey was taken. Managers indicated that this was mainly due to workload considerations associated with a reorganisation of staff taking place at that time. Such events may also explain the increased time spent on information sharing, and possibly consultation. The second is recognition of the possibility that some forms of participation will take a longer period of time to facilitate than others. Whilst it is unlikely that a process of negotiating jointly agreed outcomes with staff on a regular basis will take less time than facilitating a team briefing or information sharing session, variances can, and do, occur. Although there is no evidence of this occurring in the course of this research, it is important to flag this possibility.

In summary, the amount of time spent by managers on the overall participatory process is clearly significant and consistent with a high level of expressed support.

5.3.4.4. Are middle and frontline management preferences for employee participation in Performance Management Processes matched by levels of actual participation ?

Is the level of participation practiced in the workplace consistent with expressed levels of support? Do middle and frontline managers 'walk as they talk' on the question of participation? These issues are examined by comparing the various perceptions of actual participation with levels of managerial support for participation.

Managerial perceptions of participation across the organisation, as outlined in table 5.49, are compared to their preferences previously outlined in table 5.47. Comparisons are displayed in table 5.51.

Table 5.51. - Participation preferences of middle and frontline managers vs perceptions of actual participation.

| | No Involvement | | Informed only | | Consulted so employee views are known | | Decisions made jointly by manager & staff | | Decided solely by employee | |
|--|----------------|--------|---------------|--------|---------------------------------------|--------|---|--------|----------------------------|--------|
| | % | | % | | % | | % | | % | |
| | Prefer | Actual | Prefer | Actual | Prefer | Actual | Prefer | Actual | Prefer | Actual |
| setting work objectives and priorities | 1 | 14 | 9 | 28 | 39 | 35 | 49 | 22 | 2 | 1 |
| Team work targets | 1 | 3 | 5 | 24 | 26 | 30 | 67 | 41 | 2 | 2 |
| Individual work targets | 0 | 3 | 5 | 9 | 16 | 24 | 70 | 53 | 9 | 9 |
| employee training | 0 | 4 | 0 | 4 | 14 | 17 | 76 | 57 | 10 | 15 |
| determining work processes. | 1 | 2 | 2 | 15 | 27 | 35 | 68 | 44 | 2 | 4 |
| Other Operational decisions | 1 | 6 | 6 | 31 | 36 | 35 | 55 | 25 | 1 | 1 |
| N = 127 | | | | | | | | | | |

The results in table 5.51 show that the level of support for participation and its various forms is not matched by its perceived application in the workplace. For example, managerial perceptions of actual 'no involvement' exceed the level of 'no involvement' managers claim to support. Therefore, in practice, employee participation is not as widely supported as managerial preferences would suggest. This is particularly evident in the case of work objectives decisions where the difference between the perceived application of 'no involvement' (14%), and the corresponding management preference for 'no involvement' (1%) is considerable. Furthermore, whilst the level of managerial preference for joint decision making is high, its perceived application in the workplace is far less extensive across all six operational decisions examined. In some instances, such as work priority setting and other operational decisions, consultation and information sharing were perceived as being more common, despite a majority level of managerial support for joint decision making. The results also reveal that the application of information sharing in the setting of work priorities, team targets and work processes, and other operational decisions, exceed the level of management support for the process. Similar results were also found for consultation in respect of team and individual target setting,

employee training and the determination of work processes, as well as employee self management in relation to employee training decisions.

Another measure is obtained by examining whether the amount of time spent in facilitating specific formats of participation is examined is matched by the level of expressed managerial support. The data in table 5.50 is examined to determine whether it is consistent with the direction of support expressed for participation.

Here the evidence suggests that although managers may be declaring their support for joint decision making as the preferred participatory approach on both a general and specific level, this support is not manifesting itself to the same extent in the amount of time spent on the process. Although the nature of the relationship between the actual degree of participation supported and the amount of time spent facilitating such processes is somewhat nebulous, the results, nevertheless do provide a broad indication of participatory activity in the workplace. To that extent, the above results provide further support for the view that on the question of employee participation, managers do not 'walk as they talk'.

5.3.5. Differences between Middle and Frontline Management Support for Participation.

The fourth area of investigation focuses on the middle and frontline management dichotomy. Since Paine and Gannon (1973) have shown that the job attitudes of supervisors differ from those of managers, and Marchington (1980) and Klein (1984) both identified differences between middle and frontline managers in the level of support they hold for employee participation, it might be expected to find such differences here. Do such differences exist in the level of support for participation generally and participation in the context of the specific issue of performance management? The significance of the middle and frontline management dichotomy in explaining levels of support is determined by statistical techniques using a chi-square test. The results are presented in tables 5.52 and 5.53.

5.3.5.1. Differences in general support for employee participation between Middle and Frontline Managers

All middle and frontline managers expressed support for some degree of participation, with no manager advocating support for 'no involvement'. Small variances between the two groups did occur over the level of support for each form of participation. The results in Table 5.52 show that whilst both groups expressed a higher preference for joint decision making followed by consultation, frontline managers appeared marginally more supportive (39.51% and 49.38% respectively)

than their middle management colleagues (35.56% and 46.67% respectively). Conversely self management gained less support amongst frontline managers (7%) than middle managers (13%).

Table 5.52. - Degree of employee participation supported by management level (%).

| Degree of Participation Supported | Frontline Mgrs (%) | Middle Mgrs (%) | Totals (%) |
|---------------------------------------|--------------------|-----------------|------------|
| No Involvement | 0 | 0 | 0 |
| Information Only | 3.70 | 4.44 | 3.97 |
| Consultation | 39.51 | 35.56 | 38.10 |
| Joint Decisions | 49.38 | 46.67 | 48.41 |
| Self Manage | 7.41 | 13.33 | 9.52 |
| (Data drawn from Table 5.42.) N = 127 | | | |

Differences between middle and frontline management support for participation generally, and the various forms of participation, were not shown to be statistically significant. With a Chi-Sq₃ result of 1.269 [0.736] the null hypothesis of independence between support for employee participation generally and the middle and frontline management groupings cannot be rejected. There is no significant difference.

5.3.5.2. Differences in support for employee participation between Middle and Frontline Managers on the issue of Performance Management

A similar finding is also reported in respect of the level of middle and frontline management support for participation in the context of performance management. The results in table 5.53 indicate that 97.56% of frontline managers supported employee participation in the context of performance management as opposed to 93.33% of middle managers. The difference was not statistically significant. The Chi-Sq₃ result of 1.373 [0.241] again indicates that the null hypothesis of independence between support for employee participation in performance management and the middle and frontline management groupings cannot be rejected.

Table 5.53. - Support for employee participation in performance management programs by management level (%).

| Support for EP in Performance Management. | Frontline Mgrs | Middle Mgrs | Totals |
|---|----------------|-------------|--------|
| Yes | 97.56% | 93.33% | 96.06% |
| No | 2.44% | 6.67% | 3.94% |
| N = 127 | | | |

In summary, differences between levels of middle and frontline management support for employee participation were not found to be significant. The data therefore does not support previous studies, which highlighted the possibility of differences in attitudes and levels of support between such managerial groupings.

5.4. Analysis - Conclusion.

The chapter examined the impact of employee participation on middle and frontline managers, in particular the notion that managers feel caught in the middle of competing demands, tensions and conflict as a consequence of the application of participation programs.

In general terms most middle and frontline managers in the ATO felt caught in the middle of competing demands and responsibilities. Whilst no significant relationships were established between feeling caught in the middle and variables such as age, middle or frontline grouping, or classification, the study did reveal that less experienced managers tended to feel caught in the middle more often than their more experienced colleagues. The study further revealed that most managers felt caught in the middle because they lacked the power to meet their managerial obligations.

Managers felt caught in the middle as a consequence of employee participation in performance management processes in a number of ways. Perceptions of a loss of power as a result of participation and conflict between participation and efficiency demands both affected the extent to which managers felt caught in middle. Reflecting a sense of divided loyalties, managers who perceived trade unions as playing some role in the specific participatory process also reported feeling caught in the middle as a result of trade union views. Most managers felt caught in the middle of senior management directives and employee views on the issue. More specifically, the analysis established a relationship between the level of senior management and employee support for employee participation and performance management processes and the extent to which managers felt caught in the middle. The study found that low levels of perceived senior management and employee support for the performance management processes resulted in managers feeling caught in the middle more often.

The chapter also explored a range of factors that could influence the level of support. Drawing on the work of Parnell et al (1992), Klein (1984), Marchington et al (1993), and others, issues such as organisational support for participation, perceptions of managerial power, organisational efficiency, workloads and the role of various organisational players were considered. Two key aspects were examined: middle and

frontline management's perception of such factors, and, the impact of these perceptions on their support for employee participation.

Management perceptions of organisational support differed between the various types of support. Whilst most perceived the ATO as formally endorsing participation and viewed the level of training and resources and immediate management support as adequate, this did not extend to senior management, who were perceived as not supporting participation. The level of senior management support for participation was therefore at odds with the formal expressions of support at the organisational level.

Most managers did not perceive employee participation in performance management processes as reducing their level of power. They did however believe that senior management retained too much power in determining performance outcomes. Whilst managers generally perceived employee participation as conflicting with the need to maximise organisational efficiency, such a view did not extend to perceptions of participation in the context of performance management. Managers were strongly divided as to whether participation in performance management programs created an additional workload burden. Whilst a majority did not perceive this to be the case, there remained a strong minority who viewed participation as an additional workload burden.

Managers were also divided on the question of peer views, and in particular whether a commonly held peer view on the issue of employee participation in performance management did exist. Where such a view was perceived to exist, most believed it to be one of support for participation in the performance management process. Similarly, subordinate employees were also perceived as supporting performance management and employee participation in that process in the form of joint decision making and consultation. In contrast, human resource and industrial relations specialists and trade unions were perceived as playing a limited role in this specific participatory process.

The study found that managerial perceptions of organisational and subordinate employee support for participation, workloads and peer views all exerted significant influence on the level of managerial support for employee participation in performance management processes. Thus suggesting a relationship between these factors and the level of middle and frontline management support for employee participation. Perceptions of senior management support, organisational efficiency, HRM and IR specialists, and trade union involvement were not found to be significant factors in influencing middle and frontline management support for participation.

In undertaking an analysis of managerial responses to participation, the study focused on the issue of managerial support for employee participation. Four key questions were examined. The first investigated whether there was support for the notion of employee participation generally. Here the study found that middle and frontline management support for employee participation in general terms was high, with all managers expressing support for some form of participation. The study also found that a majority of middle and frontline managers supported the process of joint decision making. This was also followed by strong support for consultation.

Drawing on the work of Cressey et al (1985) and others, the second element of this investigation examined whether the level of support for participation in general terms was matched by the level of support for participation in respect of specific issues or proposals. Focusing on the ATO's performance management initiative, the study found that with 96% of managers expressing support for employee participation in performance management, there was only a small evaporation of support.

As a corollary the question of whether the degree of participation supported by management varied according to the issues and decisions undertaken was also considered. The study found that management continued to support joint decision making as their overall preferred form of participation for operational issues. The level of this support varied between issues and decisions. This suggests that management support for the degree of participation was to some extent influenced by the nature of the issues and decisions at the centre of the participatory process. Such a finding is consistent with the various continuums of participation found in the literature (see for example Cressey et al 1985, Wang 1974, and Knudsen 1995).

The third area examined was middle and frontline management's perception of the application of employee participation in the workplace. The aim of the analysis here was to establish whether management's actions and activities in the workplace matched the level of their support for participation. Three specific aspects were examined; the extent to which managers claim to involve their staff on performance management issues, the existing level of staff participation in operational decisions, and the amount of time spent by managers in facilitating participation. The study found that whilst the level of support for participation was matched by a high level of participatory activity in the workplace, differences were encountered on the question of the degree of participation. Specifically, the extent to which joint decision making is practiced in the workplace, is clearly not as wide as the level of managerial support would suggest. Whilst a majority of managers claimed to make performance management decisions jointly with their own staff, this was not supported by their

perception of the current level of employee involvement generally nor the amount of time managers spend on joint decision making.

Such inconsistencies imply that the joint decision making rhetoric of managers is not being entirely matched by their actions. In practice, joint decision making prevailed on certain issues, such as employee training, team and individual work targets and work processes, whereas consultation appeared to be more common in establishing work priorities and objectives and other operational decisions. Information sharing was also an important form of participation in respect of setting work priorities and objectives and the other operational decisions category, and to a lesser extent, team based work targets. The evidence here further suggests that management support for a particular form of participation may to some extent be influenced by the nature of the operational issue being considered.

The fourth question examined the possibility of differences between middle and frontline managers in their respective levels of support for both participation generally and within the context of performance management. Whilst minor differences between the two groups were reported in the level of support for various forms of participation and participation in the specific context of performance management and in the direction suggested by earlier studies, these were not statistically significant.

Chapter 6 - Conclusion.

This thesis has examined the association between middle and frontline management and employee participation in a performance management initiative in the ATO. The study has focused on two central issues: the response of middle and frontline managers to employee participation within the ATO's performance management program, and the effect the program had on them. This chapter outlines the key areas of the investigation and brings together the major findings of the study. It concludes by suggesting issues for future research.

In order to understand the participatory initiatives that were the subject of this investigation, and the importance of middle and frontline managers in this process, it was necessary to summarise the context in which employee participation developed.

Chapter 1 outlined the evolution of employee participation in the APS since 1984. The chapter showed an evolution in participation in the APS from the industrial democracy provisions of the 1984 Public Service Reform Act to the productivity bargaining national wage cases of the late 1980s and enterprise bargaining in 1991. Participation was first supported as a means of democratising the workplace, then as a means of facilitating workplace reform and improving productivity. It was accompanied by movement away from representative participation to more direct, workplace based forms of participation. This placed middle and frontline managers at the forefront of the participation process.

Chapter 2 reviewed the literature dealing with employee participation and middle and frontline management. The chapter outlined the various forms and degrees of employee participation, the determinants and recent trends. The chapter highlights the significance of middle and frontline managers to participation, explores the factors influencing managerial support, and its impact of participation on middle and frontline managers. One conclusion is these managers may feel caught in the middle as a result of the changes. The chapter raised a number of questions that were to form the basis of the analysis of participation in the ATO.

Focusing on the case study organisation, chapter 3 traced the evolution of employee participation in the ATO since the mid 1970s. Four main issues were identified.

First, as a result of the broader industrial environment and APS developments, there was a shift towards issue based participation, rather than an in-principle approach, as a means of facilitating change and workplace efficiency.

Secondly, this resulted in an expansion of direct participation initiatives, with employee involvement in performance management processes being an example.

Thirdly, the focus on direct participation meant that middle and frontline managers were now key players in the process.

Finally, a reduction in middle and frontline managerial positions and a change in managerial roles accompanied the expansion in direct participation. This raised further questions about the level of middle and frontline management support for participation, factors that may influence both the support for and the impact of participation on middle and frontline managers.

Chapter 4 identified two major research questions as the focal point of the thesis and provided an overview of the ATO as the centrepiece of the case study. This including a brief description of the managers surveyed, the rationale for the selection of the ATO case study and the process of employee involvement in performance management. This was followed by a description of the methodology adopted and a discussion of the questionnaire survey administered to middle and frontline managers in two branches of the ATO. The chapter also noted that the data was not considered robust enough in some areas to facilitate an analysis of responses at a branch level. The question of differences in managerial responses between branches or workplaces within the same organisation therefore remains unexplored and may warrant research.

The results of the questionnaire survey, together with an analysis of middle and frontline management responses were presented in chapter 5. The discussion was organised around research questions developed in chapters 2 and 3, and included results of statistical testing conducted as part of the analysis. The chapter concluded with a summary of the findings.

From the analysis undertaken in this study one can draw a number of conclusions regarding both the response of middle and frontline managers to workplace based employee participation and the impact it had on them.

First, the research shows that employee involvement in operational issues, has created a new, and central, role for these managers. Sidelined by the earlier representative forms of participation, they now play a central role in facilitating staff participation in operational decisions.

Secondly, the study reveals that one of the consequences of this participatory environment for managers is a degree of tension and conflict. They feel caught in the middle of a range of competing demands associated with their managerial role and the perceived attitudes of other organisational players. Klein (1984, pp. 93-94) argues that supervisors have always been placed in the middle of an organisational no man's land, and that most employee involvement programs make the position of this group even more insecure by not taking into account their interests and concerns. The evidence of the ATO case study supports this proposition.

Thirdly, the analysis in chapter 5 highlighted a number of factors that may contribute to managers feeling caught in the middle on the issue of employee participation.

One such factor is the issue of power. Consistent with other studies, the research shows that perceptions of power are important as managers do occasionally feel 'caught in the middle' by a lack of power to meet managerial obligations. Although most managers did not perceive employee participation in performance management as leading to a loss in managerial power, feelings of 'caught in the middle' were more pronounced amongst managers who perceived the process as leading to a loss of their power. Such managers, seeing some power redistributed to those below them, are more inclined to feel caught in the middle. This is therefore an issue that needs to be addressed as part of the introduction of participatory programs.

Conflict between demands for organisational efficiency and the implementation of employee participation also contributed to managerial tension associated with feeling 'caught in the middle'. Although similar results were not obtained with regard to employee participation in performance management, this may be an outcome of the managers' perception that participation in performance management was not a hindrance to organisational efficiency.

The research also examined the relationship between feeling caught in the middle and a number of demographic characteristics. Of these, the level of managerial experience was shown to be the only one of any significance, with less experienced managers being more inclined to feel caught in the middle. This highlights a possible need for greater support for such managers, especially when implementing programs such as employee participation. The issue is clearly one that warrants further research.

The study also highlighted the relationship between middle and frontline managers and other organisational players as a possible contributing factor to managerial tension.

Managers felt caught in the middle of performance management responsibilities and trade union views on the issue. In contrast to the findings of Roethlisberger (1970), which viewed the conflict as one concerning the undermining of managerial prerogative, the main concern of managers here was one of divided loyalties.

Similarly, managers who perceived senior management as not supporting participation were more inclined to feel 'caught in the middle'. This may be a reflection of mixed messages from senior management, who whilst formally advocating the implementation of participatory processes and imposing on middle and frontline managers an obligation to apply such processes, are not seen as actively supporting participation. This emphasises the importance of senior managers 'walking as they talk' on the issue of employee participation.

Conflict also arises when middle and frontline managers are obliged by senior management to implement programs and processes that are not supported by their subordinate staff.

All of these organisational relationships illustrate the traditional exposition of middle and frontline managers in the literature as the "men in the middle". As Marchington et al (1993) argue, these managers may be closer to the people they manage than senior management, something which would contribute markedly to the conflict and tension they experience.

Fourthly, middle and frontline managers gave high support to employee participation. All managers supported employee participation in general terms, and this subsequently translated into overwhelming support for participation on the specific issue of performance management. Whilst a small diminution in the level of support for participation in performance management did occur, the extent of this shrinkage was minor, and consistent with other studies (Cressey et al 1985) which also observed an evaporation of support when participation was considered in the context of a specific issue.

Fifthly, the level of this support was reflected in the actual application of employee participation by middle and frontline managers in the performance management initiatives. Most managers spent considerable time facilitating such processes. One possible explanation for this is that the particular employee participation program at the centre of this study did not greatly challenge middle and frontline managerial prerogative. Another factor was the lack of union involvement, making it an example of the kind of employee engagement that is preferred by management.

Sixthly, middle and frontline managers advocated joint decision making, followed by consultation, as the preferred forms of participation. This support varied according to the nature of the specific decisions. When these focused on issues beyond the scope of the individual employee, support for joint decision making dissipated. This suggests that middle and frontline management support for particular forms of participation may also be based around a continuum of participation, such as those proposed by Wang (1974), Cressey et al (1985) and Knudsen (1995), where support for participation will depend on the issues and decisions involved.

Seventh, as a reflection of such variances in support, management rhetoric concerning participation did not always translate into practice. The level of employee involvement was therefore lower than the level claimed and formally desired. Middle and frontline managers therefore did not always 'walk as they talked' on this issue. Whether this results from managers' feeling 'caught in the middle' by employee participation is a question that warrants further consideration.

Eighth, most managers did not perceive employee involvement in performance management processes as redistributing power within the workplace. This was possibly because the specific nature of the participatory program confined employee involvement to low level operational decisions and may explain why management express support for this kind of employee involvement over other forms of participation.

Finally, the analysis in chapter 5 indicates that middle and frontline management responses to participation were influenced by perceptions of organisational support, workload burdens created by employee participation, and the views of both subordinate employees and peer group managers. Such perceptions not only explained the level and nature of support for employee participation, but also offered a insight into the overall managerial response.

The provision of organisational support was a positive influence. Employee participation is now an established principle in the ATO and is thus formally supported by organisation through its middle and frontline management training programs and formal management policies. The presence of this formal support appears to have created a participatory culture, which as Parnell et al (1992) suggest may be important in explaining the high support for participation expressed by middle and frontline managers. The perceived lack of senior management enthusiasm, whilst shaping views on organisational support, did not in this case affect middle and frontline management support for employee participation.

Perceptions of workloads were also a significant influence, as shown by the analysis in chapter 5. Specific factors such as the time required to facilitate employee participation in performance management processes, and the increased amount of administration and paperwork generated by the process, were associated with diminishing support for participation. This is consistent with other studies of supervisory level management (Klein 1984), and may assist in explaining differences between support for participation in general terms and the specific issue of performance management. Whether the additional workload influences support for particular forms of participation such as joint decision making is also an issue which requires further investigation.

Perceptions of subordinate employee views, and to a lesser extent, commonly held peer management group views, were both influential. The influence of subordinate employees was largely a positive one, and commonly held peer views on the whole also served to promote middle and frontline management support. Some managers were even more willing to support participation when peers opposed it. Raising the possibility that such managers were engaging in some form of internal rivalries on the issue. The evidence supports the claim (Marchington et al: 1993) that supervisory managers are closer to staff, and peers, than senior management. The research literature has often focused on the importance of senior management in influencing the participatory process down the line, this study suggests that middle and frontline management peers, subordinate employees and even immediate managers may be just as important.

The study has adopted a case study approach to examine the response of middle and frontline managers to application of an employee participation program in the workplace. It shows that one of outcomes of such a program is the creation of a series of tensions and conflicts, leaving middle and frontline managers caught in the middle of competing demands and obligations. Past research has shown that factors such as perceptions of job security, workloads and clarity of roles all influence the introduction of employee participation (Klein 1984, p89). This study has shown that the tension engendered in managers by such programs is an issue that needs to be considered. The question of whether this is a source of resistance to both their new participatory role and to employee participation itself is clearly one that will require further investigation.

Appendix 1 - Survey Questionnaire.

Questionnaire
Middle and Front line Management responses to employee participation and involvement in the ATO.

Dear Colleague

Not another survey !! I hear you scream. I am sure that by now you have filled out enough surveys, attended enough focus groups and been consulted enough times to last you a lifetime time. However, I am going to request, ask, and even beg, your indulgence just one more time.

This survey forms part of a research thesis undertaken as part of a Masters by research degree at the Victoria University of Technology. **This is not an ATO management survey nor is it linked to ATO management in any way.** The focal point of the study is the examination of the responses of middle and frontline management to employee participation and involvement in operational decisions through the use of performance management techniques. The aim is to assess the impact of those responses on the participative process in the context of operational decisions at the workplace level.

Permission has been obtained from ATO management for you to complete this questionnaire.

The survey should take approximately 25 to 35 minutes to complete.

The following questions will ask for your views, thoughts and actions on a range of issues associated with employee participation and involvement, and the various performance management processes. You are encouraged to answer all questions as frankly and honestly as possible.

Please be assured that all individual responses will be **strictly and totally confidential**, and in order to ensure complete anonymity, please **do not sign or identify yourself** on the questionnaire in any way and place your completed questionnaire in the envelope provided.

I will personally collect the sealed envelope from you on Friday, 13th September 1996.

Thank you for your co-operation and participation. Your assistance is greatly appreciated.

Moreno Grison
SBI - MPO

Instructions.

- 1. Please read and answer each question.**
- 2. There is no need to spend large amounts of time answering any of the questions, your initial response or gut reaction is usually the best response.**
- 3. Upon completion, please place the questionnaire in the envelope provided. Remember there is no need to sign or identify yourself on the questionnaire in any way.**
- 4. I will personally collect the sealed envelope from you on Friday, 13th September 1996.**

Definitions

| | |
|---|--|
| Performance Management:- | Refers specifically to the following programs - performance feedback, expectation statements, the former senior officer performance appraisal and pay, and learning and development plans. |
| Employee Participation and / or Employee Involvement:- | Refers to - The processes whereby managers consulted and negotiate with employees (either on a group or individual basis) the contents and outcomes of the various Performance management programs. |
| Managers:- | Refers to - all persons who hold designated managerial positions and are responsible for staff. This therefore includes all directors, area managers (eg Primary Audit Manager) and Team Leaders. |
| The term "Caught in the middle" | Refers to - the tensions and frustrations that are often felt by managers as they seek to deal with the competing, and often conflicting, demands of other groups in the organisation (eg senior management, staff, other managers, unions etc). An often quoted example is the frustration experienced by managers who are increasingly responsible for section results whilst at the same time required to devolve work and involve staff in decision making. |

| | |
|--|---|
| 1. What is your age group ? <i>(Please tick appropriate box)</i> | (a) 18 to 24 years , <input type="checkbox"/> (b) 25 to 29 years <input type="checkbox"/> (c) 30 to 34 years <input type="checkbox"/> (d) 35 to 39 years <input type="checkbox"/> (e) 40 to 44 years <input type="checkbox"/> (f) 45 to 49 years <input type="checkbox"/> (g) 50 to 54 years <input type="checkbox"/> (h) 55 to 59 years <input type="checkbox"/> (i) 60 years or over <input type="checkbox"/> |
| 2. How long have you been employed by the Australian Taxation Office? <i>(Please tick appropriate box)</i> | (a) Less than a year <input type="checkbox"/> (b) 1 to 3 years <input type="checkbox"/> (c) 4 to 6 years <input type="checkbox"/> (d) 7 to 9 years <input type="checkbox"/> (e) 10 to 15 years <input type="checkbox"/> (f) 16 to 20 years <input type="checkbox"/> (g) 21 to 25 years <input type="checkbox"/> (h) 26 to 30 years <input type="checkbox"/> (i) 31 to 35 years <input type="checkbox"/> (j) 36 or more years <input type="checkbox"/> |
| 3. What is your gender ? | <i>(Please tick appropriate box)</i> (a) Male <input type="checkbox"/> (b) Female <input type="checkbox"/> |
| 4. How long have you been a manager in the Australian Taxation Office? <i>(Please tick appropriate box)</i> | (a) Less than a year <input type="checkbox"/> (b) 1 to 2 years <input type="checkbox"/> (c) 3 to 4 years <input type="checkbox"/> (d) 5 to 10 years <input type="checkbox"/> (e) 11 to 15 years <input type="checkbox"/> (f) 16 to 20 years <input type="checkbox"/> (g) 21 to 25 years <input type="checkbox"/> (h) 26 to 30 years <input type="checkbox"/> (i) 31 to 35 years <input type="checkbox"/> (j) 36 or more years <input type="checkbox"/> |

| | | | | | | | | | | | | | |
|---|--|----------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|--|------------------------------------|
| <p>5. What is the classification level of the managerial position that you currently occupy ?</p> <p><i>(Please tick appropriate box)</i></p> | <table style="width: 100%; border: none;"> <tr> <td style="width: 50%;">(a) SES <input type="checkbox"/></td> <td style="width: 50%;">(f) ASO 5 <input type="checkbox"/></td> </tr> <tr> <td>(b) SOG A <input type="checkbox"/></td> <td>(g) ASO 4 <input type="checkbox"/></td> </tr> <tr> <td>(c) SOG B <input type="checkbox"/></td> <td>(h) ASO 3 <input type="checkbox"/></td> </tr> <tr> <td>(d) SOG C <input type="checkbox"/></td> <td>(i) ASO 2 <input type="checkbox"/></td> </tr> <tr> <td>(e) ASO 6 <input type="checkbox"/></td> <td>(j) ASO 1 <input type="checkbox"/></td> </tr> <tr> <td></td> <td>(k) Other <input type="checkbox"/></td> </tr> </table> <p style="text-align: right;">Please Specify _____</p> | (a) SES <input type="checkbox"/> | (f) ASO 5 <input type="checkbox"/> | (b) SOG A <input type="checkbox"/> | (g) ASO 4 <input type="checkbox"/> | (c) SOG B <input type="checkbox"/> | (h) ASO 3 <input type="checkbox"/> | (d) SOG C <input type="checkbox"/> | (i) ASO 2 <input type="checkbox"/> | (e) ASO 6 <input type="checkbox"/> | (j) ASO 1 <input type="checkbox"/> | | (k) Other <input type="checkbox"/> |
| (a) SES <input type="checkbox"/> | (f) ASO 5 <input type="checkbox"/> | | | | | | | | | | | | |
| (b) SOG A <input type="checkbox"/> | (g) ASO 4 <input type="checkbox"/> | | | | | | | | | | | | |
| (c) SOG B <input type="checkbox"/> | (h) ASO 3 <input type="checkbox"/> | | | | | | | | | | | | |
| (d) SOG C <input type="checkbox"/> | (i) ASO 2 <input type="checkbox"/> | | | | | | | | | | | | |
| (e) ASO 6 <input type="checkbox"/> | (j) ASO 1 <input type="checkbox"/> | | | | | | | | | | | | |
| | (k) Other <input type="checkbox"/> | | | | | | | | | | | | |

| | |
|---|--|
| <p>6. Please state your current managerial position</p> | <p><i>(Please tick appropriate box)</i></p> <p>(a) Team Leader <input type="checkbox"/></p> <p>(b) Sectional Manager (ie Primary Audit Manager) <input type="checkbox"/></p> <p>(c) Director <input type="checkbox"/></p> <p>(d) Other - Please Specify:</p> <p>_____ <input type="checkbox"/></p> <p>_____ <input type="checkbox"/></p> |
|---|--|

| | |
|---|---|
| <p>7. As a manager, have you over the past twelve months been involved with any element of the performance management program (ie feedback / expectation statements/ appraisals or learning plans) ?</p> <p>7.1. If No, Why not</p> | <p><i>(Please tick appropriate box)</i></p> <p>(a) Yes <input type="checkbox"/></p> <p>(b) No <input type="checkbox"/></p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> |
|---|---|

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| <p>8. When was the last time you undertook any activity associated with any of the performance management processes ?</p> <p>8.1. If applicable, please specify the nature of the involvement (eg giving feedback, negotiating expectation statements, etc)</p> | <p><i>(Please tick appropriate box)</i></p> <p>(a) Never <input type="checkbox"/></p> <p>(b) Over 12 Months <input type="checkbox"/></p> <p>(c) 6 to 12 Months <input type="checkbox"/></p> <p>(d) 3 to 5 Months <input type="checkbox"/></p> <p>(e) Within last 3 Months <input type="checkbox"/></p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> |
| <p>9. Which statement most accurately reflects the extent of your support for the various performance management programs within the organisation</p> | <p><i>(Please tick appropriate box)</i></p> <p>(a) Not at all - I oppose all aspects of the Performance management programs outlined <input type="checkbox"/></p> <p>(b) Do not support it, but will tolerate it as part of the manager's job; <input type="checkbox"/></p> <p>(c) Neutral; <input type="checkbox"/></p> <p>(d) Support some aspects of it, with reservations about the programs as a whole; <input type="checkbox"/></p> <p>(e) Strongly support all programs including its aims and objectives; <input type="checkbox"/></p> <p><i>If you ticked boxes (c) (d) or (e) go to Question 11</i></p> |

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| <p>10. If you do not support performance management, please indicate which of the following statements best explains your lack of support:</p> | <p><i>(Please tick appropriate box)</i></p> <p>(a) I am opposed, in principle, to the whole idea of Performance Management processes <input type="checkbox"/></p> <p>(b) Whilst Performance management is good in theory, it achieves nothing in practice. <input type="checkbox"/></p> <p>(c) I disagree with the methods and procedures used to implement performance management in this organisation <input type="checkbox"/></p> <p>(d) Other:- <i>(Please Specify)</i></p> <p>_____</p> <p>_____</p> <p>_____ <input type="checkbox"/></p> |
| <p>11. The various Performance Management Programs all require you as a manager to involve your staff in making decisions about issues such as performance targets, training needs, and so on. Do you, as a manager, support the participation of your staff in the performance management decision making process ?</p> | <p><i>(Please tick appropriate box)</i></p> <p>(a) Yes <input type="checkbox"/></p> <p>(b) No <input type="checkbox"/></p> |

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| <p>12. On a more general level, which statement best reflects your attitude to employee participation in decisions over operational matters such as work targets, how the work will be performed, training etc ?</p> | <p><i>(Please choose one of the following statements which best reflects your view).</i></p> <p>(a) Such decisions are best left to managers and employees should not have any involvement; <input type="checkbox"/></p> <p>(b) Employees are entitled to receive information about decisions, but decisions should be made by management; <input type="checkbox"/></p> <p>(c) Managers should consult employees to ascertain their views before making decisions; <input type="checkbox"/></p> <p>(d) Managers and employees should negotiate and where possible come to a joint decision; <input type="checkbox"/></p> <p>(e) Employees should be responsible for making their own decisions within broad parameters set by senior management; <input type="checkbox"/></p> |
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| <p>13. How much involvement do you think staff currently have in each of the following operational decisions:</p> | <p><i>Please tick appropriate box</i></p> | | | | |
| | <p>(a) No Involvement</p> | <p>(b) Informed only</p> | <p>(c) Consulted so employee views are known</p> | <p>(d) Decisions made jointly by manager & staff</p> | <p>(e) Decided solely by employee</p> |
| 13.1. setting work objectives and priorities | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 13.2. Team work targets | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 13.3. Individual work targets | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 13.4. employee training | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 13.5. determining work processes. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 13.6. Other Operational decisions | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

| <p>14. How much involvement and influence would you prefer staff to have in each of the following operational decisions:</p> <p>14.1. setting work objectives and priorities</p> <p>14.2. Team work targets</p> <p>14.3. Individual work targets</p> <p>14.4. employee training</p> <p>14.5. determining work processes.</p> <p>14.6. Other Operational decisions</p> | <p><i>Please tick appropriate box</i></p> <table border="0"> <thead> <tr> <th data-bbox="372 264 515 355">(a) No Involvement</th> <th data-bbox="515 264 658 355">(b) Informed only</th> <th data-bbox="658 264 801 355">(c) Consulted so employee views are known</th> <th data-bbox="801 264 943 355">(d) Decisions made jointly by manager & staff</th> <th data-bbox="943 264 1392 355">(e) Decided solely by employee</th> </tr> </thead> <tbody> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> </tbody> </table> | (a) No Involvement | (b) Informed only | (c) Consulted so employee views are known | (d) Decisions made jointly by manager & staff | (e) Decided solely by employee | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
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| (a) No Involvement | (b) Informed only | (c) Consulted so employee views are known | (d) Decisions made jointly by manager & staff | (e) Decided solely by employee | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| <p>15. In undertaking any of the following performance management processes, to what extent do you involve your staff in the preparation of:</p> <p>15.1. Expectation Statements (for Performance Feedback and / or Appraisal purposes)</p> <p>15.2. Learning and training plans</p> <p>15.3. Any other Performance management requirements (eg managing under performance)</p> | <p><i>Please tick appropriate box</i></p> <table border="1"> <tr> <th data-bbox="313 252 493 355">(a) No Involvement</th> <th data-bbox="501 252 682 355">(b) Informed only</th> <th data-bbox="689 252 870 355">(c) Consulted so employee views are known</th> <th data-bbox="878 252 1058 355">(d) Decisions made jointly by manager & staff</th> <th data-bbox="1066 252 1246 355">(e) Decided solely by employee</th> <th data-bbox="1254 252 1434 355">(f) Process is not Applicable in my case</th> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> </table> | | | | | | (a) No Involvement | (b) Informed only | (c) Consulted so employee views are known | (d) Decisions made jointly by manager & staff | (e) Decided solely by employee | (f) Process is not Applicable in my case | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
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| (a) No Involvement | (b) Informed only | (c) Consulted so employee views are known | (d) Decisions made jointly by manager & staff | (e) Decided solely by employee | (f) Process is not Applicable in my case | | | | | | | | | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | | | | | | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | | | | | | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | | | | | | | | | | | | | | | | | | | | | | |

| <p>16. Over the last month how much time have you dedicated to each of the following participative processes ?</p> <p>16.1. holding team briefings to furnish information relevant to operational matters;</p> <p>16.2. provide information relevant to operational decisions to staff on an individual basis;</p> <p>16.3. consult staff to ascertain their views on operational decisions;</p> <p>16.4. negotiate any performance or operational decisions with staff with a view to coming to a joint agreement;</p> <p>16.5. any other participative process or technique.</p> | <p><i>(Please tick appropriate box)</i></p> <table border="1"> <tr> <th data-bbox="595 1274 697 1435">(a) 0 Hrs</th> <th data-bbox="705 1274 807 1435">(b) 1-5 Hrs</th> <th data-bbox="815 1274 917 1435">(c) 6-10 Hrs</th> <th data-bbox="925 1274 1027 1435">(d) 11-15 Hrs</th> <th data-bbox="1034 1274 1136 1435">(e) 16-20 Hrs</th> <th data-bbox="1144 1274 1230 1435">(f) >20 Hrs</th> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> </table> | | | | | | (a) 0 Hrs | (b) 1-5 Hrs | (c) 6-10 Hrs | (d) 11-15 Hrs | (e) 16-20 Hrs | (f) >20 Hrs | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
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| (a) 0 Hrs | (b) 1-5 Hrs | (c) 6-10 Hrs | (d) 11-15 Hrs | (e) 16-20 Hrs | (f) >20 Hrs | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| <p>17. Is the amount of time spent on the participative process as indicated in your answer to Question 16 typical for most months ?</p> <p>17.1. Are the amounts stated above unusually high or low ?</p> <p>17.2. Can you briefly state the reasons for this discrepancy ?</p> <p>17.3. What is the usual average amount of time spent on the participative process per month ?</p> | <p><i>(Please tick appropriate box)</i></p> <p>(a) Yes <input type="checkbox"/></p> <p>(b) No <input type="checkbox"/></p> <p><i>If ticked YES go to Question 18.</i></p> <p>(a) Unusually High <input type="checkbox"/></p> <p>(b) Unusually Low <input type="checkbox"/></p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____Hours.</p> |
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| <p>18. As a manager, to what extent are you "caught in the middle" of the competing demands and responsibilities placed on you ?</p> | <p><i>(Please tick appropriate box)</i></p> <p>(a) Never <input type="checkbox"/></p> <p>(b) Rarely <input type="checkbox"/></p> <p>(c) Sometimes <input type="checkbox"/></p> <p>(d) Often <input type="checkbox"/></p> <p>(e) Very Frequently <input type="checkbox"/></p> <p>(f) All the time <input type="checkbox"/></p> |
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| 19. Are you "caught in the middle" in any other way ? If Yes, Please explain ? | <i>(Please tick appropriate box)</i> | |
| | (a) Yes | <input type="checkbox"/> |
| | (b) No | <input type="checkbox"/> |
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| 20. To what extent do you agree with each of the following statements: | <i>(Please tick appropriate box)</i> | | | | |
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| | (a) Strongly Disagree | (b) Disagree | (c) Neutral | (d) Agree | (e) Strongly Agree |
| 20.1. Staff have too much say in determining performance outcomes. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 20.2. senior management retain too much influence in determining performance outcomes at the workplace level | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 20.3. Employee involvement in performance management processes will lead to a loss of managerial power in the workplace | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 20.4. Employee involvement in performance management processes hinders my ability, as a manager, to make decisions | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 20.5. Employee involvement in performance management processes hinders my responsibility, as a manager, to ensure staff meet performance targets and standards | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 20.6. As a manager, I have too little say in determining performance requirements of my staff? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

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| | <i>(Please tick appropriate box)</i> |
| 21. Do you ever feel that you are "caught in the middle" because you lack the power to meet the demands and obligations placed upon you as a manager ? | (a) Never <input type="checkbox"/> (b) Rarely <input type="checkbox"/> (c) Sometimes <input type="checkbox"/> (d) Often <input type="checkbox"/> (e) Very Frequently <input type="checkbox"/> (f) All the time <input type="checkbox"/> |
| 22. Where a participatory approach in performance management reduces the level of your power and control in the workplace, how would this affect your willingness to adopt such a management style ? | <i>(Please tick appropriate box)</i> (a) I would be strongly opposed to a participatory approach. <input type="checkbox"/> (b) I would be less inclined to adopt a participatory approach <input type="checkbox"/> (c) I would be willing to adopt a participatory approach <input type="checkbox"/> (d) I would strongly support and definitely adopt a participatory approach <input type="checkbox"/> |
| 23. To what extent do you agree that there is a conflict between the need to maximise efficiency in the workplace and the need to involve employees in decision making processes ? | <i>(Please tick appropriate box)</i> (a) Strongly Disagree <input type="checkbox"/> (b) Disagree <input type="checkbox"/> (c) Neutral <input type="checkbox"/> (d) Agree <input type="checkbox"/> (e) Strongly Agree <input type="checkbox"/> |
| 24. Do you believe that employee involvement in performance management hinders your ability to adopt the most efficient and effective approach to getting the job done ? | <i>(Please tick appropriate box)</i> (a) Strongly Disagree <input type="checkbox"/> (b) Disagree <input type="checkbox"/> (c) Neutral <input type="checkbox"/> (d) Agree <input type="checkbox"/> (e) Strongly Agree <input type="checkbox"/> |

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| <p>27. Do you believe that employee involvement in the various performance management processes, are too complex to manage ?</p> | <p><i>(Please tick appropriate box)</i></p> <p>(a) Yes <input type="checkbox"/></p> <p>(b) No <input type="checkbox"/></p> |
| <p>28. To what extent does the complexity, and additional workloads associated with employee involvement in the various performance management schemes affect your willingness to involve staff in operational decisions about performance management issues (ie targets, workloads etc) ?</p> | <p><i>(Please choose the statement which best reflects your view)</i></p> <p>(a) Where employee involvement in a scheme is too complex or time consuming, I will not adopt a participatory approach: <input type="checkbox"/></p> <p>(b) Where employee involvement in a scheme is too complex or time consuming, I would be less willing to adopt a participatory approach <input type="checkbox"/></p> <p>(c) I am willing to adopt a participatory approach, irrespective of complexity or workload considerations: <input type="checkbox"/></p> <p>(d) I strongly support employee involvement as a means of overcoming complexity or workload problems and will adopt a participatory approach at all times: <input type="checkbox"/></p> |

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| <p>29. Do you believe that this organisation supports a process of employee involvement within the various performance management schemes?</p> | <p><i>(Please tick appropriate box)</i></p> <p>(a) Yes <input type="checkbox"/></p> <p>(b) No <input type="checkbox"/></p> |
| <p>30. Do you believe that senior management in this organisation support a process of employee involvement within the various performance management schemes?</p> | <p><i>(Please tick appropriate box)</i></p> <p>(a) Yes <input type="checkbox"/></p> <p>(b) No <input type="checkbox"/></p> |

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| | <i>(Please tick appropriate box)</i> |
| 31. What level of support does your immediate manager offer you in the process of employee involvement in the various performance management schemes ? | (a) Strong support <input type="checkbox"/> (b) Adequate support <input type="checkbox"/> (c) Inadequate support <input type="checkbox"/> (d) No support <input type="checkbox"/> |
| 32. Can you list 3 types of support the organisation provide for managers to adopt employee participation in the implementation of the performance management program ? (eg mentoring) | 1. _____ 2. _____ 3. _____ |
| | <i>(Please tick appropriate box)</i> |
| 33. To what extent are you satisfied with the level of organisational support, such as training, resources, etc, offered to you as a manager, as you seek to involve employees in the performance management decision making ? | (a) Strong support <input type="checkbox"/> (b) Adequate support <input type="checkbox"/> (c) Inadequate support <input type="checkbox"/> (d) No support <input type="checkbox"/> |

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| <p>34. How does the support provided by the organisation affect your willingness to involve staff in performance management decision making ?</p> | <p><i>(Please choose one of the following statements which best reflects your view).</i></p> <p>(a) Irrespective of the level of support, I will not adopt a participatory approach: <input type="checkbox"/></p> <p>(b) As the level support is inadequate, I will not adopt a participatory approach: <input type="checkbox"/></p> <p>(c) As the level support is inadequate, I am less willing to adopt a participatory approach: <input type="checkbox"/></p> <p>(d) Given an adequate level of support, I am willing to adopt a participatory approach: <input type="checkbox"/></p> <p>(e) I strongly support employee involvement and will adopt a participatory approach at all times, irrespective of the level of support provided: <input type="checkbox"/></p> |
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| <p>35. Do you believe that there is a commonly held view amongst other managers in your workplace (your peers) as to the level of support for employee involvement in performance management schemes ?</p> | <p><i>(Please tick appropriate box)</i></p> <p>(a) Yes <input type="checkbox"/></p> <p>(b) No <input type="checkbox"/></p> <p>(c) Don't Know <input type="checkbox"/></p> <p><i>(If 'Yes' go to question 35.1., If 'No' or 'Don't know' go to question 36.)</i></p> <p><i>(Please tick appropriate box)</i></p> |
| <p>35.1. To what extent do you believe that other managers in your workplace (your peers) are supportive of employee involvement in Performance management schemes ?</p> | <p>(a) Strongly Opposed <input type="checkbox"/></p> <p>(b) Not Supportive <input type="checkbox"/></p> <p>(c) Supportive <input type="checkbox"/></p> <p>(d) Strongly Supportive <input type="checkbox"/></p> |

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| <p>36. To what extent do you consider the views of your peers on this issue to be an important influence on your views and actions ?</p> | <p><i>(Please tick appropriate box)</i></p> <p>(a) Not important at all <input type="checkbox"/></p> <p>(b) Not very important <input type="checkbox"/></p> <p>(c) Neutral <input type="checkbox"/></p> <p>(d) Of some importance <input type="checkbox"/></p> <p>(e) Strongly important <input type="checkbox"/></p> |
| <p>37. If your fellow managers were strongly opposed to employee involvement in performance management decisions, which of the following statements best reflects your response:</p> | <p><i>(Please choose one of the following statement which best reflects your view)</i></p> <p>(a) I would oppose it, and not adopt a participatory approach <input type="checkbox"/></p> <p>(b) I would be less inclined to adopt a participatory approach <input type="checkbox"/></p> <p>(c) I would still be prepared to adopt a participatory approach <input type="checkbox"/></p> <p>(d) I would be slightly more inclined to adopt a participatory approach <input type="checkbox"/></p> <p>(e) I would be more firmly committed to the idea of employee involvement and definitely more inclined adopt a participatory approach <input type="checkbox"/></p> |

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| <p>38. Are local HRM and /or Industrial Relations (IR) specialists involved in promoting employee involvement in performance management schemes ?</p> | <p><i>(Please tick appropriate box)</i></p> <p>(a) Yes <input type="checkbox"/></p> <p>(b) No <input type="checkbox"/></p> <p><i>(If answered 'No' go to question 41)</i></p> <p>If you answered 'Yes', briefly describe the role played by these HRM / IR specialists</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> |
|---|--|

| | |
|---|--|
| <p>39. Does the role played by these HRM and / or IR specialists in the promotion of employee involvement in performance management schemes, contribute to you feeling caught in the middle ?</p> | <p><i>(Please tick appropriate box)</i></p> <p>((a) Yes <input type="checkbox"/></p> <p>((b) No <input type="checkbox"/></p> <p><i>(If you ticked (b) go to Question 41)</i></p> <p>If you answered yes can you briefly state how ?</p> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> |
| <p>40. How does the role played by these HRM and / or IR specialists influence your willingness to implement employee involvement in performance management schemes ?</p> | <p><i>(Please choose one of the following which best reflects your view)</i></p> <p>(a) I am less willing to implement employee involvement processes as a result of the role played by HRM and / or IR specialists: <input type="checkbox"/></p> <p>(b) the role played by HRM and / or IR specialists has no effect on my willingness to implement employee involvement processes: <input type="checkbox"/></p> <p>(c) I am more willing to implement employee involvement processes as a result of the role played by HRM and / or IR specialists: <input type="checkbox"/></p> |
| <p>41. What level of support do you perceive your staff giving the performance management processes ?</p> | <p><i>(Please tick appropriate box)</i></p> <p>(a) Strongly Opposed <input type="checkbox"/></p> <p>(b) Not Supportive <input type="checkbox"/></p> <p>(c) Supportive <input type="checkbox"/></p> <p>(d) Strongly Supportive <input type="checkbox"/></p> |

| | | | | | |
|--|---|------------------------------|--|--|---|
| <p>42. For each of the following performance management processes, indicate the level of staff support for employee involvement that you believe exists:</p> | <p><i>Please tick appropriate box</i></p> | | | | |
| | <p>(a) No Involvement</p> | <p>(b) Informed only</p> | <p>(c) Consulted so employee views are known</p> | <p>(d) Decisions made jointly by manager & staff</p> | <p>(e) Decided solely by employee</p> |
| <p>42.1. Expectation Statements (for Performance Feedback and / or Appraisal purposes)</p> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <p>42.2. Learning and training plans</p> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <p>42.3. Any other Performance management requirements (eg managing under performance)</p> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

| | |
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| <p>43. As a result of your managerial involvement in performance management schemes, do you at any time feel caught in the middle of the directives of senior management and the views of your staff on this issue ?</p> | <p><i>(Please tick appropriate box)</i></p> <p>(a) No <input type="checkbox"/></p> <p>(b) Rarely <input type="checkbox"/></p> <p>(c) Sometimes <input type="checkbox"/></p> <p>(d) Often <input type="checkbox"/></p> <p>(e) Very Frequently <input type="checkbox"/></p> <p>(f) All the time <input type="checkbox"/></p> |
|--|--|

| | |
|---|---|
| <p>44. Which statement best reflects the impact of staff views on this issue on your willingness to adopt a participatory approach and involve employees in performance related decisions ?</p> | <p><i>(Please choose one statement which best reflects your view)</i></p> <p>(a) I am less willing to implement employee involvement processes as a result of the views of my staff: <input type="checkbox"/></p> <p>(b) the views of my staff have no effect on my willingness to implement employee involvement processes: <input type="checkbox"/></p> <p>(c) I am more willing to implement employee involvement processes as a result of the views of my staff: <input type="checkbox"/></p> |
|---|---|

| | |
|---|---|
| <p>45. Do you believe that the unions (at any level, eg national, branch or workplace) currently play a role in performance management schemes</p> | <p><i>(Please tick appropriate box)</i></p> <p>(a) Yes <input type="checkbox"/></p> <p>(b) No <input type="checkbox"/></p> <p><i>(If you ticked (b) go to question 48)</i></p> <p>If yes to above, can you briefly indicate the nature of the role played by the unions?</p> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> |
|---|---|

| | |
|---|--|
| <p>46. As a result of your managerial involvement in performance management schemes, have you at any time been caught in the middle of your performance management responsibilities and the actions and views of the unions on this issue ?</p> | <p><i>(Please tick appropriate box)</i></p> <p>(a) No <input type="checkbox"/></p> <p>(b) Rarely <input type="checkbox"/></p> <p>(c) Sometimes <input type="checkbox"/></p> <p>(d) Often <input type="checkbox"/></p> <p>(e) Very Frequently <input type="checkbox"/></p> <p>(f) All the time <input type="checkbox"/></p> |
|---|--|

| | |
|---|--|
| <p>47. To what extent does the role played by the unions influence your willingness to encourage employee involvement in performance related decisions?</p> | <p><i>((Please choose one of the following which best reflects your view))</i></p> <p>(a) I am less willing to implement employee involvement processes as a result of the role played by the unions: <input type="checkbox"/></p> <p>(b) The role played by the unions has no effect on my willingness to implement employee involvement processes: <input type="checkbox"/></p> <p>(c) I am more willing to implement employee involvement processes as a result of the role played by the unions <input type="checkbox"/></p> |
| <p>48. Do you believe that the unions (at any level, eg national, branch or workplace) should play a role in performance management schemes</p> | <p><i>(Please tick appropriate box)</i></p> <p>(a) Yes <input type="checkbox"/></p> <p>(b) No <input type="checkbox"/></p> <p>If yes, briefly indicate what that role should be ?</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> |

| | |
|--|--|
| <p>49. Do you wish to make any other comments about the performance management scheme or employee participation in general ?</p> | <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> |
|--|--|

Thank You for your time and assistance in completing this questionnaire.

Appendix 2 - Summary of Questionnaire Data.

Middle and Frontline Management responses to Employee Participation in the ATO.
Spreadsheet Summary of Results.

| S/NO | OFFICE | 1 | 2 | 3 | 4 | 5 | 6 | Description | 7 |
|-------------------|--------|--------|--------|--------|--------|--------|--------|-------------|--------|
| Frequency Totals | | | | | | | | | |
| (a) | 50 | 0 | 2 | 82 | 11 | 1 | 82 | | 118 |
| (b) | 77 | 15 | 1 | 45 | 22 | 0 | 35 | | 9 |
| (c) | | 25 | 10 | | 30 | 15 | 6 | | |
| (d) | | 33 | 17 | | 39 | 31 | 4 | | |
| (e) | | 30 | 49 | | 12 | 45 | | | |
| (f) | | 15 | 10 | | 9 | 15 | | | |
| (g) | | 9 | 16 | | 2 | 19 | | | |
| (h) | | 0 | 14 | | 1 | 1 | | | |
| (i) | | 0 | 6 | | 1 | 0 | | | |
| (j) | | | 2 | | 0 | 0 | | | |
| (k) | | | | | | 0 | | | |
| Total | 127 | 127 | 127 | 127 | 127 | 127 | 127 | | 127 |
| Percentage Totals | | | | | | | | | |
| (a) | 39.37 | 0.00 | 1.57 | 64.57 | 8.66 | 0.79 | 64.57 | | 92.91 |
| (b) | 60.63 | 11.81 | 0.79 | 35.43 | 17.32 | 0.00 | 27.56 | | 7.09 |
| (c) | | 19.69 | 7.87 | | 23.62 | 11.81 | 4.72 | | |
| (d) | | 25.98 | 13.39 | | 30.71 | 24.41 | 3.15 | | |
| (e) | | 23.62 | 38.58 | | 9.45 | 35.43 | | | |
| (f) | | 11.81 | 7.87 | | 7.09 | 11.81 | | | |
| (g) | | 7.09 | 12.60 | | 1.57 | 14.96 | | | |
| (h) | | 0.00 | 11.02 | | 0.79 | 0.79 | | | |
| (i) | | 0.00 | 4.72 | | 0.79 | 0.00 | | | |
| (j) | | 0.00 | 1.57 | | 0.00 | 0.00 | | | |
| (k) | | | | | | 0.00 | | | |
| Totals | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 0.00 | 100.00 |

Middle and Frontline Management responses to Employee Participation in the ATO.
Spreadsheet Summary of Results.

| 7.1 | 8 | 8.1 | 9 | 10 | 11 | 12 | 13.1 | 13.2 | 13.3 | 13.4 |
|------|--------|------|--------|-------|--------|-------|--------|-------|-------|--------|
| | | | | | | | | | | |
| | 6 | | 1 | 1 | 122 | 0 | 18 | 4 | 4 | 5 |
| | 10 | | 21 | 14 | 5 | 5 | 36 | 30 | 11 | 5 |
| | 34 | | 4 | 5 | | 48 | 44 | 38 | 30 | 21 |
| | 20 | | 73 | 1 | | 61 | 28 | 52 | 67 | 73 |
| | 57 | | 28 | | | 12 | 1 | 2 | 12 | 23 |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| 0 | 127 | 0 | 127 | 21 | 127 | 126 | 127 | 126 | 124 | 127 |
| | | | | | | | | | | |
| | 4.72 | | 0.79 | 0.79 | 96.06 | 0.00 | 14.17 | 3.15 | 3.15 | 3.94 |
| | 7.87 | | 16.54 | 11.02 | 3.94 | 3.94 | 28.35 | 23.62 | 8.66 | 3.94 |
| | 26.77 | | 3.15 | 3.94 | | 37.80 | 34.65 | 29.92 | 23.62 | 16.54 |
| | 15.75 | | 57.48 | 0.79 | | 48.03 | 22.05 | 40.94 | 52.76 | 57.48 |
| | 44.88 | | 22.05 | | | 9.45 | 0.79 | 1.57 | 9.45 | 18.11 |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| 0.00 | 100.00 | 0.00 | 100.00 | 16.54 | 100.00 | 99.21 | 100.00 | 99.21 | 97.64 | 100.00 |

Middle and Frontline Management responses to Employee Participation in the ATO.
Spreadsheet Summary of Results.

| 13.5 | 13.6 | 14.1 | 14.2 | 14.3 | 14.4 | 14.5 | 14.6 | 15.1 | 15.2 | 15.3 |
|--------|-------|--------|--------|--------|--------|--------|-------|--------|--------|-------|
| 3 | 7 | 2 | 1 | 0 | 0 | 1 | 1 | 3 | 0 | 5 |
| 19 | 40 | 12 | 6 | 6 | 0 | 3 | 8 | 4 | 0 | 4 |
| 44 | 45 | 49 | 33 | 21 | 18 | 34 | 46 | 31 | 12 | 34 |
| 56 | 32 | 62 | 85 | 89 | 97 | 86 | 70 | 70 | 91 | 66 |
| 5 | 1 | 2 | 2 | 11 | 12 | 3 | 1 | 1 | 21 | 1 |
| | | | | | | | | 18 | 3 | 16 |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| 127 | 125 | 127 | 127 | 127 | 127 | 127 | 126 | 127 | 127 | 126 |
| | | | | | | | | | | |
| | | | | | | | | | | |
| 2.36 | 5.51 | 1.57 | 0.79 | 0.00 | 0.00 | 0.79 | 0.79 | 2.36 | 0.00 | 3.94 |
| 14.96 | 31.50 | 9.45 | 4.72 | 4.72 | 0.00 | 2.36 | 6.30 | 3.15 | 0.00 | 3.15 |
| 34.65 | 35.43 | 38.58 | 25.98 | 16.54 | 14.17 | 26.77 | 36.22 | 24.41 | 9.45 | 26.77 |
| 44.09 | 25.20 | 48.82 | 66.93 | 70.08 | 76.38 | 67.72 | 55.12 | 55.12 | 71.65 | 51.97 |
| 3.94 | 0.79 | 1.57 | 1.57 | 8.66 | 9.45 | 2.36 | 0.79 | 0.79 | 16.54 | 0.79 |
| | | | | | | | | 14.17 | 2.36 | 12.60 |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| 100.00 | 98.43 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 99.21 | 100.00 | 100.00 | 99.21 |

Middle and Frontline Management responses to Employee Participation in the ATO.
Spreadsheet Summary of Results.

| | | | | | | | | | | |
|--------|--------|--------|--------|-------|--------|-------|------|------|--------|-------|
| | | | | | | | | | | |
| 16.1 | 16.2 | 16.3 | 16.4 | 16.5 | 17 | 17.1 | 17.2 | 17.3 | 18 | 19 |
| | | | | | | | | | | |
| 5 | 9 | 12 | 28 | 28 | 107 | 6 | | | 2 | 31 |
| 76 | 83 | 74 | 71 | 72 | 20 | 17 | | | 6 | 95 |
| 34 | 26 | 32 | 22 | 23 | | | | | 32 | |
| 9 | 7 | 7 | 4 | 2 | | | | | 50 | |
| 2 | 0 | 1 | 1 | 0 | | | | | 26 | |
| 1 | 2 | 1 | 1 | 1 | | | | | 11 | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| 127 | 127 | 127 | 127 | 126 | 127 | 23 | 0 | 0 | 127 | 126 |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| 3.94 | 7.09 | 9.45 | 22.05 | 22.05 | 84.25 | 4.72 | | | 1.57 | 24.41 |
| 59.84 | 65.35 | 58.27 | 55.91 | 56.69 | 15.75 | 13.39 | | | 4.72 | 74.80 |
| 26.77 | 20.47 | 25.20 | 17.32 | 18.11 | | | | | 25.20 | |
| 7.09 | 5.51 | 5.51 | 3.15 | 1.57 | | | | | 39.37 | |
| 1.57 | 0.00 | 0.79 | 0.79 | 0.00 | | | | | 20.47 | |
| 0.79 | 1.57 | 0.79 | 0.79 | 0.79 | | | | | 8.66 | |
| | | | | | | | | | | |
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| | | | | | | | | | | |
| | | | | | | | | | | |
| 100.00 | 100.00 | 100.00 | 100.00 | 99.21 | 100.00 | 18.11 | 0.00 | 0.00 | 100.00 | 99.21 |

Middle and Frontline Management responses to Employee Participation in the ATO.
Spreadsheet Summary of Results.

| | 20.1 | 20.2 | 20.3 | 20.4 | 20.5 | 20.6 | 21 | 22 | 23 | 24 |
|------|--------|--------|--------|--------|--------|--------|--------|-------|--------|--------|
| | | | | | | | | | | |
| | 13 | 1 | 11 | 11 | 9 | 11 | 10 | 2 | 5 | 14 |
| | 78 | 25 | 81 | 87 | 91 | 79 | 19 | 28 | 42 | 67 |
| | 26 | 29 | 19 | 14 | 17 | 18 | 72 | 77 | 24 | 27 |
| | 9 | 59 | 16 | 14 | 10 | 17 | 20 | 18 | 46 | 17 |
| | 1 | 13 | 0 | 1 | 0 | 2 | 4 | | 10 | 2 |
| | | | | | | | 2 | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| 0 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 125 | 127 | 127 |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | 10.24 | 0.79 | 8.66 | 8.66 | 7.09 | 8.66 | 7.87 | 1.57 | 3.94 | 11.02 |
| | 61.42 | 19.69 | 63.78 | 68.50 | 71.65 | 62.20 | 14.96 | 22.05 | 33.07 | 52.76 |
| | 20.47 | 22.83 | 14.96 | 11.02 | 13.39 | 14.17 | 56.69 | 60.63 | 18.90 | 21.26 |
| | 7.09 | 46.46 | 12.60 | 11.02 | 7.87 | 13.39 | 15.75 | 14.17 | 36.22 | 13.39 |
| | 0.79 | 10.24 | 0.00 | 0.79 | 0.00 | 1.57 | 3.15 | | 7.87 | 1.57 |
| | | | | | | | 1.57 | | | |
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| | | | | | | | | | | |
| 0.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 98.43 | 100.00 | 100.00 |

Middle and Frontline Management responses to Employee Participation in the ATO.
Spreadsheet Summary of Results.

| | | | | | | | | | | |
|--------|-------|--------|--------|--------|--------|--------|--------|--------|--------|------|
| | | | | | | | | | | |
| 25 | 25.1 | 26.1 | 26.2 | 26.3 | 27 | 28 | 29 | 30 | 31 | 32 |
| | | | | | | | | | | |
| 33 | 1 | 55 | 61 | 43 | 36 | 3 | 86 | 55 | 25 | |
| 94 | 24 | 72 | 66 | 84 | 91 | 50 | 41 | 72 | 71 | |
| | 10 | | | | | 41 | | | 20 | |
| | 21 | | | | | 33 | | | 11 | |
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| | | | | | | | | | | |
| 127 | 56 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 0 |
| | | | | | | | | | | |
| | | | | | | | | | | |
| 25.98 | 0.79 | 43.31 | 48.03 | 33.86 | 28.35 | 2.36 | 67.72 | 43.31 | 19.69 | |
| 74.02 | 18.90 | 56.69 | 51.97 | 66.14 | 71.65 | 39.37 | 32.28 | 56.69 | 55.91 | |
| | 7.87 | | | | | 32.28 | | | 15.75 | |
| | 16.54 | | | | | 25.98 | | | 8.66 | |
| | | | | | | | | | | |
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| | | | | | | | | | | |
| 100.00 | 44.09 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 0.00 |

Middle and Frontline Management responses to Employee Participation in the ATO.
Spreadsheet Summary of Results.

| | | | | | | | | | | |
|--------|--------|--------|-------|-------|--------|-------|------|-------|------|-------|
| | | | | | | | | | | |
| 33 | 34 | 35 | 35.1 | 36 | 37 | 38 | | 39 | 40 | |
| | | | | | | | | | | |
| 2 | 5 | 56 | 1 | 24 | 3 | 48 | | 13 | 4 | |
| 68 | 3 | 14 | 13 | 24 | 24 | 78 | | 44 | 19 | |
| 49 | 21 | 57 | 48 | 31 | 81 | | | | 11 | |
| 8 | 60 | | 2 | 43 | 5 | | | | | |
| | 38 | | | 4 | 14 | | | | | |
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| | | | | | | | | | | |
| 127 | 127 | 127 | 64 | 126 | 127 | 126 | 0 | 57 | 0 | 34 |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| 1.57 | 3.94 | 44.09 | 0.79 | 18.90 | 2.36 | 37.80 | | 10.24 | | 3.15 |
| 53.54 | 2.36 | 11.02 | 10.24 | 18.90 | 18.90 | 61.42 | | 34.65 | | 14.96 |
| 38.58 | 16.54 | 44.88 | 37.80 | 24.41 | 63.78 | | | | | 8.66 |
| 6.30 | 47.24 | | 1.57 | 33.86 | 3.94 | | | | | |
| | 29.92 | | | 3.15 | 11.02 | | | | | |
| | | | | | | | | | | |
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| | | | | | | | | | | |
| | | | | | | | | | | |
| 100.00 | 100.00 | 100.00 | 50.39 | 99.21 | 100.00 | 99.21 | 0.00 | 44.88 | 0.00 | 26.77 |

Middle and Frontline Management responses to Employee Participation in the ATO.
 Spreadsheet Summary of Results.

| 41 | 42.1 | 42.2 | 42.3 | 43 | 44 | 45 | | 46 | 47 | 48 |
|-------|-------|-------|-------|--------|-------|--------|------|-------|-------|--------|
| 0 | 11 | 6 | 16 | 9 | 20 | 57 | | 17 | 10 | 82 |
| 40 | 19 | 7 | 22 | 7 | 51 | 70 | | 20 | 56 | 45 |
| 75 | 41 | 27 | 45 | 68 | 55 | | | 31 | 8 | |
| 7 | 49 | 71 | 36 | 32 | | | | 6 | | |
| | 3 | 13 | 4 | 10 | | | | 0 | | |
| | | | | 1 | | | | 1 | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| 122 | 123 | 124 | 123 | 127 | 126 | 127 | 0 | 75 | 74 | 127 |
| | | | | | | | | | | |
| | | | | | | | | | | |
| 0.00 | 8.66 | 4.72 | 12.60 | 7.09 | 15.75 | 44.88 | | 13.39 | 7.87 | 64.57 |
| 31.50 | 14.96 | 5.51 | 17.32 | 5.51 | 40.16 | 55.12 | | 15.75 | 44.09 | 35.43 |
| 59.06 | 32.28 | 21.26 | 35.43 | 53.54 | 43.31 | | | 24.41 | 6.30 | |
| 5.51 | 38.58 | 55.91 | 28.35 | 25.20 | | | | 4.72 | | |
| | 2.36 | 10.24 | 3.15 | 7.87 | | | | 0.00 | | |
| | | | | 0.79 | | | | 0.79 | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| 96.06 | 96.85 | 97.64 | 96.85 | 100.00 | 99.21 | 100.00 | 0.00 | 59.06 | 58.27 | 100.00 |

**Middle and Frontline Management responses to Employee Participation in the ATO.
Spreadsheet Summary of Results.**

[illegible]

Appendix 3 - Questionnaire Results & Percentage Tables.

All figures in Percentage terms - %.

| | |
|--|--|
| 1. What is your age group ? <i>(Please tick appropriate box)</i> | (a) 18 to 24 years 0 (b) 25 to 29 years 12 (c) 30 to 34 years 20 (d) 35 to 39 years 26 (e) 40 to 44 years 24 (f) 45 to 49 years 12 (g) 50 to 54 years 7 (h) 55 to 59 years 0 (i) 60 years or over 0 |
| 2. How long have you been employed by the Australian Taxation Office? <i>(Please tick appropriate box)</i> | (a) Less than a year 2 (b) 1 to 3 years 1 (c) 4 to 6 years 8 (d) 7 to 9 years 13 (e) 10 to 15 years 39 (f) 16 to 20 years 8 (g) 21 to 25 years 13 (h) 26 to 30 years 11 (i) 31 to 35 years 5 (j) 36 or more years 2 |
| 3. What is your gender ? | <i>(Please tick appropriate box)</i> (a) Male 65 (b) Female 35 |
| 4. How long have you been a manager in the Australian Taxation Office? <i>(Please tick appropriate box)</i> | (a) Less than a year 9 (b) 1 to 2 years 17 (c) 3 to 4 years 24 (d) 5 to 10 years 31 (e) 11 to 15 years 9 (f) 16 to 20 years 7 (g) 21 to 25 years 2 (h) 26 to 30 years 1 (i) 31 to 35 years 1 (j) 36 or more years 0 |

| | | | | |
|--|----------------------|----|-----------|----|
| 5. What is the classification level of the managerial position that you currently occupy ? <i>(Please tick appropriate box)</i> | (a) SES | 1 | (f) ASO 5 | 12 |
| | (b) SOG A | 0 | (g) ASO 4 | 15 |
| | (c) SOG B | 12 | (h) ASO 3 | 1 |
| | (d) SOG C | 24 | (i) ASO 2 | 0 |
| | (e) ASO 6 | 35 | (j) ASO 1 | 0 |
| | | | (k) Other | 0 |
| | Please Specify _____ | | | |

| | | |
|--|--|----|
| 6. Please state your current managerial position | <i>(Please tick appropriate box)</i> | |
| | (a) Team Leader | 65 |
| | (b) Sectional Manager (ie Primary Audit Manager) | 28 |
| | (c) Director | 5 |
| | (d) Other - Please Specify: | |
| | _____ | 3 |
| | _____ | |

| | | |
|--|--------------------------------------|----|
| 7. As a manager, have you over the past twelve months been involved with any element of the performance management program (ie feedback / expectation statements/ appraisals or learning plans) ? 7.1. If No, Why not | <i>(Please tick appropriate box)</i> | |
| | (a) Yes | 93 |
| | (b) No | 7 |
| | _____ | |
| | _____ | |
| | _____ | |
| | _____ | |
| | _____ | |

| | | | | | | | | | | | | | | | | |
|---|--|-----|---|---|-----|---|----|-----|----------------|----|-----|--|----|-----|--|----|
| | <p><i>(Please tick appropriate box)</i></p> <table><tr><td>(a)</td><td>Never</td><td>5</td></tr><tr><td>(b)</td><td>Over 12 Months</td><td>8</td></tr><tr><td>(c)</td><td>6 to 12 Months</td><td>27</td></tr><tr><td>(d)</td><td>3 to 5 Months</td><td>16</td></tr><tr><td>(e)</td><td>Within last 3 Months</td><td>45</td></tr></table> | (a) | Never | 5 | (b) | Over 12 Months | 8 | (c) | 6 to 12 Months | 27 | (d) | 3 to 5 Months | 16 | (e) | Within last 3 Months | 45 |
| (a) | Never | 5 | | | | | | | | | | | | | | |
| (b) | Over 12 Months | 8 | | | | | | | | | | | | | | |
| (c) | 6 to 12 Months | 27 | | | | | | | | | | | | | | |
| (d) | 3 to 5 Months | 16 | | | | | | | | | | | | | | |
| (e) | Within last 3 Months | 45 | | | | | | | | | | | | | | |
| <p>8. When was the last time you undertook any activity associated with any of the performance management processes ?</p> <p>8.1. If applicable, please specify the nature of the involvement (eg giving feedback, negotiating expectation statements, etc)</p> | <hr/> <hr/> <hr/> <hr/> <hr/> | | | | | | | | | | | | | | | |
| <p>9. Which statement most accurately reflects the extent of your support for the various performance management programs within the organisation</p> | <p><i>(Please tick appropriate box)</i></p> <table><tr><td>(a)</td><td>Not at all - I oppose all aspects of the Performance management programs outlined</td><td>1</td></tr><tr><td>(b)</td><td>Do not support it, but will tolerate it as part of the manager's job;</td><td>17</td></tr><tr><td>(c)</td><td>Neutral;</td><td>3</td></tr><tr><td>(d)</td><td>Support some aspects of it, with reservations about the programs as a whole;</td><td>57</td></tr><tr><td>(e)</td><td>Strongly support all programs including its aims and objectives;</td><td>22</td></tr></table> <p><i>If you ticked boxes (c) (d) or (e) go to Question 11</i></p> | (a) | Not at all - I oppose all aspects of the Performance management programs outlined | 1 | (b) | Do not support it, but will tolerate it as part of the manager's job; | 17 | (c) | Neutral; | 3 | (d) | Support some aspects of it, with reservations about the programs as a whole; | 57 | (e) | Strongly support all programs including its aims and objectives; | 22 |
| (a) | Not at all - I oppose all aspects of the Performance management programs outlined | 1 | | | | | | | | | | | | | | |
| (b) | Do not support it, but will tolerate it as part of the manager's job; | 17 | | | | | | | | | | | | | | |
| (c) | Neutral; | 3 | | | | | | | | | | | | | | |
| (d) | Support some aspects of it, with reservations about the programs as a whole; | 57 | | | | | | | | | | | | | | |
| (e) | Strongly support all programs including its aims and objectives; | 22 | | | | | | | | | | | | | | |

| | |
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| <p>10. If you do not support performance management, please indicate which of the following statements best explains your lack of support:</p> | <p><i>(Please tick appropriate box)</i></p> <p>(a) I am opposed, in principle, to the whole idea of Performance Management processes 1</p> <p>(b) Whilst Performance management is good in theory, it achieves nothing in practice. 11</p> <p>(c) I disagree with the methods and procedures used to implement performance management in this organisation 4</p> <p>(d) Other:- <i>(Please Specify)</i></p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____ 1</p> |
| <p>11. The various Performance Management Programs all require you as a manager to involve your staff in making decisions about issues such as performance targets, training needs, and so on. Do you, as a manager, support the participation of your staff in the performance management decision making process ?</p> | <p><i>(Please tick appropriate box)</i></p> <p>(a) Yes 96</p> <p>(b) No 4</p> |

| | |
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| <p>12. On a more general level, which statement best reflects your attitude to employee participation in decisions over operational matters such as work targets, how the work will be performed, training etc ?</p> | <p><i>(Please choose one of the following statements which best reflects your view).</i></p> <p>(a) Such decisions are best left to managers and employees should not have any involvement; 0</p> <p>(b) Employees are entitled to receive information about decisions, but decisions should be made by management; 4</p> <p>(c) Managers should consult employees to ascertain their views before making decisions; 38</p> <p>(d) Managers and employees should negotiate and where possible come to a joint decision; 48</p> <p>(e) Employees should be responsible for making their own decisions within broad parameters set by senior management; 9</p> |
|--|--|

| <p>13. How much involvement do you think staff currently have in each of the following operational decisions:</p> | <p><i>Please tick appropriate box</i></p> <p>(a) No Involvement (b) Informed only (c) Consulted so employee views are known (d) Decisions made jointly by manager & staff (e) Decided solely by employee</p> | | | | |
|---|--|-----------|-----------|-----------|-----------|
| <p>13.1. setting work objectives and priorities</p> | <p>14</p> | <p>28</p> | <p>35</p> | <p>22</p> | <p>1</p> |
| <p>13.2. Team work targets</p> | <p>3</p> | <p>24</p> | <p>30</p> | <p>41</p> | <p>2</p> |
| <p>13.3. Individual work targets</p> | <p>3</p> | <p>9</p> | <p>24</p> | <p>53</p> | <p>9</p> |
| <p>13.4. employee training</p> | <p>4</p> | <p>4</p> | <p>17</p> | <p>57</p> | <p>18</p> |
| <p>13.5. determining work processes.</p> | <p>2</p> | <p>15</p> | <p>35</p> | <p>44</p> | <p>4</p> |
| <p>13.6. Other Operational decisions</p> | <p>6</p> | <p>31</p> | <p>35</p> | <p>25</p> | <p>1</p> |

| | | | | | |
|---|------------------------------------|----------------------|--|--|-----------------------------------|
| 14. How much involvement and influence would you prefer staff to have in each of the following operational decisions: | <i>Please tick appropriate box</i> | | | | |
| | (a) No Involvement | (b) Informed only | (c) Consulted so employee views are known | (d) Decisions made jointly by manager & staff | (e) Decided solely by employee |
| 14.1. setting work objectives and priorities | 2 | 9 | 39 | 49 | 2 |
| 14.2. Team work targets | 1 | 5 | 26 | 67 | 2 |
| 14.3. Individual work targets | 0 | 5 | 17 | 70 | 9 |
| 14.4. employee training | 0 | 0 | 14 | 76 | 9 |
| 14.5. determining work processes. | 1 | 2 | 27 | 68 | 2 |
| 14.6. Other Operational decisions | 1 | 6 | 36 | 55 | 1 |

| | | | | | | |
|--|------------------------------------|----------------------|--|--|-----------------------------------|---|
| 15. In undertaking any of the following performance management processes, to what extent do you involve your staff in the preparation of: | <i>Please tick appropriate box</i> | | | | | |
| | (a) No Involvement | (b) Informed only | (c) Consulted so employee views are known | (d) Decisions made jointly by manager & staff | (e) Decided solely by employee | (f) Process is not Applicable in my case |
| 15.1. Expectation Statements (for Performance Feedback and / or Appraisal purposes) | 2 | 3 | 24 | 55 | 1 | 14 |
| | 0 | 0 | 9 | 72 | 17 | 2 |
| 15.2. Learning and training plans | | | | | | |
| 15.3. Any other Performance management requirements (eg managing under performance) | 4 | 3 | 27 | 52 | 1 | 13 |

| | | | | | | |
|---|--------------------------------------|---------|----------|-----------|-----------|---------|
| 16. Over the last month how much time have you dedicated to each of the following participative processes ? | <i>(Please tick appropriate box)</i> | | | | | |
| | (a) | (b) | (c) | (d) | (e) | (f) |
| | 0 Hrs | 1-5 Hrs | 6-10 Hrs | 11-15 Hrs | 16-20 Hrs | >20 Hrs |
| 16.1. holding team briefings to furnish information relevant to operational matters; | 4 | 60 | 27 | 7 | 2 | 1 |
| 16.2. provide information relevant to operational decisions to staff on an individual basis; | 7 | 65 | 20 | 6 | 0 | 2 |
| 16.3. consult staff to ascertain their views on operational decisions; | 9 | 58 | 25 | 6 | 1 | 1 |
| 16.4. negotiate any performance or operational decisions with staff with a view to coming to a joint agreement; | 22 | 56 | 17 | 3 | 1 | 1 |
| 16.5. any other participative process or technique. | 22 | 57 | 18 | 2 | 0 | 1 |

| | |
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| <p>17. Is the amount of time spent on the participative process as indicated in your answer to Question 16 typical for most months ?</p> <p>17.1. Are the amounts stated above unusually high or low ?</p> <p>17.2. Can you briefly state the reasons for this discrepancy ?</p> <p>17.3. What is the usual average amount of time spent on the participative process per month ?</p> | <p><i>(Please tick appropriate box)</i></p> <p>(a) Yes 84</p> <p>(b) No 16</p> <p><i>If ticked YES go to Question 18.</i></p> <p>(a) Unusually High 5</p> <p>(b) Unusually Low 13</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____ Hours.</p> |
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| <p>18. As a manager, to what extent are you "caught in the middle" of the competing demands and responsibilities placed on you ?</p> | <p><i>(Please tick appropriate box)</i></p> <p>(a) Never 2</p> <p>(b) Rarely 5</p> <p>(c) Sometimes 25</p> <p>(d) Often 39</p> <p>(e) Very Frequently 20</p> <p>(f) All the time 9</p> |
|--|--|

| | | |
|---|--------------------------------------|----|
| 19. Are you "caught in the middle" in any other way ? | <i>(Please tick appropriate box)</i> | |
| | (a) Yes | 24 |
| | (b) No | 75 |
| If Yes, Please explain ? | | |
| | | |
| | | |
| | | |
| | | |
| | | |

| 20. To what extent do you agree with each of the following statements: | <i>(Please tick appropriate box)</i> | | | | |
|--|--------------------------------------|-----------------|----------------|--------------|-----------------------|
| | (a) Strongly Disagree | (b) Disagree | (c) Neutral | (d) Agree | (e) Strongly Agree |
| 20.1. Staff have too much say in determining performance outcomes. | 10 | 61 | 20 | 7 | 1 |
| 20.2. senior management retain too much influence in determining performance outcomes at the workplace level | 1 | 20 | 23 | 46 | 10 |
| 20.3. Employee involvement in performance management processes will lead to a loss of managerial power in the workplace | 9 | 64 | 15 | 13 | 0 |
| 20.4. Employee involvement in performance management processes hinders my ability, as a manager, to make decisions | 9 | 69 | 15 | 11 | 1 |
| 20.5. Employee involvement in performance management processes hinders my responsibility, as a manager, to ensure staff meet performance targets and standards | 7 | 72 | 11 | 8 | 0 |
| 20.6. As a manager, I have too little say in determining performance requirements of my staff? | 9 | 62 | 13 | 13 | 2 |

| | | | | | | | | | | | | | |
|---|---|--|----|--|----|--|----|--|----|---------------------|---|------------------|---|
| <p>21. Do you ever feel that you are "caught in the middle" because you lack the power to meet the demands and obligations placed upon you as a manager ?</p> | <p><i>(Please tick appropriate box)</i></p> <table> <tr> <td>(a) Never</td><td>8</td></tr> <tr> <td>(b) Rarely</td><td>15</td></tr> <tr> <td>(c) Sometimes</td><td>57</td></tr> <tr> <td>(d) Often</td><td>16</td></tr> <tr> <td>(e) Very Frequently</td><td>3</td></tr> <tr> <td>(f) All the time</td><td>2</td></tr> </table> | (a) Never | 8 | (b) Rarely | 15 | (c) Sometimes | 57 | (d) Often | 16 | (e) Very Frequently | 3 | (f) All the time | 2 |
| (a) Never | 8 | | | | | | | | | | | | |
| (b) Rarely | 15 | | | | | | | | | | | | |
| (c) Sometimes | 57 | | | | | | | | | | | | |
| (d) Often | 16 | | | | | | | | | | | | |
| (e) Very Frequently | 3 | | | | | | | | | | | | |
| (f) All the time | 2 | | | | | | | | | | | | |
| <p>22. Where a participatory approach in performance management reduces the level of your power and control in the workplace, how would this affect your willingness to adopt such a management style ?</p> | <p><i>(Please tick appropriate box)</i></p> <table> <tr> <td>(a) I would be strongly opposed to a participatory approach.</td><td>2</td></tr> <tr> <td>(b) I would be less inclined to adopt a participatory approach</td><td>22</td></tr> <tr> <td>(c) I would be willing to adopt a participatory approach</td><td>61</td></tr> <tr> <td>(d) I would strongly support and definitely adopt a participatory approach</td><td>14</td></tr> </table> | (a) I would be strongly opposed to a participatory approach. | 2 | (b) I would be less inclined to adopt a participatory approach | 22 | (c) I would be willing to adopt a participatory approach | 61 | (d) I would strongly support and definitely adopt a participatory approach | 14 | | | | |
| (a) I would be strongly opposed to a participatory approach. | 2 | | | | | | | | | | | | |
| (b) I would be less inclined to adopt a participatory approach | 22 | | | | | | | | | | | | |
| (c) I would be willing to adopt a participatory approach | 61 | | | | | | | | | | | | |
| (d) I would strongly support and definitely adopt a participatory approach | 14 | | | | | | | | | | | | |
| <p>23. To what extent do you agree that there is a conflict between the need to maximise efficiency in the workplace and the need to involve employees in decision making processes ?</p> | <p><i>(Please tick appropriate box)</i></p> <table> <tr> <td>(a) Strongly Disagree</td><td>4</td></tr> <tr> <td>(b) Disagree</td><td>33</td></tr> <tr> <td>(c) Neutral</td><td>19</td></tr> <tr> <td>(d) Agree</td><td>36</td></tr> <tr> <td>(e) Strongly Agree</td><td>8</td></tr> </table> | (a) Strongly Disagree | 4 | (b) Disagree | 33 | (c) Neutral | 19 | (d) Agree | 36 | (e) Strongly Agree | 8 | | |
| (a) Strongly Disagree | 4 | | | | | | | | | | | | |
| (b) Disagree | 33 | | | | | | | | | | | | |
| (c) Neutral | 19 | | | | | | | | | | | | |
| (d) Agree | 36 | | | | | | | | | | | | |
| (e) Strongly Agree | 8 | | | | | | | | | | | | |
| <p>24. Do you believe that employee involvement in performance management hinders your ability to adopt the most efficient and effective approach to getting the job done ?</p> | <p><i>(Please tick appropriate box)</i></p> <table> <tr> <td>(a) Strongly Disagree</td><td>11</td></tr> <tr> <td>(b) Disagree</td><td>53</td></tr> <tr> <td>(c) Neutral</td><td>21</td></tr> <tr> <td>(d) Agree</td><td>13</td></tr> <tr> <td>(e) Strongly Agree</td><td>2</td></tr> </table> | (a) Strongly Disagree | 11 | (b) Disagree | 53 | (c) Neutral | 21 | (d) Agree | 13 | (e) Strongly Agree | 2 | | |
| (a) Strongly Disagree | 11 | | | | | | | | | | | | |
| (b) Disagree | 53 | | | | | | | | | | | | |
| (c) Neutral | 21 | | | | | | | | | | | | |
| (d) Agree | 13 | | | | | | | | | | | | |
| (e) Strongly Agree | 2 | | | | | | | | | | | | |

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| <p>25. Does the need to be efficient affect your willingness to adopt a participatory approach in respect of performance management processes ?</p> | <p><i>(Please tick appropriate box)</i></p> <p>(a) Yes 26</p> <p>(b) No 74</p> <p><i>(If No, please go to Question 26)</i></p> |
| <p>25.1. Which of the following statements best reflects your attitude towards adopting a participatory approach ?</p> | <p>(a) Where efficiency is an issue, I will not adopt a participatory approach: 1</p> <p>(b) Where efficiency is an issue, I would be less willing to adopt a participatory approach: 19</p> <p>(c) I am willing to adopt a participatory approach, irrespective of efficiency considerations: 8</p> <p>(d) I strongly support employee involvement as contributing to organisational efficiency and am willing to adopt a participatory approach at all times: 17</p> |

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| <p>26. Do you agree with the statement that employee involvement in performance management is an additional burden to the manager's workload in terms of the following:</p> <p>26.1. time spent with staff facilitating the participative process</p> <p>26.2. increased administration and paperwork</p> <p>26.3. the need to focus on individual performance</p> | <p><i>(Please tick appropriate box)</i></p> <p>(a) Yes 43</p> <p>(b) No 57</p> <p>(a) Yes 48</p> <p>(b) No 52</p> <p>(a) Yes 34</p> <p>(b) No 66</p> |
| <p>27. Do you believe that employee involvement in the various performance management processes, are too complex to manage ?</p> | <p><i>(Please tick appropriate box)</i></p> <p>(a) Yes 28</p> <p>(b) No 72</p> |

| | |
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| <p>28. To what extent does the complexity, and additional workloads associated with employee involvement in the various performance management schemes affect your willingness to involve staff in operational decisions about performance management issues (ie targets, workloads etc) ?</p> | <p><i>(Please choose the statement which best reflects your view)</i></p> <p>(a) Where employee involvement in a scheme is too complex or time consuming, I will not adopt a participatory approach: 2</p> <p>(b) Where employee involvement in a scheme is too complex or time consuming, I would be less willing to adopt a participatory approach 39</p> <p>(c) I am willing to adopt a participatory approach, irrespective of complexity or workload considerations: 32</p> <p>(d) I strongly support employee involvement as a means of overcoming complexity or workload problems and will adopt a participatory approach at all times: 26</p> |
|--|---|

| | |
|--|--|
| <p>29. Do you believe that this organisation supports a process of employee involvement within the various performance management schemes?</p> | <p><i>(Please tick appropriate box)</i></p> <p>(a) Yes 68</p> <p>(b) No 32</p> |
| <p>30. Do you believe that senior management in this organisation support a process of employee involvement within the various performance management schemes?</p> | <p><i>(Please tick appropriate box)</i></p> <p>(a) Yes 43</p> <p>(b) No 57</p> |
| <p>31. What level of support does your immediate manager offer you in the process of employee involvement in the various performance management schemes ?</p> | <p><i>(Please tick appropriate box)</i></p> <p>(a) Strong support 20</p> <p>(b) Adequate support 56</p> <p>(c) Inadequate support 16</p> <p>(d) No support 9</p> |

| | | | | | | | | | | | |
|---|---|--|---|--|----|--|----|---|----|--|----|
| <p>32. Can you list 3 types of support the organisation provide for managers to adopt employee participation in the implementation of the performance management program ? (eg mentoring)</p> | <p>1. _____</p> <p>2. _____</p> <p>3. _____</p> | | | | | | | | | | |
| <p>33. To what extent are you satisfied with the level of organisational support, such as training, resources, etc, offered to you as a manager, as you seek to involve employees in the performance management decision making ?</p> | <p><i>(Please tick appropriate box)</i></p> <table> <tr> <td>(a) Strong support</td><td>2</td></tr> <tr> <td>(b) Adequate support</td><td>54</td></tr> <tr> <td>(c) Inadequate support</td><td>39</td></tr> <tr> <td>(d) No support</td><td>6</td></tr> </table> | (a) Strong support | 2 | (b) Adequate support | 54 | (c) Inadequate support | 39 | (d) No support | 6 | | |
| (a) Strong support | 2 | | | | | | | | | | |
| (b) Adequate support | 54 | | | | | | | | | | |
| (c) Inadequate support | 39 | | | | | | | | | | |
| (d) No support | 6 | | | | | | | | | | |
| <p>34. How does the support provided by the organisation affect your willingness to involve staff in performance management decision making ?</p> | <p><i>(Please choose one of the following statements which best reflects your view).</i></p> <table> <tr> <td>(a) Irrespective of the level of support, I will not adopt a participatory approach:</td><td>4</td></tr> <tr> <td>(b) As the level support is inadequate, I will not adopt a participatory approach:</td><td>2</td></tr> <tr> <td>(c) As the level support is inadequate, I am less willing to adopt a participatory approach:</td><td>17</td></tr> <tr> <td>(d) Given an adequate level of support, I am willing to adopt a participatory approach:</td><td>47</td></tr> <tr> <td>(e) I strongly support employee involvement and will adopt a participatory approach at all times, irrespective of the level of support provided:</td><td>30</td></tr> </table> | (a) Irrespective of the level of support, I will not adopt a participatory approach: | 4 | (b) As the level support is inadequate, I will not adopt a participatory approach: | 2 | (c) As the level support is inadequate, I am less willing to adopt a participatory approach: | 17 | (d) Given an adequate level of support, I am willing to adopt a participatory approach: | 47 | (e) I strongly support employee involvement and will adopt a participatory approach at all times, irrespective of the level of support provided: | 30 |
| (a) Irrespective of the level of support, I will not adopt a participatory approach: | 4 | | | | | | | | | | |
| (b) As the level support is inadequate, I will not adopt a participatory approach: | 2 | | | | | | | | | | |
| (c) As the level support is inadequate, I am less willing to adopt a participatory approach: | 17 | | | | | | | | | | |
| (d) Given an adequate level of support, I am willing to adopt a participatory approach: | 47 | | | | | | | | | | |
| (e) I strongly support employee involvement and will adopt a participatory approach at all times, irrespective of the level of support provided: | 30 | | | | | | | | | | |

| | | | | | | | | | | | |
|--|---|---|----|--|----|---|----|---|----|--|----|
| <p>35. Do you believe that there is a commonly held view amongst other managers in your workplace (your peers) as to the level of support for employee involvement in performance management schemes ?</p> | <p><i>(Please tick appropriate box)</i></p> <table> <tr> <td>(a) Yes</td><td>44</td></tr> <tr> <td>(b) No</td><td>11</td></tr> <tr> <td>(c) Don't Know</td><td>45</td></tr> </table> <p><i>(If 'Yes' go to question 35.1., If 'No' or 'Don't know' go to question 36.)</i></p> <p><i>(Please tick appropriate box)</i></p> | (a) Yes | 44 | (b) No | 11 | (c) Don't Know | 45 | | | | |
| (a) Yes | 44 | | | | | | | | | | |
| (b) No | 11 | | | | | | | | | | |
| (c) Don't Know | 45 | | | | | | | | | | |
| <p>35.1. To what extent do you believe that other managers in your workplace (your peers) are supportive of employee involvement in Performance management schemes ?</p> | <table> <tr> <td>(a) Strongly Opposed</td><td>1</td></tr> <tr> <td>(b) Not Supportive</td><td>10</td></tr> <tr> <td>(c) Supportive</td><td>38</td></tr> <tr> <td>(d) Strongly Supportive</td><td>2</td></tr> </table> | (a) Strongly Opposed | 1 | (b) Not Supportive | 10 | (c) Supportive | 38 | (d) Strongly Supportive | 2 | | |
| (a) Strongly Opposed | 1 | | | | | | | | | | |
| (b) Not Supportive | 10 | | | | | | | | | | |
| (c) Supportive | 38 | | | | | | | | | | |
| (d) Strongly Supportive | 2 | | | | | | | | | | |
| <p>36. To what extent do you consider the views of your peers on this issue to be an important influence on your views and actions ?</p> | <p><i>(Please tick appropriate box)</i></p> <table> <tr> <td>(a) Not important at all</td><td>19</td></tr> <tr> <td>(b) Not very important</td><td>19</td></tr> <tr> <td>(c) Neutral</td><td>24</td></tr> <tr> <td>(d) Of some importance</td><td>34</td></tr> <tr> <td>(e) Strongly important</td><td>3</td></tr> </table> | (a) Not important at all | 19 | (b) Not very important | 19 | (c) Neutral | 24 | (d) Of some importance | 34 | (e) Strongly important | 3 |
| (a) Not important at all | 19 | | | | | | | | | | |
| (b) Not very important | 19 | | | | | | | | | | |
| (c) Neutral | 24 | | | | | | | | | | |
| (d) Of some importance | 34 | | | | | | | | | | |
| (e) Strongly important | 3 | | | | | | | | | | |
| <p>37. If your fellow managers were strongly opposed to employee involvement in performance management decisions, which of the following statements best reflects your response:</p> | <p><i>(Please choose one of the following statement which best reflects your view)</i></p> <table> <tr> <td>(a) I would oppose it, and not adopt a participatory approach</td><td>2</td></tr> <tr> <td>(b) I would be less inclined to adopt a participatory approach</td><td>19</td></tr> <tr> <td>(c) I would still be prepared to adopt a participatory approach</td><td>64</td></tr> <tr> <td>(d) I would be slightly more inclined to adopt a participatory approach</td><td>4</td></tr> <tr> <td>(e) I would be more firmly committed to the idea of employee involvement and definitely more inclined adopt a participatory approach</td><td>11</td></tr> </table> | (a) I would oppose it, and not adopt a participatory approach | 2 | (b) I would be less inclined to adopt a participatory approach | 19 | (c) I would still be prepared to adopt a participatory approach | 64 | (d) I would be slightly more inclined to adopt a participatory approach | 4 | (e) I would be more firmly committed to the idea of employee involvement and definitely more inclined adopt a participatory approach | 11 |
| (a) I would oppose it, and not adopt a participatory approach | 2 | | | | | | | | | | |
| (b) I would be less inclined to adopt a participatory approach | 19 | | | | | | | | | | |
| (c) I would still be prepared to adopt a participatory approach | 64 | | | | | | | | | | |
| (d) I would be slightly more inclined to adopt a participatory approach | 4 | | | | | | | | | | |
| (e) I would be more firmly committed to the idea of employee involvement and definitely more inclined adopt a participatory approach | 11 | | | | | | | | | | |

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| <p>38. Are local HRM and /or Industrial Relations (IR) specialists involved in promoting employee involvement in performance management schemes ?</p> | <p><i>(Please tick appropriate box)</i></p> <table border="0"><tr><td>(a) Yes</td><td>38</td></tr><tr><td>(b) No</td><td>61</td></tr></table> <p><i>(If answered 'No' go to question 41)</i></p> <p>If you answered 'Yes', briefly describe the role played by these HRM / IR specialists</p> <div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div> | (a) Yes | 38 | (b) No | 61 |
| (a) Yes | 38 | | | | |
| (b) No | 61 | | | | |
| <p>39. Does the role played by these HRM and / or IR specialists in the promotion of employee involvement in performance management schemes, contribute to you feeling caught in the middle ?</p> | <p><i>(Please tick appropriate box)</i></p> <table border="0"><tr><td>((a) Yes</td><td>10</td></tr><tr><td>(b) No</td><td>35</td></tr></table> <p><i>(If you ticked (b) go to Question 41)</i></p> <p>If you answered yes can you briefly state how ?</p> <div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div> | ((a) Yes | 10 | (b) No | 35 |
| ((a) Yes | 10 | | | | |
| (b) No | 35 | | | | |

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| <p>40. How does the role played by these HRM and / or IR specialists influence your willingness to implement employee involvement in performance management schemes ?</p> | <p><i>(Please choose one of the following which best reflects your view)</i></p> <p>(a) I am less willing to implement employee involvement processes as a result of the role played by HRM and / or IR specialists: 3</p> <p>(b) the role played by HRM and / or IR specialists has no effect on my willingness to implement employee involvement processes: 15</p> <p>(c) I am more willing to implement employee involvement processes as a result of the role played by HRM and / or IR specialists: 9</p> |
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| <p>41. What level of support do you perceive your staff giving the performance management processes ?</p> | <p><i>(Please tick appropriate box)</i></p> <p>(a) Strongly Opposed 0</p> <p>(b) Not Supportive 31</p> <p>(c) Supportive 59</p> <p>(d) Strongly Supportive 6</p> |
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| <p>42. For each of the following performance management processes, indicate the level of staff support for employee involvement that you believe exists:</p> | <p><i>Please tick appropriate box</i></p> | | | | |
| | (a) No Involvement | (b) Informed only | (c) Consulted so employee views are known | (d) Decisions made jointly by manager & staff | (e) Decided solely by employee |
| 42.1. Expectation Statements (for Performance Feedback and / or Appraisal purposes) | 9 | 15 | 32 | 39 | 2 |
| 42.2. Learning and training plans | 5 | 6 | 21 | 56 | 10 |
| 42.3. Any other Performance management requirements (eg managing under performance) | 13 | 17 | 35 | 28 | 3 |

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| <p>43. As a result of your managerial involvement in performance management schemes, do you at any time feel caught in the middle of the directives of senior management and the views of your staff on this issue ?</p> | <p><i>(Please tick appropriate box)</i></p> <p>(a) No 7</p> <p>(b) Rarely 6</p> <p>(c) Sometimes 54</p> <p>(d) Often 25</p> <p>(e) Very Frequently 8</p> <p>(f) All the time 1</p> |
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| <p>44. Which statement best reflects the impact of staff views on this issue on your willingness to adopt a participatory approach and involve employees in performance related decisions ?</p> | <p><i>(Please choose one statement which best reflects your view)</i></p> <p>(a) I am less willing to implement employee involvement processes as a result of the views of my staff: 16</p> <p>(b) the views of my staff have no effect on my willingness to implement employee involvement processes:40</p> <p>(c) I am more willing to implement employee involvement processes as a result of the views of my staff: 43</p> |
| <p>45. Do you believe that the unions (at any level, eg national, branch or workplace) currently play a role in performance management schemes</p> | <p><i>(Please tick appropriate box)</i></p> <p>(a) Yes 45</p> <p>(b) No 55</p> <p><i>(If you ticked (b) go to question 48)</i></p> <p>If yes to above, can you briefly indicate the nature of the role played by the unions?</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> |
| <p>46. As a result of your managerial involvement in performance management schemes, have you at any time been caught in the middle of your performance management responsibilities and the actions and views of the unions on this issue ?</p> | <p><i>(Please tick appropriate box)</i></p> <p>(a) No 13</p> <p>(b) Rarely 16</p> <p>(c) Sometimes 24</p> <p>(d) Often 5</p> <p>(e) Very Frequently 0</p> <p>(f) All the time 1</p> |

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| <p>47. To what extent does the role played by the unions influence your willingness to encourage employee involvement in performance related decisions?</p> | <p><i>((Please choose one of the following which best reflects your view))</i></p> <p>(a) I am less willing to implement employee involvement processes as a result of the role played by the unions: 8</p> <p>(b) The role played by the unions has no effect on my willingness to implement employee involvement processes: 44</p> <p>(c) I am more willing to implement employee involvement processes as a result of the role played by the unions 6</p> |
| <p>48. Do you believe that the unions (at any level, eg national, branch or workplace) should play a role in performance management schemes</p> | <p><i>(Please tick appropriate box)</i></p> <p>(a) Yes 65</p> <p>(b) No 35</p> <p>If yes, briefly indicate what that role should be ?</p> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> |

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