

DIRECTING DEMOCRACY: THE CASE OF THE JOHN LEWIS PARTNERSHIP

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by

Abigail Cathcart

BA (Hons) (Newcastle), MSc (Dist) (Northumbria)

School of Management
University of Leicester

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ABSTRACT

Directing Democracy: The Case of the John Lewis Partnership

Abigail Cathcart

The John Lewis Partnership was founded in 1929 as an “experiment in industrial democracy” (Lewis, 1948). This thesis explores the meaning of democracy in the Partnership and examines the wider implications of the case. It argues that democracy in work should be viewed as something which is intrinsically valuable because of its connection to furthering justice, equality, freedom and the rights and interests of all workers.

The thesis makes three main contributions. Firstly, the production of a historically situated exploration of democratic participation in the John Lewis Partnership – the largest co-owned business in the UK. Secondly, an analysis of power relations in the organisation and an examination of the ways in which disciplinary power and regimes of truth both constrain democratic practice and offer the potential for resistance and challenge. Thirdly, the thesis challenges critics of the Partnership who have dismissed it as a form of “pseudo democracy” (Pateman, 1970: 73) and “suffocatingly paternalistic” (Ramsay, 1980: 52).

Despite the constant threat of degeneration and dilution of the value framework laid down by the founder, the Partnership’s continued commitment to democratic participation provides an important contribution to our understanding of co-ownership and democratically organised forms of work. The analysis shows that management have attempted to direct and define democracy in a highly constrained way, assigning it an instrumental purpose, and privileging the ‘business case’ for democratic engagement. However, the study emphasises that the meaning of democracy is heavily contested and fraught with contradictions and paradoxes. This creates a space in which understandings of equality, solidarity and democracy are debated by the 69,000 employees who are co-owners of the business.

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I would like to thank my parents for teaching me to question pretty much everything and for being such a positive and important part of my life. Finally, my partner Bill and my beautiful son Joe have coped with my absences and distracted presence, and given me perspective and a great deal of joy, I am deeply grateful.

CHAPTER 1: INTRODUCTION

This thesis starts from the premise that work can and should be organised around principles of equality, solidarity and democracy. For many people work is boring, oppressive, unjust, inequitable, alienating, divisive and poorly recompensed. This sense of powerlessness in work has become normalised in our society and I believe should be challenged. This thesis argues that there are alternatives to the dominant organisational forms in the United Kingdom, forms which involve hierarchical control, the separation of workers and management, inequality of reward, and the privileging of profit over all other interests. One such alternative is Organisational Democracy (OD), a form of organising work based on the principle of the democratic right of workers to extend control over decision-making. The John Lewis Partnership is one of the largest retailers in the UK, and it claims to organise work on the basis of the sharing of gain, knowledge and power (Lewis, 1948).

The purpose of this thesis is to explore what is meant by democracy in the John Lewis Partnership and to examine the wider implications for organising work. In order to achieve this, I explore alternative models of work and the development of concepts of Industrial Democracy (ID), Participation, Employee Involvement (EI) and Voice. Power relations in the Partnership are addressed through an analysis of organisational practices, structures, and claims. Union membership in the Partnership is very low and there are extensive non-union representative structures in place in the organisation. There is limited research into non-union representation (Bacon, 2006; Dundon and Gollan, 2007) and the thesis seeks to address this research gap by examining the alternatives to union voice in the Partnership.

In this chapter I introduce the John Lewis Partnership and outline the background to the research and the reasons why it is a subject worthy of exploration. I then present the research questions and provide a brief synopsis of each chapter.

BACKGROUND AND RESEARCH GAP

The John Lewis Partnership (JLP) was created in 1929 when John Spedan Lewis (JSL) signed an irrevocable settlement in trust which meant that the business which his father started in 1864 would be given to the workers “present and prospective” (Lewis, 1948: 64). He wrote a Constitution for the Partnership which set out his vision of a co-owned business based on the principle of sharing knowledge, gain and power (John Lewis Partnership, 1953: 5). JSL described the Partnership as an experiment in industrial democracy and explained that it was:

“...an attempt so to organise and conduct a business that all the advantages whatsoever of owning it shall be shared as fairly as possible by all who are working in it.” (Lewis, 1948: v)

Today the Partnership operates 27 department stores and 130 Waitrose supermarkets in the UK; it employs over 69,000 Partners and has a turnover in excess of £6.9billion (www.johnlewispartnership.co.uk). The company appears to be widely admired, it has been voted “Britain’s favourite shop” for the last four years (Which? Retailer Awards 2009) and has been regularly praised in the media for out-performing its more traditionally governed competitors (Bevan, 2006; Blackhurst, 2005; Finch, 2002; Mathiason, 2006; Rigby, 1998). The British media frequently claim that it is the Partnership’s co-ownership structure which makes it so successful (Baker, 2000; Hall, 2008; Laurance, 1999). Politicians appear to be equally impressed and in 2009 both the Labour and Conservative Parties proposed that a John Lewis-style Partnership model would have benefits in health and education (Stratton, 2009).

The Constitution continues to play a fundamental role in the governance of the Partnership; all employees are co-owners of the business and share knowledge, gain and power. A number of powerful democratic bodies exist to enable Partners to make decisions and to hold management accountable. The Partnership is the only UK retailer with a non-contributory final salary pension scheme, five holiday centres where Partners can have subsidised vacations, an extensive programme of highly discounted arts and music events, a welfare system offering loans and hardship grants, and an

employee in each store whose sole job is to plan social activities for retired Partners. This is a very unusual business. In the section below I briefly outline the position of the Partnership in 2005 at the start of my research project.

The John Lewis Partnership in 2005

In the year 2005 by most standard business performance indicators the JLP was doing very well. It had reached its 75th anniversary, sales were £5.3 billion, profits had increased by 24% to £187 million and the Partnership bonus (the annual profit share) was at 14% of Partners' pay (John Lewis Partnership Annual Report, 2005: 4). However, despite the financial success the senior management were concerned that the democratic structures were failing and that Partners did not value them or perceive them as effective.

In 2003 the Partnership had introduced a Partner Opinion Survey soliciting feedback from Partners on subjects as varied as their contentment with pay rates through to their views on the democratic structures. The Chairman, Sir Stuart Hampson, noted that one of the worst scoring areas in the survey was the response to the statement "Our democratic bodies are effective" (Hampson, 2004). This finding prompted what became known as the democracy project, the largest review of democratic structures in the Partnership since its formation in 1929.

In August 2005, three department stores were invited to take part in a trial investigating alternative democratic structures based on the findings of the survey data. They were informed that the survey had indicated "a high level of disinterest in the whole democratic piece" (Hampson, 2005: 2) and were challenged to devise new democratic structures that would secure greater engagement from Partners. Over the next eight chapters I explore the impact of the 'democracy project', the changing meaning of Organisational Democracy within the Partnership, and the wider implications of the experiment.

Despite its commercial success and participatory organisational form, very little has been written about the Partnership over the last twenty years. It is true that there is

limited detailed analysis of managerial practice within department stores per se (Jeacle, 2004: 1171), but the sheer scale of the Partnership, its leading position in UK retail, and its explicit commitment to participation makes it all the more astonishing that it has not attracted more interest. There are many small-scale examples of worker-control and OD but few systematic studies of large scale enterprises, with the exception of the Mondragon Corporacion in Spain (Rothschild-Whitt and Lindenfeld, 1982: 9). This thesis seeks to fill some of the research gap by providing an in-depth analysis of the largest co-owned business in the UK.

Some of the researchers who have written about the Partnership have accused the firm of operating a form of pseudo-democracy (Flanders *et al.*, 1968; Pateman, 1970; Ramsay, 1980; 1984) which does little to address the inequalities of power which flow from hierarchical organisation. Others have focused on the business case for OD (see for example: Cloke and Goldsmith, 2002; Forcadell, 2005; Godard, 2001; Gratton, 2004). My interest in the John Lewis Partnership stems from the belief that democratic forms of organising are a morally desirable end in themselves (De Graaf and Herkstroter, 2007; Johnson, 2006). I believe that OD is simply too important to be thought of in a purely instrumental way, but should be considered intrinsically valuable and an opportunity to avoid exploitation and degradation through work.

The Partnership has been described as “a middle-class, non-exploitative institution, like Radio 4 or the National Trust” (Blackhurst, 2005: 48), a “workers’ paradise” (Strummer and Lacey, 2001) and the “blueprint of a perfect world, where everyone is decent and fair.” (BBC Modern Times, 1995). More recently the Partnership has been criticised for “sharp” business practices (Fletcher, 2007: 7) after selling one of its textile manufacturing factories to a company which subsequently went into administration (Craven, 2009a). The purpose of my research was to explore the meaning of democracy within the Partnership by examining the practices associated with it, the claims made about it, and the consequences for the participants. Thus, my primary research question was to explore what was meant by Organisational Democracy in the Partnership. In addition I sought to “speak to larger issues” (Kunda, 1992: 23) by reflecting on the wider implications of the experiment in what the founder termed “Industrial Democracy” (Lewis, 1948) at the heart of the John Lewis Partnership.

CHAPTER OUTLINE

Chapter one outlines the research questions and introduces the John Lewis Partnership and its position in 2005 when the formal data collection began. I end with a brief synopsis of each chapter.

Chapter two explores the literature on Organisational Democracy, Employee Involvement and Participation, in order to locate the Partnership within a wider conceptual and theoretical framework. I start with a critical review of the literature on industrial democracy, employee involvement and 'voice' in the workplace. I examine dominant themes and frameworks, explore changes in fashions and research interests, and provide a commentary on the conceptual confusion surrounding the subject. The second section considers the aims of OD and used a typology developed by Dachler and Wilpert (1978) to examine the purported values and assumptions which underpin practice. Following Ramsay (1980), both the historical development of conceptions of ID and participation, and an account of power is considered in order to elaborate key concepts.

The chapter works towards a definition of the core concepts, and outlines the way in which the terms will be used in this thesis. I argue my preference for the concept of Organisational Democracy over the more unitarist concepts of voice and use the term 'participation' as an umbrella term to indicate the subject as a whole and incorporating a range of concepts from employee involvement through to industrial democracy. Finally, I contrast the Marxist view of power with Foucault's writing on power and subjectivity and explore the way in which power relations create a context for the literature on industrial democracy. I end the chapter by explaining the way in which the concept of power will be used in my analysis.

In chapter three I outline my research strategy and methods used, recording the strengths and weaknesses inherent in the techniques that were adopted and reflecting briefly on the implications of my methodology and my regrets about the time I spent in

the Partnership. I then introduce the data itself, and explain the presentation of the material in the following chapters.

Chapter four provides a history of the Partnership, drawing heavily on a founder-centred narrative using the books written by John Spedan Lewis in 1948 and 1954. These texts are treated as cultural artifacts which are used to construct a particular reading of the history of the formation of John Lewis and Co. and the influences on John Spedan Lewis which he claims led to the development of the Partnership structure. The intention is to set my contemporary analysis of the organisation in its historical context and to examine the principles and objectives of the Partnership at its inception. I then explore the key governance structures within the Partnership, including the Central Board, Partnership Council, the 'Critical Side' and Branch level democracy. The chapter ends with a critical summary and concludes that the contradictions and tensions that were inherent in the writing of the founder (Lewis, 1948; 1954) are still the site of contention in the organisation today.

Chapter five explores alternative models of organising work. My focus is on organisations which contain elements of employee-ownership, or elements of democratic control within the organisation structure. Although philanthropy and an interest in 'humane management' underpin the development of the John Lewis Partnership, this chapter does not explore case studies of companies that were founded by people who were simply philanthropists or benevolent owners. Instead, my focus is on organisations where methods of organising were based on democratic or co-ownership models. I provide two detailed accounts of organisations with a particular emphasis on democratic forms of organising: *The Scott Bader Commonwealth*; and the *Mondragon Corporación Cooperativa*. I explain the choice of these organisations in terms of their principles, history and structures and explore the differences between the two cases and my primary object of study.

In chapter six I give an account of democracy in the Partnership as enacted through three key democratic structures: the Partnership Council; the Divisional Council; and the Branch Council. In addition, I introduce 'Northern Branch', the site of my most intensive empirical work and an opportunity to explore democracy at grass-roots level

within the Partnership. These accounts are presented with little commentary and analysis, instead there is an opportunity to reflect on the story itself, before moving to my analysis of the implications in chapter 8. This method was selected in order to emphasise the context and traditions of democratic structures within the Partnership, and their importance in understanding what is meant by democracy by its participants.

In **chapter seven** I outline the 'Democracy Project' which was launched by the John Lewis Partnership in 2004. Like the previous chapter, the intent is to tell the story of the project rather than cloud the narrative with analysis and interpretation at this point. The Democracy Project was a particularly important aspect of my study of the Partnership because while I sought to understand what was meant by democracy in the organisation, the Partnership was reflecting on a similar question. The first section explores the Partner opinion survey which was introduced in 2003 and directly led to a decision to explore alternative models of democratic practice. The second section introduces the democracy project, outlining the principles behind the proposals for alternative democratic structures, the research that was conducted during the trials, and the Branches that were chosen to participate. Section three returns to Northern Branch and narrates how the democracy project evolved over a 12 month period. This section tells the story of key debates at department and Branch level and explores how democracy was understood and practiced by Partners. The chapter concludes with an outline of the decisions that were made by the Partnership at the end of their experimentation with democratic structures.

Chapter eight is the main analysis chapter and explores the meaning of democracy in the Partnership. I focus explicitly on "paradoxes, ambiguities and tensions" involved in governance (Cornforth, 2004:21) and use Foucault's conception of power to analyse the discourse of democracy and the relationship between power and knowledge (see for example Foucault, 1977a; 1980a; 1980b; 1982).

Section one of the chapter focuses on the struggle to direct the democracy in the Partnership, and the way in which democratic structures were used by management to pursue a highly constrained form of democratic engagement. Section two explores the tension between the Partners and the Partnership, arguing that there are a series of

contradictions and paradoxes of participation whereby Partners were called upon to prioritise the interests of Partnership over their own interests and where democratically elected representatives experience a crisis of identity which distances them from their peers. Section three focuses on the uniqueness of the business model, and the tension between the claims to be different, at the same time as claiming that the market requires businesses to all be the same.

In **chapter nine**, my final chapter, I review the central arguments that I have made in my thesis and consider their theoretical and practical implications. I begin by summarising the key contributions of the thesis and exploring the relationship between my own work and previous work. Section two outlines the limitations of my work and reflects on what might have been done differently. Finally, I end the thesis with an update on the democracy trials and summarise my answer to the research questions.

CHAPTER 2: TOWARDS ORGANISATIONAL DEMOCRACY

INTRODUCTION

This chapter will introduce and explore the key concepts used throughout the thesis. My starting premise is that the terminology has meanings and interpretations that may be constructed differently by different parties, and in different periods of time. The literature review therefore explores the development of the key terms as well as their contemporary usage in order to explore the ways in which they have been used by different actors in organisational contexts further on in the thesis.

The first section is a critical review of the literature on industrial democracy (ID), employee involvement at work (EI) and 'voice', with a particular focus on the UK. I examine dominant themes and frameworks, explore changes in fashions and research interests, and provide a commentary on the conceptual confusion surrounding the subject. The second section considers the aims of Organisational Democracy (OD) and uses a typology developed by Dachler and Wilpert (1978) to examine the assumptions which underpin practice. Harvie Ramsay argued that participation proposals "appear and recede in response to particular historical conjectures" in the conflicts between management and labour (Ramsay, 1980: 47). Ramsay was probably the most prolific and well known critic of participation schemes and one of his major concerns was that most of the literature on participation failed to take account of power relations. Following Ramsay, both the historical development of conceptions of participation and an account of power will be considered in order to elaborate key concepts. Section three explores power and the way in which power relations create a context for the literature on industrial democracy and employee involvement. In reviewing the literature I emphasise the role of different theoretical perspectives in defining the concepts that are most pertinent to my study, including democracy, participation and power. The chapter works towards a definition of the core concepts and outlines the way in which the terms will be used in this thesis.

INDUSTRIAL DEMOCRACY, PARTICIPATION AND EMPLOYEE INVOLVEMENT

In order to reflect on what is meant by industrial democracy in the JLP I want to first explore what is meant by the term when used by those outside of the Partnership. Even a cursory review of the literature on ID reveals a range of descriptions and terms which have been used almost interchangeably by writers (Cooke and Kothari, 2001; Cressey *et al.* 1981; Marchington *et al.*, 1992; Mitchell, 1998; Pateman, 1970; Ramsay, 1977a). These include OD, EI, participation, co-partnership, co-ownership, autonomous work groups, voice, and empowerment. Some of the concepts have evolved from others, some have been tried, tested and abandoned, and others have been praised as the next big thing and implemented uncritically by organisations. It is clear that there is both considerable overlap and conceptual confusion in the array of terms that have been used by academics working in this area, and much that has been claimed in the name of these concepts remains unproven and often unchallenged. As Thompson has noted (2003: 359) "it is much harder to make a reputation...by arguing that nothing much has changed". An illustration of the conceptual confusion in the field can be found in the Fontana Dictionary of Modern Thought (Bullock and Trombley, 1999: 424) which under "industrial democracy" simply says "see participation".

This section reviews the literature in the field, explores the use of different terminology and its historical context and comments on the meaning of this for the research. I begin with the concept of ID, simply for the reason that this was the term that JSL used in describing the experiment in the Partnership (Lewis, 1948). I examine the meanings of ID and the relationship between ID and what has been termed 'participation'. I then explore why ID was seen as such an important issue for organisations and whether it has a place in contemporary debates on employee voice.

The Origins of Industrial Democracy

The historical context for ID and participation is important because it helps us to understand the conceptual framework on which practice was built, as well as the reasoning behind trade union resistance (see McHugh *et al.*, 1999). Rather than present a linear history of ID I highlight specific developments and thus explore the “ideological and intellectual roots of present practices and aspirations” (Warner, 1984: 8).

One of the earliest figures associated with ID in the United Kingdom was Robert Owen, whose work and doctrine have been described as a “critical reaction to the industrial revolution” (Vanek, 1975: 16). Owen was born in Wales in 1771 and first managed and then owned cotton mills in Manchester and Scotland (Cole, 1927). At his mill in New Lanark, Owen implemented a series of reforms designed to create circumstances “calculated to form habits of order, regularity, temperance, industry” (Owen, 1813a: 34). The changes he introduced included improving living conditions in the village, preventing children from working in the mill until they reached the age of ten, eliminating religious discrimination, and improving safety levels (*ibid.*). The basic philosophy behind these changes was that “man’s character is formed for, and not by him” (Owen, 1927), that is, people are products of their environment.

Owen’s ideas developed over time and he became absorbed by:

“Devising arrangements by means of which the whole population might participate in the benefits derivable from the increase of scientific productive power” (Owen, 1820: 247)

Owen began to sow the seeds of co-operativism, rejecting the principle of individual interests and replacing it with a focus on the happiness of the community (Owen, 1812). In developing his ideas Owen drew upon the work of the Levellers who advocated democracy and equality as far back as the first part of the seventeenth century. The Levellers were a disparate group of working class agitators who sided with Cromwell during the English Civil War and once the Royalists were defeated, campaigned for universal male suffrage, the abolition of the monarchy, no taxation of the poor and an end to censorship (Parker *et al.*, 2007: 156). Although the movement

was ultimately crushed and the chief spokesman executed, the Levellers had a significant impact on thinking about equality, and influenced early co-operators and socialists (*ibid.*; Benn, 1976). If the Levellers were here today they would immediately see the relevance of industrial democracy in challenging the power structures within modern society (Benn, 1976: 11).

Initially, Owen had the widespread support of establishment figures including the Conservative Government and the Archbishop of Canterbury, and Cole (1927: xiv) claimed “there was nothing radical or democratic in Owen’s conception”. However, Owen’s ideas became progressively more politicised and less palatable to the establishment, and in 1833 he became the head of a reformist movement that saw trade unionism and co-operation as the means to social emancipation (Cole, 1927; Reeve *et al.*, 2003). Although his original plan for an over-arching ‘Trades Union’ ultimately failed, and the “co-operative colonies” (Cole, 1927: xv111) did not survive, Owen was widely attributed with laying the foundations for co-operatism or co-partnership (Blum, 1968; Cole, 1927; Derrick and Phipps, 1969; Michels, 1915; Parker *et al.*, 2007).

The first successful attempt at consumer co-operation in the UK was the Rochdale Society of Equitable Pioneers, founded in 1844, which eventually became the Co-operative Wholesale Society (Reeve *et al.*, 2003). Co-operative forms of organising represent an important form of organisational structure and democratic intent, and these are explored in more depth in the next chapter when I give an account of early co-operative firms and a detailed exploration of the Mondragon Corporacion Co-operative in Spain.

Marchington *et al.* (1995) noted that the first significant wave of interest in (what they term) participation, was towards the end of the 19th century and focused on profit sharing. In the 1850’s a dominant view was that solutions needed to be found to the ‘threat’ of socialism and that co-operative production could be a form in which socialist tendencies could be channelled through a ‘safe outlet’ (Bristow, 1974; Church, 1971). One pioneering organisation that provided evidence to the Royal Commission on Trade Unions 1968, was Henry Briggs and Company which ran the Whitwood Colliery in West

Riding, Yorkshire, and introduced a form of 'industrial partnership' in 1865 (Church, 1971:3; Bristow, 1974). The scheme was a combination of profit sharing and co-partnership (involvement in decisions) and relinquishing membership of the miners' federation (the union) was a condition of joining. The scheme was abandoned when the workers decided to strike, but similar schemes developed in other organisations with the support of the Labour Association, the Christian Socialists and others (Church, 1971).

Bristow (1974) noted that in 1889 profit sharing started to gather speed as capitalists began to see it as a positive business move rather than one simply related to philanthropy:

"These employers were among the first after industrialisation who systematically attempted to implement what has been called the 'unitary ideology': they denied the necessity of industrial conflict and tried to substitute it for, sometimes with a heavy hand, the spirit of teamwork." (Bristow, 1974: 274)

In this way profit sharing and co-partnership were seen by employers as a mechanism for ensuring employee commitment and compliance and as a way of reducing the power (and threat) of the Unions. A number of organisations, including Rowntree and Lever, made explicit the link between profit sharing and productivity by introducing a performance related bonus (*ibid.*). Bristow described this as a mix of benevolence and a mechanism for control (*ibid.*). This view accords with Fox's (1973) definition of the unitarist frame of reference with its assumption of common interest, belief in the managerial prerogative and use of team and family metaphors.

The number of organisations engaging in co-partnership and profit sharing waxed and waned into the 20th century and by 1907 over half of the experiments had been abandoned (Bristow, 1974: 289; Church, 1971: 13). It was also the case that although profit sharing was taking place, workers had little power when it came to participation in management. One of the earliest uses of the term ID in the UK was by Sidney and Beatrice Webb in the title of their 1897 book (Ackers and Wilkinson, 2003: 5; Bullock, 1977: 20). The Webbs focused on Trade Union Democracy but the definitions and

distinctions that the Webbs used are useful in reflecting on wider conceptions of ID at the beginning of the 20th century.

The Webbs outlined the evolution of Trade Union Democracy, starting with what they called 'Primitive Democracy' in the 18th Century Trade Associations through to the "modern" representative democracies which were the dominant Trade Union form when the second edition of their book was published in 1902 (Webb and Webb, 1902). Primitive trade democracies were based on the principle that "all men are equal, but also that what concerns all should be decided by all". (*ibid.*: 8). This definition flowed from the classical Greek concept of democracy, the rule of the citizen body (*demos*) and the right of all citizens (thus excluding women and slaves) to make decisions about areas of general concern (Bullock and Trombley, 1999: 208). Primitive Trade Union democracies worked on the basis of one member one vote, and written constitutions determined the rules and regulations that the Union would abide by. As the membership grew, trade clubs formed into federal unions and developed more elaborate constitutions and systems of elected representatives (*ibid.*). As Trade Unions (TU) evolved, they "unwittingly left behind the ideal of primitive democracy" (Webb and Webb, 1902: 15), by developing a separate governing class of TU professionals. The Webbs warned that this was deeply problematic because of the power the professional class yielded over other members:

"Inexperienced and casually selected committees of tired manual workers, meeting only in the evening, usually found themselves incompetent to resist, or even to criticise, any practical proposal that might be brought forward by the permanent trained professional whom they were supposed to direct and control." (Webb and Webb, 1902: 18)

As Trade Unions increased in size, the mechanisms to enable full participation of every member, on every decision, became increasingly difficult and expensive to organise, and subject to abuse. The Webbs noted that these early models of democracy resulted in either inefficiency or in the uncontrolled dominance of a "personal dictator" (*ibid.*: 36). This view accords with the "iron law of oligarchy" wherein democracy inevitably leads to dominance by an elite group (Michels, 1915), an idea explored later in this chapter.

The Webbs proposed a system whereby members elected their representatives for a fixed period of office, and the representatives would appoint an executive committee which was responsible for directing the permanent professional staff (Webb and Webb, 1902: 37). This representative institution sought to solve what they termed “the fundamental problem of democracy”, the need for administrative efficiency while still ensuring popular control (*ibid.*: 38)

The Webbs highlighted the now very popular term ‘employee voice’ (see for example Bryson 2004; Dundon *et al.* 2004; Wilkinson *et al.* 2004) and used it to illustrate the gap between primitive and representative democracy (contemporary understandings of voice are explored more fully later in this chapter). Historically the TU movement was based on a system of delegation whereby elected committee members were “regarded only as a vehicle by which ‘the voices’ could be mechanically conveyed” (Webb and Webb, 1902: 54). The new form of representative democracy worked with representatives whose function it was to “act as an interpreter between the people and their servants [the professional administrators]” (*ibid.*: 55). A balance of power was fundamental to the Webbs’ conception of effective and fair representative democracy, as without it, the executive would wield too much power and become “a ruling clique, half officials, half representatives.” (*ibid.*: 52).

An important theme in the Webbs’ book was the relationship between the cabinet or executive and the representative assembly and they believed that it was vital that the representative assembly appointed its own cabinet rather than having a representative executive elected by the entire membership (Webb and Webb, 1902). Their warning that representative executives could become self-serving and distanced from the issues of the members they were chosen to represent is particularly relevant for my later analysis of the Partnership and the idea of democratic degeneration is explored later in the chapter.

In this next section I explore the concept of participation which became a focus for research and practice within organisations during the 1970’s. The subject of authority structures and power in ID is explored further in the final section of this chapter.

From Industrial Democracy to Participation: The 1970's

The Webbs were writing about Trade Union democracy but as the Bullock Report on ID (1977: 20) noted, the economic and social changes post World War II meant that ID had increasingly been used to mean the involvement of employees in company decision-making. The early 1970's was a period where a great deal was written about ID as well as a range of other emerging terms (see for example Garson and Smith, 1976; Ramsay, 1977a). Despite the proliferation of writing and research a gulf was emerging between what was claimed in the name of participation and the practices upon which those claims were based. As Dachler and Wilpert (1978: 29) noted, knowledge about participation was often "fragmentary, contradictory, and limited".

One of the most cited authors in this field in the early 1970's was Carole Pateman, who wrote about political democracy and its implications for society and organisations. Pateman provided a key contribution to the subject because of her concerns about the range of terminology being used by authors, and the manner in which concepts were viewed as synonymous. In an attempt to clarify the alternative forms of industrial participation Pateman (1970) grouped them into three key types: full, partial and pseudo.

For **full** industrial participation to occur she stated that there needed to be a transformation of the authority structure so that every employee had equal power to determine the outcome of a decision (Pateman, 1970:71). Pateman used the term **partial** democracy to describe that form of participation where employees had influence but not necessarily power. This approach did not require the democratisation of authority structures but still enabled employees to influence decisions:

"A process in which two or more parties influence each other in making of decisions but the final power to decide rests with one party only."

(Pateman, 1970:70)

The third category of participation that Pateman discussed was what she called **pseudo** participation whereby employees had neither influence nor power but where management engaged in discussions and briefings to give staff the illusion of participation. Pateman warned that this form of participation was dangerously

widespread and that ID seldom existed (*ibid.*:73). Furthermore, Pateman noted that the term democracy was used too loosely in the literature to refer to an organisational atmosphere or climate rather than a specific form of authority structure (*ibid.*).

Pateman contributed a great deal to the development of the literature on ID and participation, both by highlighting the inconsistencies in the use of the terms and by developing a schema to differentiate different levels of participation. However, her attempt at clarifying the terminology has also added to the confusion as a result of her tendency to jump between the terms ID and OD. She also made further distinctions between full higher-level participation (ID), partial higher-level participation (Workers influenced higher level decisions but managerial prerogative was retained and the authority structure remained undemocratic), and full lower-level participation (non-democratic authority structure overall). In a field which Pateman herself accused of being one of smoke and mirrors, it seems less than helpful to describe a situation where authority structures remain unchanged as 'full participation', albeit lower level (*ibid.*: 73).

Although Pateman argued that industry should be viewed as a political system and that authority structures needed to be made transparent, she viewed participation largely as a form of democratic socialisation (*ibid.*). This in itself is no bad thing, but it fails to sufficiently address the value of ID as an end in itself or consider the danger of management hiding behind illusory participation. Pateman, after all, was not seeking radical change, but more a sense of mutual gain through participation initiatives:

“...not only will participation have a favourable effect on the individual in relation to the development of the sense of political efficacy, but that also it will not harm the efficiency of the enterprise, indeed it may increase it.” (Pateman, 1970: 66).

The conceptual confusion continued with the arrival of the UK *Bullock Report on Industrial Democracy* (1977). Bullock noted that the term ID had evolved to focus on involving employees in decision-making, but the report made no comment about the implications of this for power relations or authority structures. Furthermore, although the report was titled 'Industrial Democracy' after the introductory paragraph the text

used the term participation (*ibid.*). Bullock noted that an EEC Green paper had described “the democratic imperative” for employee participation, the principle that:

“...those who will be substantially affected by decisions made by social and political institutions must be involved in the making of these decisions”

(Bullock, 1977: 25 citing Bulletin of the European Communities, 10/72).

This was as close as the report got to giving a definition of ID and it sadly failed to do little more than stress the importance of involving employees in decision-making.

The Bullock Report (1977) called for Company Law to legislate for direct representation of employees on company boards with the aim of balancing the interests of employees and shareholders. Specifically, Bullock recommended that there should be equal representation of employees and shareholders on company boards, plus a third group of co-opted directors making up less than a third of the total. These co-opted directors would need to be approved by the majority of both the employee and shareholder representatives (Bullock, 1977: 96). The report acknowledged the role of power in effective representation of workers’ views and Bullock envisaged that the recommendations for employee representation would be integrated into the wider system of representation based on trade union machinery (*ibid.*). This theme is still being explored today as part of the discussions on employee voice (see for example Dundon *et al.* 2005).

The recommendations were to be applied to all companies employing 2000 people or more and their implementation would be overseen by a newly formed Industrial Democracy Commission (Bullock, 1977: 151). Bullock also called for the law to be amended so that the duty of directors to act in the best interests of the company, would be redefined to have regard for the interests of the company’s workers as well as its shareholders (*ibid.*:84). This was intended to put the relationship between capital and labour on a new basis which would “involve not just management but the whole workforce in sharing responsibility for the success and profitability of the enterprise” (*ibid.*: 160). Fundamental to this desire for ID was the necessity for participation at a range of levels in the company, but particularly at company board level. Ultimately the Bullock Report was rejected by industrialists, some of the Trade Unions, and the newly elected Conservative Government (Reilly, 1979: 7).

Despite the fact that the Bullock Report was never implemented, its recommendations and terms of reference had a great deal of influence on industry in the UK, and in particular the concept of participation and involvement rather than industrial democracy grew in popularity. This is best illustrated by briefly exploring a report on participation that was prepared for the British Institute of Management. This defined participation as:

“...any agreed process established within an organisation through which employees are able to affect managerial decisions.” (Reilly, 1979: 9)

A fundamental part of this definition was that employees were given a chance to influence decisions and that simply sharing information could not be classed as participation (*ibid.*). In this sense participation was linked to workers' control whereby power was transferred to the workforce and workers did not 'influence' decisions, but 'determined' them (*ibid.*: 10). Reilly saw participation as an umbrella term under which there was a continuum indicating the varying extent of employees' power to affect decisions, ranging from informing through to self-management (*ibid.*: 12). This use of the term participation as an all embracing term has been adopted by others (see for example Dundon and Wilkinson, 2006: 383; Turner, 1997: 310) and is used in this thesis to indicate a broad spectrum of practices and structures.

In summary, the term ID will be used as a specific form of participation, based on the principle of the democratic right of workers to extend a degree of control over decision-making (Dow, 1993: 18) and thus requiring an exploration of power relations within the organisation. In the next section I examine the concepts of employee involvement and empowerment, and argue that these terms should be seen as problematic because of the vagueness of their meaning and the weakness of their influence in enabling employees to participate in decision-making in any meaningful way.

From Participation to Employee Involvement: The 1980's and beyond

Marchington *et al.* (1992) noted that Employee Involvement (EI) first entered the vocabulary of British practitioners and academics in the 1980's and represented a clear break from the concept of ID:

“It relates to managers giving employees more information, or in some cases more influence. It contrasts well with the meaning of industrial democracy, which alters the structure of authority by giving employees a right to share in decision-making with management.” (Marchington *et al.*, 1992: 6)

During the 1980's EI was a “widespread and prominent” management practice (Ramsay, 1991: 1) and was viewed as initiatives by management that were aimed at improving employee commitment to managerially determined goals by their involvement in a range of processes (Ackers *et al.*, 1992; Harley, 1999). It did not necessarily involve power sharing and should be seen as a range of practices, (described by Marchington *et al.* 1992: 7, as an “escalator of participation”) starting with information-giving and culminating with worker control. The practices associated with EI can be summarised into four categories: downward communication, upward problem solving, financial involvement and representative participation (Marchington *et al.* 1992: 13; Marchington and Wilkinson, 2004). Although “no categorization of EI is entirely satisfactory” (Wilkinson *et al.* 2007: 1281), the framework is useful in confirming the distinctions between EI and ID.

In the UK, all the major political parties demonstrated some level of support for employee participation initiatives during the 1980's (Baddon *et al.* 1989) and there was widespread support for forms of employee share ownership (Spear, 1999: 254; Baddon *et al.* 1989: 6). It is crucial to note that the legal context for participation during the 1980's and 90's continued to emphasise the primacy of the rights of business owners (shareholders) and UK Governments remained committed to limiting the powers of TU's and voluntary rather than statutory EI initiatives.

EI continued to grow in popularity during the 1990's (Marchington *et al.* 1994; Martinez Lucio and Weston, 1994) and one of the most discussed elements of EI was the concept of empowerment, with its twin goals of increased productivity and improved employee commitment (Bryman *et al.* 2005; Wilkinson, 1997). Like many of the other terms discussed here empowerment is a "contested concept" (Denham-Lincoln *et al.* 2002: 271) which has been ill-defined, ambiguous, contradictory and subject to claims and counter-claims by theorists and practitioners. Wilkinson (1997) suggested that empowerment should be seen as part of EI but specific to a particular business and market context, namely that of entrepreneurship:

"While there is a wide range of programmes and initiatives which are titled empowerment and they vary as to the extent of power which employees actually exercise, most are purposefully designed not to give workers a very significant role in decision-making but rather to secure an enhanced employee contribution to the organization." (Wilkinson, 1997: 40).

Despite the fact that "empowerment would commonsensically be associated with the redistribution of power" (Wilkinson, 1997: 45; Denham-Lincoln *et al.* 2002: 282), in practice, it was used as a form of EI without any need to share authority or power. Wilkinson therefore distinguished between empowerment initiatives (defined as individualist, managerially driven, involving direct involvement, and designed to generate commitment) and "initiatives which may empower (including industrial democracy)" (Wilkinson, 1997: 45).

Another concept that has been strongly aligned with notions of employee involvement is that of High Performance Work Systems and Practices (HPWS/HPWP). HPWS became popular in the 1990s and have been the subject of discussion in the literature over the past ten years (see for example Linstead *et al.*, 2004; Ramsay *et al.*, 2000). Like previous concepts of participation and EI, HPWS were defined differently by various authors. A useful summary was provided by Harley *et al.* (2005: 38):

"This discourse proclaims the emergence of a genuinely new approach to organising work, in which organisations that 'empower' their staff by means of participative forms of work, buttressed with appropriate skill and reward practices, will reap performance gains at the same time as employees enjoy higher levels of autonomy in their jobs."

HPWS have been linked to teamwork and formal participatory mechanisms, and were developed in an attempt to locate an alternative trajectory whereby “both equity and efficiency can be achieved” (Godard, 2001: 777). Godard concluded that although moderate levels of involvement with HPWS had positive implications (in terms of sense of belonging, self-esteem, job satisfaction and citizenship behaviour), these positive implications declined at higher levels of adoption, probably because of increased stress (*ibid.*). Godard related this to the concertive control thesis whereby:

“...we might expect peer pressure and performance norms to be internalized and hence reflected in higher motivation and commitment on the one hand, yet a more stressful and diminished quality of work experience on the other.”

(Godard, 2001: 798).

HPWS were viewed by many practitioners and researchers as an opportunity for mutual gains, whereby the organisation benefited from improved productivity and the employee gained by having a voice (see for example: Gordon, 1998; Melton, 2009). Not all researchers were as enamoured by the concept however, Ramsay *et al.* (2000: 505) were particularly critical and claimed that HPWS only generated productivity gains because of work intensification and stress. This accords with the analysis made by others such as Townsend (2005: 327) who has argued that teamwork should be viewed as a form of structural control rather than a means of empowering workers in any meaningful sense. These criticisms may also provide the primary rationale for management’s desire to engage with EI.

Other rationales are explored more fully later in the chapter but at this point I will summarise my own position on the concept of EI. Following Wilkinson *et al.* (2007: 1279), I believe that the main reason that organisations adopt models of EI is the belief that they produce staff “who are more likely to engage in ‘beyond contract’ effort”. That is not to say that practices that fall under the ‘participation’ umbrella should be dismissed, but rather that we should examine the context and motivations carefully. The last twenty five years have seen the decline of concepts of ID, and to some extent participation, and the growth in more ambiguous and significantly less radical concepts of EI, empowerment and HPWP. In more recent years, the fashion appears to have changed once again, and now the favoured term appears to be employee voice, a concept which is explored more fully overleaf.

Employee Voice and the new Regulatory Framework: The 2000's

As has already been noted, the Webbs highlighted the term 'employee voice' to describe the system of delegation in Trade Unions whereby elected committee members were expected to convey the voices of the members in any negotiation (Webb and Webb, 1902: 54). Hirschman (1970: 30) defined voice as "any attempt at all to change, rather than to escape from, an objectionable state of affairs". During the 1980's the concept of voice became popular again when Freeman and Medoff (1984) argued that it was desirable for companies to provide a voice mechanism in order to detect problems and conflicts at an early stage (Dundon and Gollan, 2007: 1183). It has been suggested that voice mechanisms are an important way of ensuring employee commitment, but the term has also been linked to conceptions of industrial citizenship and employee rights (Wilkinson *et al.* 2004: 299).

Trade Unions were considered the most logical and efficient arrangement for providing voice in unionised workplaces (Pateman, 1975; Ramsay, 1997; Towers, 1997). However, restrictive legislation, prohibitive management practices and a perceived lack of relevance, has meant that in the UK union membership has declined rapidly in the last 30 years, and many organisations have either low union density or none at all (Bryson, 2004; Dundon *et al.* 2005; Dundon and Gollan, 2007; Heery, 2003; Kersley *et al.*, 2005). Effectively this means that the "efficacy of non-union voice is critical" (Dundon and Gollan, 2007: 1183) in bridging the growing representation gap (Bacon, 2006: 194; Towers, 1997: 304), a point that I explore later in the thesis.

Like all the concepts discussed so far, voice has been poorly defined and subject to different interpretations and meanings in both theory and practice (Dundon *et al.* 2004; 2005; Wilkinson *et al.* 2004). Employee voice encompasses direct and indirect representative forms of employee participation and the extent to which voice is effective and meaningful is both constrained and enabled by the regulatory environment (Markey, 2007: 187; Dundon *et al.* 2004: 1149).

In April 2005, the UK Department for Trade and Industry introduced new *Information and Consultation of Employees Regulations (ICE)* which set down in law the principle

that employers should take “genuine and conscientious consideration” of employees’ views on business activities, contractual issues, work organization, strategy and change (DTI 2005: 5). The regulations were created as a response to the EU Directive on *Informing and Consulting Employees* and from 2008 were applicable to all businesses with 50 or more employees. The regulations were eagerly anticipated by participation researchers (see for example Addison *et al.* 2000; Ramsay, 1997) and have been described as a “realignment of institutional arrangements to enable workers to have a voice” (Dundon and Gollan, 2007: 1183). It is clear, however, that a voice is all that the regulations will provide, and that the “responsibility for decision-making ultimately remains with management” (Gollan and Wilkinson, 2007: 1138).

The Regulations may be indicative of the UK Government’s support for *involving* employees in decisions (or favouring direct rather than indirect representation) but the lack of clarity in the terms used within the regulations means that they are open to interpretation and unlikely to lead to significant changes for workers in the UK. This point is supported by a study by Wilkinson *et al.* (2007) who noted the confusion and uncertainty surrounding the new ICE Regulations amongst SME managers. Similarly, Markey (2007), in a fascinating case study of indirect representation through an Employee Council in the Australian Suncorp Metway Corporation, noted the inherent conflict in structures designed to represent employee voice while being dependent on management goodwill for survival. The Suncorp Employee Council was funded by the company, operated on a voluntary membership basis, and sought to represent all employees according to a Works Council model. These conflicts of interest weakened its position, both in terms of its legitimacy for employees, and its representative powers to the employer (Markey, 2007: 204).

It has been suggested that the interplay of external and internal micro influences are an important aspect of understanding employee voice mechanisms (Dundon *et al.* 2004: 1150; Dundon and Gollan, 2007: 1189). An analysis of the external environment is beyond the scope of this thesis, although following Ramsay (1977a), it is agreed that wider economic and political forces influence participation and in a different thesis a detailed study of the external context would be valuable. Structural factors such as

organisational size and ownership also have an important effect on employee voice (Dundon and Gollan, 2007: 1186) and it is this aspect which is explored within the JLP.

Finally, Dundon and Gollan (2007: 1195) concluded that it is unclear whether “non-union voice is a form of union avoidance based on strategic employer choice, an ideological expression of union hostility, or a new way of liberating workers”. I contend that employee voice might be all of these things, dependent on the definition of employee voice that is accepted, and the extent to which that definition incorporates an understanding of the role of power in securing meaningful voice.

In defence of Organisational Democracy

Although employee voice is clearly the preferred contemporary term for concepts that have been previously referred to as participation, involvement and even empowerment, it is rejected in this thesis for a number of reasons. Firstly, it is another source of conceptual confusion, defined loosely and imprecisely, and thus adds another level of complexity to an already problematic conceptual field (Dundon and Gollan, 2007). Secondly, the term itself does not imply that the ‘speaker’ has any authority, or indeed that the institution has to ‘listen’ or ‘act’ as a result of the voice.

The Chambers Dictionary (1990: 1652) defines voice as “sound produced by the vocal organs of living beings”, this definition represents a common understanding of what voice is – essentially, speech. Employee voice can thus be interpreted as an employee’s ability, perhaps right, to speech in an organisational context. This is an important right, but speech alone is not enough if the message is ignored (Strauss, 2006: 779). More important is the right to speak on any subject, the right to be heard, and the power to make or influence decisions as a result of voice. Although this is recognised by some of the theorists writing in the field (see for example Dundon *et al.* 2005), there is limited discussion as to whether the term ‘voice’ itself is sufficiently problematic to be rejected in favour of clearer or more powerful terms. Thus, despite Dundon *et al.* (2005: 316) quoting a manager who described voice as “democracy” I would contend that there is nothing about the term voice that implies rights, challenge to dominant authority

systems, or the potential for a transformation of power relations, all of which should form part of democratic participation in work.

Finally, it is suggested that voice is inextricably connected to a unitarist conception of conflict at work, and thus the focus is on consultation as a mechanism for “harmonious and less conflictual relations with the workforce” (Gollan and Wilkinson, 2007: 1136), rather than any sincere attempt to recognise conflicting interests. Voice mechanisms are invariably determined by management, and implemented for instrumental reasons, such as a way of contributing to competitive advantage, rather than recognised as important for their own sake, or as a result of wanting to give employees a share of the power (Dundon *et al.* 2004: 1168).

In this thesis, employee voice is rejected in favour of what has previously been termed Industrial Democracy with the clear implication that what is sought is not simply the right to speak out, but a transformation of power relations, and thus the right and ability to influence and change organisational decisions. Further, ID is refined and henceforth referred to as OD. This change reflects the development of wider conceptions of organisations within society (including, but not limited to manufacturing, retail and service) and my focus on democratic practices within organisations rather than across an industry. Finally, and as discussed in the first part of this chapter, I acknowledge that OD is itself a “contested domain” (Cheney, 1995: 170; Johnson, 2006: 253), but as I shall argue later, it is a domain worth defending.

THE AIMS OF ORGANISATIONAL DEMOCRACY

Having explored the various conceptions and definitions of ID and EI, I now turn to the question of why organisations engage with democratic and participative practices. There are a number of typologies that are designed to compartmentalise motivations and theoretical frameworks for participation, and these are helpful in so far as they demonstrate the breadth and disparate nature of some of the practices associated with them (see for example Marchington *et al.* 1992). One particularly helpful frame is that developed by Dachler and Wilpert (1978) who presented a typology of social theories underlying participation which represent the values and assumptions of the designers and implementers of various participatory schemes.

The model has been selected for its comprehensiveness and usefulness in aiding an understanding as to why various organisations and theorists were concerned with participation and what they thought would emerge as a result of it. The four social theories are described as 'Democratic theory', 'Socialistic theory', 'Human growth and development theory' and 'Productivity and efficiency orientation' (Dachler and Wilpert, 1978: 3). This conceptual framework has been selected for deeper exploration because it is "bold and systematic" (Warner, 1984: 6) and frequently cited by other researchers (see for example Cheney, 1999; Stohl and Cheney, 2001). Each of the four categories is examined in turn.

Democratic Theory

Democratic theory is based on the belief that everyone should participate in all aspects of collective life as "the vast potential capacity of human beings represents a good basis for wise and effective decision-making" (Dachler and Wilpert, 1978: 3). There is an assumption that the democratic process would educate participants, and by engaging in participative structures through work, they would better contribute to political democracy in society. This framework clearly incorporated the work of Pateman (1975: 23) who stated that the aim of Organisational Democracy should be seen as political democracy itself.

As I noted earlier in this chapter, Pateman called for modification to orthodox authority structures and a challenge to the dominant belief that “decision-making is the prerogative of management, in which workers play no part.” (Pateman, 1970: 68). This theme was extended by Putnam (1993) who suggested that participation would inculcate skills of cooperation and shared responsibility which would be the basis of civic community. For Putnam civil associations and cooperative structures were the key to building social capital, which in turn, was viewed as fundamental to making democratic societies effective (*ibid.*: 185). For both authors industrial participation is valued in an instrumental sense, for what it might contribute to political democracy, rather than in and of itself.

Pateman (1975) concluded that what was needed was for the term ‘political’ to be extended to cover areas outside of government. She argued that in recognising industry as a political system it was imperative that the authority structure was understood and made transparent (*ibid.*). This theme was taken up by others including Morgan (1997) who suggested that organisations could be seen as political systems. These arguments reflected the early thinking of the Webbs (1902) for whom the beauty of democracy was its consciousness of the interests of the community as a whole, and the way in which it provided an equality of opportunity for all citizens (Webb and Webb, 1902: 809).

In summary, the democratic theory grouping viewed Organisational Democracy as a way of minimising the abuse of power by corporations, and maximising the political activism of citizens within society. Next, I turn to the second group of theories outlined by Dachler and Wilpert (1978): ‘socialistic theory’.

Socialistic Theory

The second theoretical tradition through which participation at work can be examined is that of “the extensive and heterogeneous literature on socialism” (Dachler and Wilpert, 1978: 6). This paradigm has also been termed “Control/Labour Process” by Marchington *et al.* (1992: 10) in their competing framework of participation paradigms and ‘ideological’ by Ackers *et al.* (1992: 279). Essentially, the work in this area reflects

the belief that participation should be valued as an end in itself, and that participation and workers' control need to be considered as inextricably intertwined.

This paradigm frames participation as a potential source of liberation from the capitalist system which has alienated workers from themselves and reduced them to commodities. The societal outcomes anticipated by proponents of the socialistic view of participation "encompass a revolutionary change in the total societal system for the purpose of creating a proletarian culture." (Dachler and Wilpert, 1978: 7).

Although some proponents of the socialistic view saw potential revolutionary possibilities through participation (see for example Ellerman, 2000; Gorz, 1999), others were deeply critical of participation and its illusion of greater worker control (Braverman, 1974; Ramsay, 1980). One of the most prolific and influential proponents of the socialistic view of participation was Harvie Ramsay. Ramsay was very critical of managerial motivations for industrial participation and suggested that participation should be seen as a cyclical phenomenon that emerged when management authority was being challenged and organisations felt the need to gain workers compliance (Ramsay, 1977a). He challenged the unitarist assumption that participation could be a win-win situation for managers and workforce. Instead, he argued that employers introduced participation at times when the economy was strong and labour were trying to challenge managerial authority, these initiatives quickly disappeared when labour power diminished as a result of recession or economic pressure (*ibid.*). This 'cycles' thesis was hugely influential and has formed the basis for much of the debate and discussion on participation and democracy from its publication to the present day (Ackers *et al.*, 1992; Marchington, 2005; Ramsay, 1977a; Strauss, 2006). Ramsay's work is explored in some depth below, both because of his influence on other researchers and because of the politics that committed Ramsay to his position.

Waves and Cycles: The contribution of Harvie Ramsay

Ramsay (1977a, 1980) challenged the view that participation had evolved from an ongoing humanization of capital, arguing instead that it should be seen as cycles that "correspond to periods when management authority is felt to be facing challenge."

(Ramsay, 1977a: 481). His work is widely regarded as seminal (Butler, 2009; Harley *et al.*, 2005) and is particularly relevant to this thesis, not only because of his critical stance, but also because (as I discuss in the final section) he commented specifically on the John Lewis Partnership (Ramsay, 1980: 51).

Ramsay believed that workers should participate in decisions at work but was concerned that the societal level gains that might be made by participation were deeply constrained by the capitalist system (*ibid.*). Furthermore, he suggested that implementing 'limited' participation within the system would actually damage rather than help workers, by legitimising their powerlessness rather than challenging it in any meaningful way. Ramsay studied a wide range of participation initiatives and his work stood apart from most other researchers because of his focus on whether participation might lead to challenges to the dominant ideology, rather than financial gains (Ramsay, 1985: 61).

Ramsay viewed the capital/labour relationship as exploitative and zero-sum (Ackers *et al.*, 1992) but emphasised that the rationale for implementing participation schemes stemmed from management's need to regain legitimacy rather than an attempt at labour intensification. Ramsay's work provides an excellent critique of EI and participation initiatives, firmly placing in context various practices and 'cycles' of activity. He was hopeful that the European Commission's Social Charter would bring a renewed emphasis on ID rather than EI (Ramsay, 1991:18). Unfortunately, the UK 'opted out' of the Social Charter and it wasn't until 1997 that a new Labour Government agreed to ratify the treaty which required all companies with over 1000 European employees to establish European Works Councils (Ramsay, 1997). Ramsay noted that the directive did not refer to the concept of participation but instead called for employees to be involved and consulted rather than prescribing any formal rights to influence decisions (*ibid.*). Despite this, he welcomed the symbolic significance of Works Councils:

“Even with limited powers, it can be argued that the assertion of the right of labour to information and consultation is an important challenge to the unadulterated rights of ownership. (Ramsay, 1997: 320).

As I noted in the previous section, the early research on the *Information and Consultation of Employees Regulations* appears to support Ramsay's cynicism, the symbolism remains important but as Gollan and Wilkinson (2007: 1138) have noted, the management still make all the decisions. Ramsay's later work (1997) appeared to indicate a softening of views or at least a belief in the possibilities for ID within the dominant system. He still, however warned of the danger that initiatives like European Works Councils would be used by management to "foment an enterprise consciousness, and perhaps to divert workers from supporting unions" (Ramsay, 1997: 316).

Ramsay came under attack from a number of areas; Ackers *et al.* (1992: 273) for example, argued that 'cycles of control' had failed to explain the resurgence of participation in the 1980's, a period when labour power in the UK was particularly weak. They were particularly critical of the way in which Ramsay dismissed the entire spectrum of participation initiatives, describing him as an idealist and a purist who failed to explore the potential for participation to truly make a difference to the experience of work:

"For...reasons, grounded in the Marxist theory of industrial power and a rejection of any positive-sum alternative, the prospect of management and employees simultaneously benefitting from participation is not worthy of consideration. (Ackers *et al.*, 1992: 274)

Marchington *et al.* (1993) were also critical of Ramsay's work on cycles (Ramsay, 1977a), accepting the huge contribution he had made, but noting that:

"Management is often viewed (perhaps implicitly) as omniscient, omnipotent and unified, none of which can be taken for granted within employing organizations" (Marchington *et al.*, 1993: 554)

They accepted the legitimacy of much of Ramsay's thesis but offered a different descriptive metaphor seeing EI as waves (Ackers *et al.*, 1992; Marchington *et al.*, 1993), subject to a range of forces which varied over time and were influenced by the manager's career aspirations, inter-departmental conflict and mobility. This conceptualisation acknowledged the complexity of organisational life and the way in which EIP initiatives appeared to wax and wane as different managers entered and left

organisations (*ibid.*). The authors noted that a key explanation for this was that EI and participation had proved to be a “particularly fertile ground for impression management” (Marchington *et al.*, 1993: 571), that is to say that it was an initiative that required little technical skill and few resources to introduce, while allowing managers to create an image of dynamic practice and thus accelerate their own career paths.

An important area explored by Ramsay was the type of participation in which employees were interested in engaging. He suggested that the kind of participation that shop-floor workers would like is “represented by a call for greater control over the directly experienced aspects of the job, mainly through negotiation” (Ramsay, 1977b: 133). This suggestion supports other work in this area (see for example Pateman, 1970) and may help explain reluctance for workers to engage in democratic decision-making on issues of strategic importance. It also appears to replicate the findings of research into democratic participation on a national and political scale (*ibid.*). However, there is also a danger that by calling for workers’ participation in operational decisions there will be an absence of participation at higher levels of the organisation. This seems at odds with Ramsay’s call for a transformation of authority structures and his criticism of participation schemes (including the one at the JLP) as trivial (Ramsay, 1980; 1991).

Harley *et al.* (2005) noted that participative practices have evolved in ways that Ramsay’s initial theory did not predict and that some organisations have continued to embrace participation despite the absence of any obvious threat to the hegemony of managers. They returned to the principle of mutual gains and suggested that it was possible for different groups to benefit in different ways from participation, rather than seeing the ambitions of one group automatically excluding the possibility of benefit to another:

‘...what labour, capital and sometimes the state seek from participation might, and often does differ, is not in itself a barrier to their success.’ (Harley *et al.*, 2005: 15).

Ramsay has made a huge contribution to our understanding of participation at work, and his critical insights go a long way to helping explain the role of power in determining structural arrangements in a given context. Ramsay (1977a) concluded

that while the democratic control of industry by workers was not worthless, it could only happen through a complete transformation of political and economic structures. The clarity in Ramsay's argument is helpful and unlike some of the writers in this area, his theoretical and political frameworks are fully exposed. Significantly, Ramsay wrote about the John Lewis Partnership in a number of his papers (Ramsay, 1980; 1991) and was highly critical of both the firm's motivations and their practices. Ramsay's Marxist conception of industrial power, as well as his criticism of the JLP, is examined in the final section of this chapter.

In summary, 'socialistic theory' views participation as important for a number of reasons, but primarily as an end in itself as well as a potential source of liberation from capitalism. Many of the writers within this framework are understandably highly critical of much of what is claimed by profit led organisations engaging in participative practices, and the implications of these criticisms for the JLP are explored in the final section.

Human Growth and Development

The third theoretical position through which I will examine the values and goals of participation is that of human growth and development (Dachler and Wilpert, 1978: 7); this grouping has also been termed "Satisfaction and Quality of Working Life" by Marchington *et al.* (1992: 9) in their competing framework of paradigms of participation. This group of theories includes the work of McGregor (1960); Likert (1967) and Argyris (1990) and is based on the assumption that higher order needs (growth, self actualization) are essential to employee well being and could be achieved through participation at work (Dachler and Wilpert, 1978: 9).

The human growth and development framework challenges the scientific approach to organising work and suggests that worker participation is part of an ongoing humanisation of capitalism (Bernstein, 1976; Rothschild-Whitt and Lindenfeld, 1982). It is this view that dominates the contemporary debates on empowerment, employee involvement and team working (Godard, 2001; Gratton, 2002, 2003, 2004; Law, 2003) and provides us with a vision of workplace relations whereby employers and employees

achieve mutual benefit by engaging in 'Employee Involvement and Participation' (EIP). Employees feel more valued, more engaged and more empowered by participating in decisions about the way their work was done (Cloke and Goldsmith, 2002). The employers benefit from a newly motivated workforce through productivity gains, problem solving expertise, enhanced legitimacy, reduced turnover of staff and less need for external control mechanisms (Mintzberg, 1983: 18).

This unitarist perception of participation as a win-win scenario goes some way to explain the continued use and growth of 'participation' schemes in the UK and other countries. Research carried out by Cox *et al.* (2006) based on the British Workplace Employment Relations Survey (WERS98), and Harley (1999) based on the Australian Workplace Industrial Relations Survey (AWIRS95) noted the growth of firms engaging in EIP. More recent findings from the 2004 UK Workplace Employment Relations Survey (WERS04) indicated that the trend was continuing and that a large number of organisations used methods of organising based on high involvement and commitment practices (Kersley *et al.*, 2005).

In line with other critical management scholars, Cox *et al.* (2006) were scathing of much of the research into WERS and EIP arguing that it was crucial to analyse both the breadth and depth of the practices before trying to form any conclusions about employee perceptions or satisfaction. Others have pointed out that the lack of rigour and clarity in much of the research on participation makes it very difficult to examine practices in any meaningful way (see Blumberg, 1968; Cheney, 1999; Harley *et al.*, 2005; Pateman, 1970). In addition, there are contradictions inherent in the human resource management philosophy of EI and the intensification of work as a response to market pressure (Marchington *et al.* 1994: 981) and Harley (1999: 50) noted that while the AWIRS95 data suggested that EIP had increased, over 60% of employees still reported that they had no control over the conduct of their own work.

The human growth and development theories ultimately argue that greater importance needs to be placed on "the intrinsic motivational properties of work itself" (Dachler and Wilpert, 1978: 7). This group of theories does not seek radical societal change, or indeed challenge political or economic order, but focuses exclusively on organisational

settings and their influence on psychological development. For that reason, the managerial prerogative usually remains unchallenged within this framework and the “primacy of managerial control is left intact” (Rothschild-Whitt and Lindenfeld, 1982: 4). As has been argued in the previous section, in recent years the concept of ID has been replaced by the ‘softer’, more unitarist goals of Human Resource Management, EI and Voice.

Productivity and Efficiency

The final set of theories was described by Dachler and Wilpert (1978: 8) as ones where productivity and efficiency were assigned primary focus for the organisation.

“it conforms to a paradigm which seeks an instrumental understanding of human beings and their capacities, and in which people are considered manipulable toward maximum output through appropriate social technologies.”
(Dachler and Wilpert, 1978: 8).

In this grouping participation schemes are supported by management as a mechanism for facilitating high employee involvement as a means of sustained competitiveness (Pierce *et al.*, 1991: 121; Poutsma and Huijgen, 1999: 219). This view accords with Salamon (2000) who presents employee involvement as top-down, managerialist and, above all, limited in its scope and influence (Salamon, 2000: 372). Others have suggested that participation is a way of persuading workers to cooperate with management:

“The despotic regimes of early capitalism, in which coercion prevails over consent, must be replaced with hegemonic regimes, in which consent prevails.”
(Burawoy, 1985: 126).

As noted previously, EI has been associated with Lean Production and HPWS and despite using the rhetoric of participation these methods aim to create a workplace which is framed around the corporate agenda and where collective rights are always subordinate to those of the corporation:

“Employees have found themselves complicit in changes that intensify the work effort and extend the working day. In some cases co-opting the language of industrial democracy, management has opened up a space for a transition from

the bureaucratic models of labour control....to new models of cultural control.”

(Stewart *et al.*, 2004: 263)

Thus rather than seeing participation initiatives as benign tools of efficiency, a more critical understanding would view them as a powerful form of social control where “responsibilities previously held by management are shifted to the work group.” (Hodson, 2002: 496). In this way EI has become both a form of internalised control and a mechanism of moving responsibility for discipline from the employers to the employee (Taylor and Ramsay, 1998: 133).

The productivity and efficiency theories are based on the unitarist view that the interests of employees and employers are the same, and encourage “heavy self-investment in the company” (Kunda, 1992: 68). Participants are encouraged to internalise standards of performance, to exert pressure on peers to achieve those standards and to play down the importance of economic reward (*ibid.*). In this sense, EI is seen as instrumental to the business goals, which are given priority at all times. Cheney (1999) described the form of alienation appearing in workplaces where employees were seen only in terms of their instrumental ‘value’ as commodified empowerment and warned of the “recasting of ‘participation’ in customer-oriented terms” (Cheney, 1999: 154). This view of participation is explored more fully in chapter five when I outline the case of the Mondragon Co-operative.

In summary, the productivity and efficiency framework brings together theories that are based on the assumption that participation is instrumental in achieving organisational goals of productivity and efficiency. The objective is performance enhancement, and participation initiatives are valued only to the extent that they contribute to the bottom line. Furthermore, this assumption has been used as a reason to explain why participation has been so limited within most organisations. Mintzberg (1983: 19) for example, has suggested that democratic participation requires a level of bureaucracy which is incompatible with the need for large businesses to be responsive, flexible and fast in decision-making. Within this group of theories there is only one priority for organisations, and that is to generate profit, everything else, including ID and participation, are only of interest in so far as they contribute to that goal.

POWER

An understanding of power is a vital aspect of understanding concepts of ID, participation and EI. In this section I explore the difference between authority and power before contrasting the Marxist view of power with Foucault's writing on power and subjectivity and outlining the way power is used in this thesis.

Following Keenoy and Kelly (1998: 367), power is seen as vitally important to my analysis because of my belief that it is:

“...the motive force of social change and development and the essential prerequisite of social tyranny”

Terms such as power, authority, influence and control are often used almost interchangeably by many of the authors writing about organisations. Furthermore, Jackson and Carter (2007: 97) have noted that the concept of power is almost totally absent from the discourse of conventional Organisational Behaviour, replaced by the concept of authority as an explanation for compliance. In this section I explore the meaning of authority, before turning to the elusive concept of power and considering its implications for my analysis of the John Lewis Partnership.

The difficulty with using the term authority as a substitute for power is that the concept of authority implies an expectation of obedience and is underwritten by legitimacy (Sheldrake, 2003: 58). Authority can thus be defined as “a mode of influence distinct from both coercion and persuasion by argument” (McMahon, 1994: 25). Weber's concept of authority, for example, was based on the assumption that people were willing to obey and accept the right of the person giving the orders to expect compliance (Weber, 1947). The concept of power in contrast is about “getting someone to do something irrespective of their desire or resistance to doing it” (Jackson and Carter, 2007: 97). For this reason, the concept of power is the crucial one in understanding both the motivations for engaging in participation and the practice of democratic engagement in organisations.

In order to analyse the relationships of power in the Partnership it is necessary to first explore in more depth what is meant by power in this thesis, and how power differs from other (related) concepts such as influence and authority. This approach sets the framework for an analysis of power relations in participation initiatives, in line with the recommendation of Harvie Ramsay:

“A typical management view envisages increased efficiency as the prime purpose, based on a unitary view of interests; the standard labour aim is for greater democratic control vis-a-vis management. This makes explicit the need to analyse participation in terms of concrete power relationships rather than in simple idealistic terms.” (Ramsay, 1977b: 138).

Dahl (1957: 203) defined power as the ability to get someone to do something that he or she would not otherwise have done. Lukes (2005) extended Dahl’s one-dimensional view of power to one based on the idea that the supreme exercise of power was not necessarily observable through conflict or the analysis of decisions but should be seen as the ability to prevent conflicts from occurring, and to shape thoughts and desires. This three dimensional view of power focused on: decision-making and control of the political agenda; issues and potential issues; observable conflict; latent conflict; and subjective and real interests (Lukes, 2005: 29). Furthermore, it stressed that power should be seen as a capacity, not the exercise of that capacity (*ibid.*).

This emphasis on studying power not simply by analysing decisions (the exercise) but also roles, structures and beliefs (capacity) is an important distinction and helped Lukes’ work become a classic in the field (Fulop and Linstead, 1999: 124; Jackson and Carter, 2007: 115). Clegg (1989) has argued that Lukes’ view of power is problematic because of the contradiction between its moral relativism, and his insistence that ‘real interests’ must be identified. To outline Clegg’s first criticism, Lukes’ implied that people can be manipulated into having particular desires, but in order to accept this we would have to accept the Marxist concepts of hegemony and dominant ideology without accepting “the theoretical absolutism that would allow it to make sense”(Clegg, 1989: 158). Secondly, Lukes called upon us to identify ‘real interests’ which assumes that there is a ‘truth’ out there waiting to be uncovered. He acknowledged that identifying ‘real interests’ would be difficult, but by seeing them as a “function of one’s explanatory

purpose, framework and methods” (Lukes, 2005: 148) claimed that there was an empirical basis for doing so. As Clegg (1989: 128) has pointed out, Lukes’ position on the supreme exercise of power could lead to a Marxist analysis whereby objective interests are determined by a position in an objective structure of class relations. However Lukes does not explain how ‘real’ interests are to be understood and the tension between his conception of agency power and structural power remain unresolved (*ibid.*). In short, although Lukes’ three-dimensional view of power is a useful extension of Dahl (1957) it is insufficient for my analysis of power relations in the John Lewis Partnership.

As I explored earlier in the chapter, Ramsay has made an important contribution to the discussion on participation and OD and I now explore the Marxist conception of power that underpinned his work. A Marxist analysis would view all forms of organising under capitalism as types of bondage which inherently “reproduces the separation between labour-power and the means of labour” (Marx, 1954: 542). In this way, workers are alienated from themselves through the division of labour which converts the product of labour into a commodity (*ibid.*: 110). For Marx, it was the productive life of human beings and their material existence, rather than their ideas and consciousness which were ultimately real (Singer, 2000: 57). Thus, society’s superstructure conceals the real basis for society and traps people in false consciousness whereby they fail to recognise their own repressed state (*ibid.*). This form of consciousness cannot be dissolved by critique or exposition, but only by the overthrow of the economic system:

“Life is not determined by consciousness, but consciousness by life”
(Marx and Engels, 1974: 47).

Marx used the concept of ideology to describe the means by which oppressed people accept views of the world which are inaccurate and counter to their own interests. This imaginary representation of the way things are, serves the interest of those who dominate society. Marx compared this notion to a *camera obscura* whereby “men and their circumstances appear upside down” (*ibid.*) and workers are taught to work for an “illusory general interest, in the form of the state” (*ibid.*: 54). The ruling class has both the means of material production and the means of mental production at its disposal; they not only have power over labour, but also “regulate the production and

distribution of the ideas of their age" (*ibid.*: 64). Liberation from these alien powers can only come through revolution, destruction of private property and an overthrow of the state (Marx, 1954; Marx and Engels, 1974).

Having briefly explored the Marxist understanding of power I now turn to Foucault who according to Clegg (1989: 158) rejected the concept of ideology and instead sought to uncover how relations of agency and structure were constituted discursively. Foucault distanced himself from the economic and state-centred focus of Marxist analysis, arguing instead that we should ask how power actually operates in our society (Gutting, 2005; Mills, 2003; Rabinow, 1984). I found Foucault particularly valuable for my analysis and have chosen to use his view of power rather than any other that I have examined. Foucault's re-framing of power is useful in this thesis because it helps us to reflect on how power shapes interests and expectations, and serves as a means of control as well as a potential vehicle for liberation (Alvesson and Willmott, 1992: 446). For Foucault, power was not something that could be possessed, but more something that could be exercised as a strategy:

"Its effects of domination are attributed not to 'appropriation,' but to dispositions, manoeuvres, tactics, techniques, functionings; that one should decipher in it a network of relations, constantly in tension, in activity, rather than a privilege that one might possess;" (Foucault, 1977a: 26)

According to Foucault, power is a set of techniques, "a web" or "capillary" which is established at the level of "man's very existence" (Foucault, 1973: 86). Power can be exercised, but not possessed; thus to analyse power relations is to analyse the exercise of power not its structures. It is social practices as much as economic conditions which are reflected in the consciousness of men (*ibid.*). Three of Foucault's concepts are particularly relevant to my analysis of power relations in the John Lewis Partnership: disciplinary power (Foucault, 1977a; 1982); regimes of truth (Foucault, 1973; 1976); and resistance (Foucault, 1979; 1982). I explore each of these in turn below.

In 'Discipline and Punish' Foucault examined the ways in which prisoners were individualised through disciplinary practices (Foucault, 1977a). He suggested that Bentham's Panopticon was a perfect description of the form of power that was

operating in society, a disciplinary power that rests on surveillance rather than inquiry (Foucault, 1973; 1977a). The Panopticon worked by exerting disciplinary power through hierarchical observation, normalizing judgement and examination (Foucault, 1977a). In this way prisoners were individualised and regarded as objects and became the target of power and the instruments for its exercise. The major effect of the Panopticon was:

“...to induce in the inmate a state of conscious and permanent visibility that assures the automatic functioning of power...that the inmates should be caught up in a power situation of which they are themselves the bearers.” (Foucault, 1977a: 201).

Foucault’s concept of disciplinary power and what he termed “normalizing judgement” and a disciplinary “gaze” (1977a: 184; 202) are explored in chapter eight. Here I limit myself to describing what Foucault meant by the terms, and explaining why I think they are useful in this thesis. Foucault (1982) argued that in disciplinary society, control is normalized by the use of techniques and practices which subjugate people by objectifying them. According to Foucault there are two meanings of the word ‘subject’:

“...subject to someone else by control and dependence, and tied to his own identity by a conscience or self-knowledge” (Foucault, 1982: 331)

Both these meanings suggest a form of power that subjugates and makes subject to (*ibid.*). Foucault (1977a: 171) described how in the military camp power would be exercised through “exact observation”, a gaze which saw everything without the observed seeing the observer. Thus, in the Panopticon individuals internalise the disciplinary gaze and instead of power being exercised on the powerless “the individual herself now plays both roles” (Mills, 2003: 46). Disciplinary power is enacted through the strategies, techniques and procedures associated with institutional contexts and which permeate ways of thinking and behaving (*ibid.*). In chapter eight, I explore the ways in which normalizing judgement and the disciplinary gaze are used as instruments of power in the context of the John Lewis Partnership’s democracy project.

The second concept which is particularly helpful for my analysis of power relations is that of “regimes of truth” (Foucault, 1976: 132). Whereas Marx (Marx and Engels, 1974) saw our understanding and thoughts as clouded by our conditions of existence,

Foucault believed that there was no objective truth or knowledge (Foucault, 1973). Instead, all truth is constructed by discourse and so the focus for analysis needs to be not economic conditions or class politics, but rather:

“...it consists in seeing historically how effects of truth are produced within discourses that, in themselves, are neither true nor false.” (Foucault, 1976: 119).

Foucault uses discourse to refer to the processes and procedures of knowledge production (Jackson and Carter, 2007: 81), but rather than simply consisting of a set of statements which have some coherence, he sees discourse as existing because of the practices which keep some statements in existence and others out of circulation (Mills, 2003: 52). In this sense discourse can be both an instrument and an effect of power; knowledge is produced by political and economic conditions and social practices (Foucault, 1973: 12). For my purposes in exploring the meaning of democracy in the JLP, Foucault’s “regimes of truth” offer a useful way of analysing the ways in which particular constructions of ‘democracy’ and ‘participation’ are perpetuated and normalised. In addition, my focus on democratic decision-making means that I am interested in the ways in which workers in the Partnership engage in discussions and debate about the organisation. My analysis seeks to explore how discourse determines who is allowed to speak authoritatively (Foucault, 1972: 28) and what things are appropriate to say (Jackson and Carter, 2007: 81; Mills, 2003: 54).

The third key concept which I use to explore power relations in the Partnership is that of resistance and the potential for power to be productive (Foucault, 1976; 1982). Foucault rejected the Marxist notion that radicalism and revolution were the only solutions to capitalist oppression; instead he located resistance within power itself (Mills, 2003: 123). Thus, a characteristic feature of power is that although it enables some men to determine other men’s conduct, it also provides the potential for other responses and reactions:

“There is no power without potential refusal or revolt” (Foucault, 1979: 324)

Furthermore, Foucault urges us to see power as potentially productive rather than prohibitive and negative:

“If power were never anything but repressive, if it never did anything but say no, do you really think one would be brought to obey it? What makes power hold good, what makes it accepted, is simply the fact that it doesn’t only weigh on us as a force that says no; it also traverses and produces things, it induces pleasure, forms knowledge, produces discourse.” (Foucault, 1976: 120)

This potential for resistance is an important part of my analysis of power because of my politics and assumptions about the nature of work, the grounds of knowledge and the essence of the phenomena I explore. As I outline in chapter five the aim of my research is to understand the subjective world of human experience within the JLP and my assumption is that meanings are socially constructed. My political position is that work is often oppressive, divisive and alienating and that society should seek ways of organising work which are based on principles of democracy, equality and solidarity. The very fact that Foucault sees power as dispersed through society and enacted in every interaction creates the potential for resistance in each interaction (Mills, 2003: 52) and for challenges and changes to dominant discourse. In addition, Foucault’s concept of productive power (Foucault, 1976) which forms knowledge and produces discourse, helps to explain ways in which democratic participation can be both constrained and transformed.

My study of democratic practices in the JLP seeks to analyse power relations rather than power itself (Foucault, 1982: 339) and to explore the ways in which disciplinary practices individualise Partners and makes them internalise control through normalising judgement and the disciplinary gaze (Foucault, 1977a; 1982). I do not seek to uncover the ‘truth’ about democratic practices within the organisation, but rather to recognise that truth is linked in a “circular relation with systems of power that produce and sustain it” and thus I seek to detach “the power of truth from the forms of hegemony, social, economic, and cultural, from within which it operates” (Foucault, 1976: 133). This is not to say that all ‘truths’ are necessarily equal or that nihilistic despair is the only outcome of radical scepticism (Parker, 1998: 295; 2002: 113). Instead, I believe that there are a variety of ways of looking at the world but they are not politically equivalent and their ‘certainties’ need to be questioned. Following Knights and

Collinson (1987) I also explore the ways in which employees resist power or fail to resist power and the impact that the individualisation of labour has on this potential.

Authority structures are used as an important part of the analysis in that they help determine and explain the way power operates in the relations between people and the institutional structures (Harley, 1999: 61), and (following Pateman, 1970) participation is seen as involving a modification of both authority structures and power relations. As I noted in my introduction, influence and power are often used interchangeably, but for the purposes of this research they are not viewed as synonymous. Pateman (1970) made a clear distinction between influence and power, noting that employees were by their nature structurally subordinate to management and therefore in an 'unequal' position. Despite this imbalance Pateman argued that full participation could take place at all levels within the organisation (Pateman, 1970: 70) and believed that moving away from a framework of 'sides' was the answer. Unfortunately, despite distinguishing power from influence Pateman did not really engage with pluralist or radical debates on the distribution of power and failed to explain how a self-regulating group could truly be 'free' to control itself when the terms for its engagement (and the limits of its authority) were determined by management. In this sense, authority was shared, but only within the strict boundaries set by the managers. Strauss (2006: 779) further clarified the gap between influence and involvement noting that involvement could be passive (such as being involved in a sporting event) but that influence was active.

In this thesis, my focus is on the ways in which power relations are enacted and contested, and rather than seeing individuals as "passive dupes" (Mills, 2003: 34) they are viewed as active subjects with the potential to resist.

Oligarchical tendencies and the Degeneration Thesis

A review of relevant literature would not be complete without an exploration of what has been called the degeneration thesis (Sausser, 2009: 153) and the oligarchical tendencies of modern democracy (Michels, 1915: 393). The degeneration thesis has its

origins in Marxist and socialist critiques of co-operative organisations and contends that isolated organisations are unable to change the wider forces of capitalism, and because they are subject to capitalist forces they will eventually need to maximise profits in the same way as traditional capitalist enterprises (Cornforth, 1995; Hadley and Goldsmith, 1995; Sauser, 2009). Thus, co-operative organisations will ultimately need to adopt the same structures and priorities as capitalist businesses in order to survive (Cornforth, 1995: 488). Signs of degeneration have been identified in some of the strongest cases of co-operative organising, as I explore in the following chapter with the case of the *Mondragon Corporacion Cooperativa*.

Michels claimed that the iron law of oligarchy meant that democracy would inevitably leads to dominance by an elite group (Michels, 1915). He saw 'organisation' and 'oligarchy' as synonymous; the very act of organising generates the dominion of the elected over the electors and the idea of representation of popular interests remains illusory (*ibid.*: 418). The iron law of oligarchy is based on the principle that one dominant class inevitably controls another and that democratic forms of governance lead to the emergence of an elite group and the abandonment of popular sovereignty (*ibid.*: 422). Michel acknowledged that his thesis was discouraging but believed that democracy could "strengthen in the individual the intellectual appetites for criticism and control" which would "counteract the oligarchical tendencies of the working-class movement" (*ibid.*: 424).

A number of criticisms have been levelled at the degeneration and iron law of oligarchy thesis. One significant criticism is made by Cornforth (1995) who noted that Michels regarded any form of representative democracy as a sign of oligarchy, and thus large co-operative structures, which develop representative forms of democracy for reasons of efficiency, were automatically labelled oligarchic. That is to say, Michel's conception of democratic governance was a narrow one and anything outside of it was rejected. Secondly, the degeneration thesis assumes that organisations are unable to actively pursue strategies which avoid the concentration of power. For example, Rothschild-Whitt and Lindenfeld (1982: 12) have argued that there are ways of preventing the monopolistic use of expertise, through for example, training and job-rotation. Finally, Cornforth (1995: 520) has pointed out that the single biggest form of defence against

degeneration is to be vigilant for its signs, and to regularly review performance both as a co-operative and as a business.

In summary, accepting the degeneration thesis would mean that all forms of co-operativism and OD were largely pointless. Employee-owned companies would simply degenerate as the demands for efficiency lead to the dilution and ultimate abandonment of principles of solidarity, democracy and equality (Sauser, 2009: 154). However, it is possible to be aware of the danger of degeneration and the threat of oligarchy while still pursuing democracy as an ideal:

“...in labouring indefatigably to discover the undiscoverable, we shall perform a work which will have fertile results in the democratic sense.” (Michels, 1915: 423).

Democratic ambitions are worthy ones and rather than accept the inevitability of degeneration it is suggested that an awareness of the challenges of popular control and a reflexive attitude towards evaluating progress towards a democratic ideal are a fundamental part of the democratic journey.

CONCLUSIONS

In conclusion a number of key findings have emerged from the literature review, these include the need to clarify terms, the need to emphasise the role and techniques of power relations, and the importance of positioning participation in terms of the wider value and environmental context.

The first conclusion is that conceptual confusion is particularly problematic in reflecting on the role of power relations in the writing on participation. Thus, (following Marchington *et al.* 1992; Rothschild-Whitt and Lindenfeld, 1982) participation will be used as an umbrella term to define the subject as a whole, incorporating a spectrum of concepts from EI through to OD. Furthermore (and following Wilkinson, 1997: 45), a distinction is made between EI (including empowerment) and initiatives which may truly empower, the main one being OD.

Whereas Wilkinson (*ibid.*) called for a pragmatic approach to analysing EI initiatives I will argue that EI's inextricable connection to top down, managerialist initiatives that are designed to "increase employee information about, and commitment to the organisation." (Marchington *et al.*, 1992: 7) means that an alternative discourse is necessary. Voice is rejected as simply a contemporary variation on EI, albeit one with a loose regulatory framework behind it. Furthermore, focusing on 'softer' forms of EI with purely managerial concerns (see Marchington, 1988), risks ignoring deeper forms of participation which pursue equality, democracy and workers rights (see Cheney, 1999).

As noted previously, Thompson (2003: 359) has argued "it is much harder to make a reputation...by arguing that nothing much has changed", but I intend to try and do exactly that, using the term Industrial Democracy (ID), or more accurately Organisational Democracy (OD) in this thesis. Specifically, OD is used to define those practices aimed at increasing the potential for employees to participate in decision-making. It is argued that amidst the conceptual confusion it is vital to state that there are key differences between OD and the more managerially driven concepts of

involvement and voice. Marchington *et al.* (1993: 46) note that there is a danger that researchers focus on recent initiatives at the expense of long-running schemes; this thesis offers a different perspective based on a belief in the danger of adopting faddish concepts (like empowerment, and employee involvement). JLP experimented with ID – and as such, sought to implement mechanisms that transformed the authority structure and resulted in employees having not just ‘voice’ but also mechanisms for exerting power. I therefore follow Cheney (1995: 170) in adopting the following definition of OD:

“A system of governance which truly values individual goals and feelings (e.g. equitable remuneration, the pursuit of enriching work and the right to express oneself) as well as typically organizational objectives (e.g. effectiveness and efficiency, reflectively conceived) which actively fosters the connection between those two sets of concerns by encouraging individual contributions to important organizational choices, and which allows for the ongoing modification of the organization’s activities and policies by the group”

Fox (1973) has argued that pluralism is a civilised way of achieving reform within the status quo while still pursuing the radical analysis that is necessary for more fundamental change and his framework has some explanatory power in analysing and reflecting on the experiment in ID in the Partnership. It is clear that for many of its critics the organisation is not radical enough, but despite that and following Fox (1973) it will be argued that there is significant value in beginnings. This emphasis on potentiality was identified by Ackers *et al.* (1992) as aligned with a revisionist or voluntarist radical theory of participation. For Ackers *et al.* radical theory on participation fell into two broad schools – orthodoxy (Marx, Braverman) and revisionist and voluntarist accounts (Ramsay), although it is worth recording that Ramsay rejected the label of voluntarist preferring to identify himself as a realist (Ramsay, 1993: 80). They concluded that whereas the voluntarists framed participation as offering potential, orthodox radical theorists simply dismissed it because:

“Orthodoxy would suggest that participation is inherently trivial and hardly worth further investigating” (Ackers *et al.* 1992: 270)

This point is an important one and the search for positive-sum participation has been used to frame my study of the Partnership. My approach rejects the zero-sum concept

of power with the assumption that employees and unions should see participation as a threat. I accept that participation can be co-opted to reinforce the status quo, pluralism can mask sectarian interests, favour strong groups over weak, create an illusion of equal voice and reject ideas from outside of dominant groups (Carter and Jackson, 1987: 76). Organisational democracy is not a panacea or utopia but a system of governance based on key principles of solidarity, equality and democracy. In exploring OD in the JLP I draw insights from pluralist and more radical frameworks to (re) examine its possibilities.

The second key conclusion is to recognise the importance of the context for analysing participation initiatives (Wilkinson *et al.* 2007: 1281). I thoroughly outline the claims made about participation by the founder and existing management of the John Lewis Partnership, as well as the practices that are used within the organisation. The problem with focusing solely on the techniques used by organisations as part of EI initiatives (see for example Marchington *et al.*, 1992) is that by doing so the practice of participation is removed from the paradigm/context. Intentions matter, and it is for that reason that OD with its possibilities for transforming authority structures and enabling workers to take greater control of their lives will always be fundamentally different (and more interesting) than EI.

The framework outlined by Dachler and Wilpert (1978) is useful in that it emphasises the value systems and the assumptions upon which particular models and critiques of participation are based. As we will see in chapter 4, it is clear that no single perspective sufficiently accounts for John Spedan Lewis's retrospective account of his vision or the continued focus on democratic principles in the Partnership. For the purposes of this research concepts from a range of frameworks will be drawn upon in order to argue that democracy as enacted in the Partnership is complex and at times contradictory, both in its intentions and in its outcomes.

In terms of the Partnership there is clear evidence that its structure and practices are heavily influenced by a Human Resource Management framework and conceptions of High Performance Work Practices (HPWP). However, this particular paradigm does not fully account for the organisations ongoing pursuit of democratic practices rather than

El, or indeed for the founder's recognition of the pluralist nature of employment relations (Lewis, 1948: 356) and belief in the intrinsic value of democratic participation (*ibid.*: 368). As we will see in chapter 4, there is some evidence that he believed that a Partnership structure would lead to greater efficiency and improved returns on capital. However, it is argued that both the founder's vision and the subsequent development of the Partnership are indicative of more complex drivers and motivations than the pursuit of profit. Democracy is considered as an important right of people in the workplace and is valued for its own sake rather than purely in an instrumental sense (Stohl and Cheney, 2001: 351):

“Instead of employee representatives facing a crude dilemma of militant oppositionalism or incorporation, areas of cooperation and conflict co-exist, as Pluralism suggests, potentially leaving some space for positive-sum participation” (Ackers *et al.* 1992: 270).

There are aspects of the JLP and more specifically, the retrospective account of its formation by the founder, which accord with the democratic theory of participation. JSL (1948, 1954) recorded that the aim of the Partnership was to become a democracy where the ultimate authority would be public opinion, informed by clear information and free to express dissent. The principles on which this democracy was based were the sharing of gain, knowledge and power:

“Democracy gives to every individual the greatest amount of his own way, the greatest freedom – consistent with the rights of others. Democracy does not tell the individual he ought to wish for this or that. It asks him what he does wish.” (Lewis, 1954: 59)

As I explored earlier, Ramsay (1980: 52) was quite disgusted by JSL and described the Partnership as “suffocatingly paternalistic in its apparent benevolence”. His conclusion was that the only outcomes of participation at John Lewis were “apathy and triviality” (*ibid.*: 52). I would agree that some of the founder's ideas could be interpreted as patronising and condescending, but Ramsay's dismissal of the Partnership offers little by way of an explanation as to either the continued success of the Partnership as a business or their continued commitment to democratic forms of governance.

It is suggested that by dismissing all that is claimed in the name of participation as impotent, Ramsay closed down the possibility for some of the forms taking on meaning in their own right. If reform is viewed as impossible without revolution it inevitably forecloses on piecemeal reform or change. Change is potentially compromised when it does not challenge the status quo, but this is just a potential rather than an absolute outcome. As Fox (1973) has noted, the pluralist ideology is not targeted at achieving radical change but that does not prevent reforms which are valuable in their own right.

Ramsay (1977b) acknowledged that participation could be both important and meaningful, but stressed that it was largely used as a sop to workers to distract them from their lack of voice on key issues such as pay. While accepting that this may, and indeed in many cases has been the case, by dismissing all participation in this way Ramsay again shuts down the possibility of exploring more fully the ways in which it may be important and meaningful. Instead, it is suggested that participation does not have to be seen as the antithesis of any socialist framework, but instead, may be viewed in the absence of revolutionary change, as a mechanism for creating a more meaningful and equitable way of organising work.

This criticism goes some way to reflecting the argument that will be made about the JLP, which is that although clearly operating within a capitalist frame of reference, there is much about the structure which is both transforming and emancipatory. Other critics have shared Ramsay's analysis of the Partnership and his view that participation is simply the latest in a long line of management fads (see for example Butler, 2009: 177; Jackson, 2001: 38). It has been suggested that participation (specifically in terms of profit sharing) is simply a "paternalistic response to the challenge of labour" and evidence of a "blatant dislike of trade unionism" (Baddon *et al.* 1989: 80). However, I am more cautious, not least because Ramsay's position offers little by way of explanation as to the JLP's continued commitment to democratic participation, a 'fad' which at the time of writing is entering its 78th year and one which rather than creating an image of dynamic practice has been viewed by many commentators as old fashioned and wasteful (see for example Finch, 2002; Bevan, 2006).

In summary, the JLP's experiment with OD does not clearly sit within a single framework, but instead consists of recognisable dimensions from several. These include: a belief in participation for its own sake; a sense that capitalism is unjust; a desire to enable employees to experience more meaningful work; and a belief that participative structures and co-ownership will lead to improved profitability. In short, the Partnership is complex and interesting and while it is not classified as revolutionary in the tight boundaries imposed by radical theorists, it does open out some possibilities which are worthy of further exploration. As Ramsay, himself has noted:

“No analysis of any social process under capitalism can proceed by a priori, determinist fatalism, for this ignores the possibility of contradictions and so unintended outcomes.” (Ramsay, 1985: 74)

The third key conclusion is that the role of power and the relationship between power and authority structures within the JLP are an important part of the thesis. The key to determining the use of power as opposed to the illusion of power (see Voice) will be an examination of the techniques of power used within the Partnership and an exploration of the interplay between power and “regimes of truth” (Foucault, 1976: 132).

Following Ackers *et al.* (1992: 274) I reject a Marxist theory of industrial power which suggests that the prospect of management and employees simultaneously benefitting from participation is unworthy of consideration. Instead, my focus is on exploring the practices of power; how knowledge is formed, norms are established and critique constrained. In this way power is considered to be a “productive network” (Foucault, 1976: 120) which operates in society through the everyday relations between people and institutions. It is this diffusion of power through social relations which enables me to explore how it is enacted and hence “subject to resistance in each of those interactions” (Mills, 2003: 52).

This understanding of power fits well with my belief that OD can create a potential for positive-sum participation and that just because techniques of power may be intended to close down possibilities for alternative thought that does not necessarily mean that alternative thought will not find a space. A Foucauldian understanding of power is used to problematise OD in the Partnership through an analysis of the ways in which the

practice of democracy involves relations of power, built upon regimes of knowledge (see for example Foucault, 1976).

In the next chapter I outline my research strategy and the methods used to collect my empirical data. I record the strengths and weaknesses inherent in the techniques that were adopted before introducing the data itself, and explaining the presentation of the material in the following chapters.

CHAPTER 3: METHODOLOGY

INTRODUCTION

This chapter is divided into three sections. Section one outlines the research strategy and reviews some literature on methodological and epistemological issues in case study research. The implication of this literature is discussed in terms of my research into OD. Section two outlines the methods used, and records the strengths and weaknesses inherent in the techniques that were adopted. Finally, section three explores explains the presentation of the material in the following chapters.

The primary research question is:

- What is meant by Organisational Democracy in the John Lewis Partnership?

In addition the research seeks to explore the practices associated with it, the consequences for the participants and the wider implications of the experiment.

THE NATURAL HISTORY OF MY RESEARCH STRATEGY: EPISTEMOLOGICAL AND ONTOLOGICAL CONSIDERATIONS

My research journey and strategy was a highly emergent one rather than one with a clearly planned structure and pathway. As such, and following Silverman (2000: 236), this section will start with a brief 'natural history' of my research before moving on to detailing the epistemological and ontological considerations.

The Personal Context

Like many of the best things in life, this research started as a result of an accidental and unanticipated encounter. I was working as a lecturer at a University in the UK and was responsible for coordinating an introductory Management course. I decided to link theory with practice by trying to get 'real' managers to allow me to bring groups of students to visit them 'in situ'. I wrote to all the large businesses in the area and managed to get permission to visit about 20 companies. The programme proved to be enjoyable, but uneventful, and so I walked in to the 'Marx Bros' Department Store in a northern city centre with few expectations, other than perhaps hearing about some examples of good (or bad) practice that I could then talk about in lectures. After I left the store I sat with my students on a coach travelling back to the University and we talked about what we had heard, about how unexpected it all was, and ultimately, about what we perceived to be the uniqueness of the organisation.

The visit had started, like many of the others, with a tour of the company (the shop floor, stock rooms, offices, and canteen). Part way through the tour we passed notice boards running the length of the corridor, each had a heading: 'Partners' Welfare', 'Sports and Recreation', 'Music Society', 'Partnership Council', and 'Committee for Claims'. We were told that the company did not use the term 'employee', but that everyone who worked there was an owner of the business and so were referred to as 'Partners'. The Partner giving us the tour explained that there were dozens of clubs and

societies and that they were all funded by the business, and that the various committees existed so that decisions about the company could be made based on democratic principles. Later that afternoon, a Partner gave us the history of the Marx Bros Store and explained how it was part of a larger group of department stores called The John Lewis Partnership (JLP). She outlined how the democracy worked to enable all Partners to share in profit, power and knowledge, three principles that were laid down by the founder of the Partnership in 1929 (Lewis, 1948; 1954). I was amazed, not only that the department store in the centre of the city I had lived in for over 10 years appeared to have such a radically different structure, but also that it appeared to be such a well kept secret.

I decided that I wanted to learn more about the business so that I could talk about it in more depth in my teaching. I contacted the Managing Director, and over the next few months returned several times to speak to Partners and to observe Council Meetings. Around this time, I had registered for a PhD, and was exploring material on Corporate Social Responsibility. I started to talk to my supervisors about the company, and began thinking about using it as a case study for my research.

In 2004 I formally requested that the Partnership give me access to study them more closely. My proposal was fairly vague, I asked to interview Partners and to observe meetings, but had only the most general ideas about what I sought to find. Essentially I wanted to know more about the company, to understand its history and its practices, and to try and establish why their unusual structure was not better known. Luckily, the Managing Director of the Northern Branch store was incredibly supportive, and agreed that I could study the business (with the approval of the Partnership Chairman), and offered to help by assigning a Partner to be my chief contact and 'way in' to wider groupings. This Partner held a mid-level role within the Northern Branch Store, and significantly, was attached to the Registrar's Department, which meant that she was positioned parallel to the Management Team, but not part of it (see 'Structure' in Chapter Four). I have given her the pseudonym Ruby.

In many ways, Ruby became my equivalent to William Foot Whyte's 'Doc' (Whyte, 1955), she was my sponsor, she introduced me to everyone in her network, she gave

me information about the structures and roles within the Partnership, she vouched for my credibility, and enabled me to access material and people. Over time our relationship changed, trust developed and familiarity meant that our forms of communicating became less formal. Whyte described a similar change of role in his relationship with Doc:

“I ceased to treat him as a passive informant. I discussed with him quite frankly what I was trying to do, what problems were puzzling me, and so on...Doc became, in a very real sense, a collaborator in the research.” (Whyte, 1955: 301)

My relationship with Ruby never fully developed into full collaboration, but over time she helped me to interpret my observations, I asked for her advice in exploring ideas, and I talked fairly openly about my views of the Partnership. Shortly after gaining permission for my study I travelled to London with Ruby to attend a Partnership Council meeting, and to meet some of the senior management team. This was my first opportunity to appreciate the scale of the organisation and its democratic practices, and to get some insight into the philosophy of the company. During a meeting with the ‘Partners’ Counsellor’ I began to see the uniqueness of the business, not simply as something that was of interest to the outside world, but also, as something that the Partnership itself was struggling to understand and explain. Some of the problems and concerns that the Partnership were engaging with were shared with me, and as I reflected on these in discussion with my supervisors, I started to see the company as central to my research rather than simply an illustrative case study. I decided that although the company did have some interesting ideas on sustainable business practice these were only a subset of a larger group of ideas and principles about organising work. These wider concepts were written about in some length, by the founder of the Partnership, John Spedan Lewis (JSL), and were broadly termed by him as an experiment in industrial democracy (Lewis, 1948). I felt that it was that particular phrase, and the principles associated with it, that were the most interesting aspect of the organisation, and in fact, also the least well known. At this point, I started to establish a research design, beginning by reflecting on my own assumptions and beliefs about the purpose of research.

Politics and Beliefs

This part of the chapter will begin by making explicit the ontological and epistemological assumptions which underpinned my chosen methodology. A useful starting point is a brief outline of my own politics and the way this informs my understanding of research and my commitment to particular positions.

I grew up in a small northern town in the UK, where most people worked in the textile industry or in the nearby collieries. My parents were school teachers and this placed me in the uncomfortable position of being perceived as middle-class in a working-class town. My parents were closely involved with the community and from an early age I was aware of the injustices within society, the poverty in my own community, and the abuse that people encountered from family, employers, and others. As a child I was more interested in my own personal sense of being an outsider than understanding the struggles of the people around me. As I got older I became increasingly aware of the advantages open to me because of my class and accent, and angrier about the constraints experienced by my friends and community. I became more politicised in my views, looked for others who shared my sense of injustice about the world and started actively being involved in politics.

When I was 15 years old I got a Saturday job at a store in the city centre. The shop had recently been taken over by an American Multinational Corporation and the full force of what was perceived to be 'contemporary management practice' was being used to modernise operations. This was probably the first time that I saw the connection between capitalism and exploitation; I had of course heard of Marx but had focused on what I perceived to be the oppressive powers of the state not private enterprises. Here for the first time I was both aware of, and subject to, significant pressures from the management of the shop to conform to the dominant discourse of managerialism. I was expected not only to serve customers efficiently and effectively, a role I had little dispute with, but was also expected to be "on message", to be relentlessly upbeat about the latest corporate missives, to use the 'jargon' that we were bombarded with during the motivational team briefings, to exert pressure on colleagues to do the same, and to show my commitment to the company by never complaining.

By the time I started my undergraduate degree I had really been socialised into believing that there was no alternative to the models of work that I had experienced myself under capitalism. When I was taught about famous cases of corporate manslaughter (Ford Pinto; Union Carbide) I was shocked but found the possibility of such behaviour entirely plausible. Today, I am still angry about the injustices within society and believe that my politics and my research interests are fundamentally connected.

As Wolf (1995: 15) has noted “it is axiomatic that anyone who really wants to discuss industrial democracy must talk about capitalism”. I don’t think that work should be a place that instils fear in people, or place them under so much pressure that they become ill as a result of the stress and worry. I think it is wrong that organisations exploit the weakest members of society by forcing them to work in poor conditions simply because they believe they have no choice. I think it is wrong that some people receive huge salaries while other people barely receive enough to cover the basic costs of living. I think it is wrong that accents and status still count for so much within organisations, that hierarchy is accepted unquestioningly and that treating people as a resource is not seen as problematic. I still believe that society needs to undergo a radical transformation in order to truly challenge all of the above.

However, one important way that my politics differs from the more idealistic beliefs of my teenage years is that I am now a firm believer that there are changes that can be made within the capitalist system. I think that reform is better than no change and that experimenting with alternative ways of organising work is important, no matter how small those experiments are. I no longer believe that class is the source of all oppression within society, I think that power is exerted in lots of different ways and that the source and the target can change. I no longer see organisations as a simple site of struggle between owners and employees; I believe that there can be situations within organisations where there is the potential for mutual gains. I think that there are ways of organising work which are not exploitative and divisive, that can enable people to keep their dignity and experience work as something meaningful and occasionally even enjoyable. I believe that although examples of co-operative work and social enterprise fail to meet the utopian ideals of radical thinkers they should not be

dismissed altogether. I believe that work can and should be organised around principles of equality, solidarity and democracy, and these beliefs inform my research.

Ontological and Epistemological Assumptions

My ontological position is that social reality is constructed and that values and beliefs differ across social groups and settings. My emphasis is therefore on exploring the perception and experience of OD within the John Lewis Partnership as a means of understanding ways of developing democratic practice. I do not believe that there is a 'true' state of affairs which is hidden from people by the dominant ideology which is in turn created by the material relations of production (Marx, 1954). In contrast, I believe (following Foucault, 1976: 119) that power is dispersed throughout society and that what counts for truth is produced and sustained by discourse, rather than material economic conditions alone.

As I outlined in chapter two, Foucault uses discourse to refer to the processes and procedures of knowledge production (Jackson and Carter, 2007: 81). Discourse can be both an instrument and an effect of power (Foucault, 1973: 12) and this view requires us to ask "how is it that one particular statement appeared rather than another" (Foucault, 1972: 27). Thus, Foucault (1979: 325) argues that our focus should be on exploring how relations of power become seen as rational and how truth is constructed and alternative truths subdued through discourse. Within the theorising on discourse Foucault also uses the term episteme which he defines as follows:

"The strategic apparatus which permits of separating out from among all the statements which are possible those that will be acceptable within ...a field of scientificity, and which it is possible to say are true and false" (Foucault, 1977b: 197)

The implications of this position are that my methodology seeks to explore the ways in which knowledge is produced in the JLP and how discourse produces and constrains democratic participation. However, rather than seeking a single unifying body of ideas about democratic participation, instead my focus is on analysing:

“A set of conflicting discursive frameworks and pressures which operate across a social body and which interact with each other and condition how people think, know and write” (Mills, 2003: 63).

My research aims are informed by Geertz (1975: 5) and thus my methodology aims to find meanings rather than laws. In practice, this means that rather than believing that concepts have an inbuilt essence, “their meaning is constructed in and through interaction” (Bryman and Bell, 2003: 21). Thus the research design emphasises the tenuousness of concepts of democracy and participation, and aims to “understand the subjective world of human experience” (Burrell and Morgan, 1979: 253). The approach moves beyond the interpretive paradigm, however, by focusing not simply on meaning, but also on power differentials within the organisation:

“Understanding the viewpoint of organizational members is clearly important here, but any interpretive romanticism is tempered by a focus on the power relationships that help to constitute different senses of subjectivity.” (Parker 2000: 75)

Burrell and Morgan’s (1979) taxonomy of paradigms helped me to understand my own beliefs about the nature of knowledge, and to reflect on what I wanted my research to do. I would position myself within the sociology of radical change, with a concern for challenging the status quo and examining the possibilities for OD, rather than simply limiting the research to the present (Burrell and Morgan, 1979: 17). I have spent a great deal of time agonising about my theoretical framework, and trying to position myself clearly within one of the four paradigms that make up the model. Ultimately, and following Parker (2000), I determined that paradigm boundaries would be blurred rather than broken, and my position is explained in more depth below. This is not to reject Burrell and Morgan’s (1979) case for mutual paradigm exclusivity, or the defence of that stance by Jackson and Carter (1991; 1993); but rather, to recognise that paradigm lines are not always clearly drawn (Locke, 2001).

The research strategy starts from the premise that studying people and institutions is fundamentally different from research in the natural sciences. My research is founded on an essentially interpretive epistemological position, from which OD is investigated as

a construct that is used to make sense of social action (see for example Bryman and Bell, 2003; Burrell and Morgan, 1979). However, the aim of the research is not simply to understand “the world of lived experience from the point of view of those that live in it” (Locke, 2001: 8); but also to subject it to critique, and to expose the power relations that may be implicit or explicit in different structures or forms. In effect, the research moves beyond the interpretive paradigm because of my belief that the researcher cannot be seen as disembodied from the context of the investigation (Walliman, 2001: 168; Whyte, 1955; 1991). I recognise that my own beliefs and attitudes are inextricably connected to the research design, the methods, and the interpretation of the data that emerges. Thus, rather than seeing the researcher as objectively studying the organisation and its employees (the positivistic approach), my research recognises the subjectivity of the research process and assumes that understanding is mediated by my own position.

These concerns ultimately enable the research to seek to understand what is meant by OD within the JLP, but also to use that knowledge to imagine the emancipatory possibilities for both the Partnership, and wider forms of organising. My research both tells the story of the Partnership and its democratic experimentation, and examines how this story might lead to a transformation in work and the way OD is conceptualised by scholars. The point of the research, in summary, is to transform the world around us in “small but perceptible ways” (Thomas, 1993). My purpose is clearly normative, that is to say, I did not want to study the Partnership because it was an interesting academic exercise, but because I believe in the intrinsic value of participation at work, and wanted to learn how it could be more effective (Strauss, 2006: 799). Strauss adds that the main question for him is not “Whether participation can work...but how to make it work” (*ibid.*: 800). This is a concern that I share.

There are a number of limitations and personal regrets about the framework that I used, and these are explored at the end of this chapter.

But is it Ethnography?

Much of my early reading focused on Ethnography and this section will explore what is meant by the term and what ethnography might have to offer. I conclude that my work is a form of case study research drawing on ethnographic principles but accept that the boundaries are unclear and that some ethnographers would object to my use of the term.

Much is claimed in the name of ethnography, and the term is defined differently by different authors (see for example Bryman and Bell, 2003; Hammersley and Atkinson, 1995). In its most basic form, ethno can be understood as meaning 'folk' and graph meaning 'writing' and so ethnography is simply 'writing about particular folk' (Silverman and Marvasti, 2008: 508). Organisational ethnography seeks to understand the context in which actions take place and to "avoid taking single comments as a 'truth'" (Townsend, 2007: 16). Ethnographers are interested in the way in which people construct their social world, but the naturalistic roots of traditional ethnography require us to believe that ethnographic researchers do not take a similar interpretive stance when constructing their research (Hammersley and Atkinson, 1995: 11). Instead, my approach, following Hammersley and Atkinson (*ibid*: 21), is that the "fundamental reflexivity" of social science research should be embraced, recognising that the researcher is part of the social world they are studying, and reflecting on that as a strength, rather than trying to justify it as naturalism.

Ethnography usually implies "intense researcher involvement in the day-to-day running of an organization" (Bryman and Bell, 2003: 315), but there is little clear agreement about what exactly constitutes this intensity. William Foot-Whyte spent three and a half years living in 'Cornerville', noting that for the first 18 months of this period, he had only the vaguest idea what he was observing (Whyte, 1955: 356). Michael Burawoy spent 10 months working as a machine operator in a Chicago factory (Burawoy, 1979; 1985; 2000); Kunda was assigned an office within the HQ of the Tech Corporation that he spent over a year analysing (Kunda, 1992); Cheney spent 5 months of unlimited access studying the Mondragon Cooperative (Cheney, 1999); Covalleski *et al.* (1998) conducted a 15 year programme of fieldwork in an accounting firm. By contrast, my

own study of the John Lewis Partnership, extended over an 18 month period, but varied in intensity, from full days spent in the store, to brief visits lasting no more than an hour or so. Thus, although I would describe my time in the field as a prolonged engagement, the variability of my engagement with the company means that it would not be seen as pure ethnography if measured in purely quantitative terms (Locke, 2001 for example, refers to a minimum of twelve months in the field).

Another important way of exploring the extent to which the research might be classified as ethnography is to consider the role that the researcher played in the study (Bryman and Bell, 2003: 322). There are a number of frameworks which attempt to do this and one of the most cited is that devised by Gold (1958) (see for example Bryman and Bell, 2003; Hammersley and Atkinson, 1995: 105; Hellowell, 2006: 490). Gold outlined four different classes of participant observer, ranging from complete participant, through to complete observer. 'Participant as observer' accounts for studies where relationships are developed over time and active participation by the researcher exceeds observation:

"The field worker is often defined by informants as more of a colleague than he feels capable of being" (Gold, 1958: 221)

By contrast, Gold's 'observer-as participant' is focused on "one-visit interviews" and "brief encounters" (*ibid.*). My own research did not in any way involve the illusion (or the actuality) of me being employed, or working for the Partnership. I may have 'participated' in discussions, informal meetings, and even in openly sharing my findings, but never to the extent that Gold identified as indicative of participant-observation (*ibid.*). However, I did spend a great deal of time in the Partnership, I was described on several occasions as being 'part of the furniture', I was invited to social and informal gatherings, and although I did conduct 'one-visit' interviews on occasion, my research was typified by frequent and extended engagement with the company.

Another characteristic of ethnography is the absence of pre-determined analytical categories at the beginning of the study (Locke, 2001: 18). The research process is described by Hammersley and Atkinson (1995: 206) as having a funnel structure, "being progressively focused over its course". This explanation fits well with my own approach

to studying the JLP, which started with the vaguest of intent, but over time, both the methods and the categories became refined.

Based on the epistemological and ontological assumptions outlined above, there are clearly some areas of difference between a realist understanding of ethnography, and my own focus on power, belief in social constructionism and commitment to pursuing emancipatory change. Rather than “wearily consider” the distinguishing characteristics of other approaches and styles that fall under the broad spectrum of qualitative research (Locke, 2001: 14); I will instead embrace the ambiguity of the various positions I have outlined above.

The company may have had some expectations that collaboration might benefit them, but there were no agreed action objectives, and so my research could not be defined as Participative Action Research (PAR) (Whyte, 1991: 9). Equally, despite my extensive use of principles of ethnographic research, I accept that purists may challenge my use of the term ethnography. In recognition of the ambiguous demarcation between case study, action research, ethnography and grounded theory (see for example Hammersley and Atkinson, 1995; Locke, 2001), I would summarise my research design as case study research, drawing on ethnographic principles, from a critical perspective.

METHODS

In all research there is a tension between the need to remain open in order to allow the data to emerge freely, and the need to maintain at least an element of order so as to avoid being overwhelmed by the material (Baszanger and Dodier, 2004). Although my research design was ethnographic in nature, there was an attempt to plan and structure elements of the methodology so that it could be managed within the PhD timeframe.

The main methodological techniques that were used were observation and semi-structured interviews. The approach enabled me generate and explore rich data from an interpretive perspective. As I outlined earlier, the Partnership consists of the John Lewis Department Stores and Waitrose Supermarkets and initially my focus was on establishing the historical context for my study by exploring the literature on the Partnership. In addition to exploring the literature written by people outside of the Partnership I also read and analysed the two books written by the founder in 1948 and 1954. Instead of treating these founder-centred histories as objective accounts of events, following Rowlinson and Hassard (1993: 305) they were used as “a valuable cultural artifact” in their own right. Foucault has been criticised for claiming that history is a discourse but failing to explicitly recognise that his own histories are also interpretations (Rowlinson and Carter, 2002: 533). In using the founder’s history of the Partnership I have emphasised its subjective and retrospective nature.

The Partnership published three internal magazines, *The Gazette*, the Partnership wide publication; *The John Lewis Focus*, the John Lewis divisional publication; and *The Chronicle*, a magazine produced weekly in each Branch. All three publications were issued free to Partners, and I asked to be added to the mailing list and was able to read all three magazines on a weekly basis between 2004 and 2007. In addition I accessed on-line versions of the magazine through the Partnership archives which enabled me to examine historical material.

During the data collection period there were 27 Department Stores, 198 Waitrose Supermarkets and 69,000 permanent staff (Johnlewispartnership.co.uk). The data collection took place between 2004 and the end of 2007 and for resource constraint reasons was limited to the John Lewis Department Store side of the Partnership.

My aim was to gain an insight into the perspectives held by the Partners working within the Partnership, and although I wanted to understand the historical philosophy and the one espoused by the management, I also wanted to hear about the experiences of people working at the lowest levels of the company. In effect I sought to “scratch below the shiny surface” (Townsend, 2007: 22). Following Beirne (2008: 677), I had a sense that “something valuable is slipping out of focus” and that researchers into participation at work were focusing too much on “top-down prescription” and “high level discourse on regulatory frameworks”. In short, in order to understand the meaning of industrial democracy within the Partnership I wanted to observe firsthand the practices through which decisions were made, and find out what democracy meant to the people working there.

One of the most difficult steps in research is often regarded as gaining access to the organisation (Alvesson and Deetz, 2000: 193; Bryman and Bell, 2003: 317; Saunders *et al.*, 2003: 114; Whyte, 1991). Surprisingly, this was one of the easiest parts of my own research experience, and very early on in my PhD in May 2004 I was given permission by the Managing Director of one of the department stores to study their practices. I had drafted a research proposal entitled ‘A Study of the John Lewis Partnership’ listing the following research aims:

- To explore the meaning and mechanisms for Corporate Social Responsibility
- To examine the structures for democratic involvement in decision-making and examine the contribution of the JLP to the advancement of social wellbeing in terms of wider concepts of citizenship within society

My proposal explained that the research would be the basis for my PhD thesis and that the findings would be made available to the Partnership, disseminated to the wider academic community and, if appropriate, shared with other organisations that would benefit from the experience of the Partnership. I also stated that as aspects of the

findings may be “of a sensitive nature” permission would be sought from the Partnership before the research was published in journals.

The choice to base the study in one particular Branch was dictated both by its proximity to my home and workplace and by the access to the store as a result of the relationship I had built with the Managing Director subsequent to my visit with students. This Branch has been given the pseudonym ‘Northern Branch’.

There have been a number of calls for case study research into participation (see for example Ackers *et al.* 2006; Ramsay *et al.*, 2000) in order to dig deeper into trends and analyse the experience rather than the theory of participation practices. Marchington *et al.* (1994: 891) called for case study work which “combines questionnaires, interviews, and observations to establish a more holistic picture of how employee involvement operates and is perceived in practice”. This ‘holistic picture’ was what I sought to produce, I was very aware that the size of the organisation, coupled with its apparent commitment to the democratic principles laid down by the founder in 1929, meant that it was likely to be a rich source of data, and a story that needed to be heard.

As the workers in the organisation became more accustomed to my presence, and I developed a clearer understanding of the structures, I began to seek permission to observe meetings and interview people in other stores and in the Head Office. My research proposal had stated that I would welcome advice from the Partnership on how best to achieve my research aims, and I spent some time with the Managing Director of Northern Branch, and the Chief Registrar discussing options and negotiating access. Soon after my data collection began in earnest, I revised my aims, dropping the one relating to Corporate Social Responsibility, and narrowing the research to focus on democracy.

Ramsay (1980) has noted that research on participation has tended to focus on ‘best practice’ and that little attention has been paid to failures. One of the interesting features of this research is that the JLP had identified its current approach to participation as problematic and concluded from a Partner opinion survey (2005/2006) that it was not valued by employees. This ‘failure’ provided a rationale for

experimenting with new democratic structures, and the period of experimentation coincided with my data collection. My aim was to try and understand how organisational members understood life in the Partnership at this crucial point in the organisation's history when the democratic structures were under review.

Although the majority of the data collection took place in Northern Branch, as categories emerged, and as the democracy project expanded, other regional stores were visited for comparison purposes. In addition, the Headquarters of the Partnership were based in London, and meetings of the entire Partnership Council took place in London every few months, and so data were also collected at those central forums. The research population were members of the JLP, employed over the period. A more detailed explanation of the methods is given below.

Observation

Observational research was identified as a clear mechanism through which I sought to understand the meaning of OD within the Partnership, and to identify the practices associated with it. Silverman (2001:52) extended the work of Bryman (1988) in creating a helpful list of the aims of observational research. The following elements were fundamental to my own approach:

- Seeking to understand how the people being studied saw their world
- Describing the everyday detail of interactions in order to have a richer understanding
- Contextualising the data in wider social and historical spheres
- Adopting a flexible approach to research design and categorising

My strategy was to observe anything that I came across within the organisation, this meant that not only did I sit in formal meetings and take detailed field notes, but also that I kept note of the things I observed while sitting in the canteen, waiting for interviews to start, and walking through the store. During meetings I took detailed notes, writing down phrases used by contributors, noting room layout, 'audience' reactions and anything else that I thought might be useful. During breaks in meetings, I

would chat to other 'visitors' or to members of the Council (management and elected representatives). Notes were not taken during these informal times but subsequently I recorded points of interest or issues to follow up. I dressed in a suit for all meetings, and consciously wore colours which distinguished me from the Partners (all of whom had to wear navy or grey suits for work). I chose to do this so that my status as an 'outsider' was clear in all conversations that I participated in. Some meetings were small and informal and I was very conscious of the need not to intimidate Partners by my presence and the possibility that Partners may behave differently as a result of being observed. These possibilities and limitations are discussed at the end of the chapter. The four different types of meetings are briefly outlined below.

Branch Council meetings took place approximately every six weeks. The Council consisted of elected Councillors from each constituency in the store, the management steering group, an elected President and a Branch Clerk. A full account of a Branch Council meeting is given in chapter six. One year after I first made contact with the company, the store that I had been visiting was asked to participate in a 'democracy project' and pilot a new form of Council meeting called 'Branch Forums'. I observed three Branch Councils during 2004 and six Branch Forums in 2005 and 2006.

The 30 minutes before the Northern Branch store opened on a Saturday morning was known as '**Communication half hour**' and this was used within constituencies and sections as a period when the team discussed performance, targets, policy changes, new product lines, and Branch Council / Forum business. After observing 3 or 4 Branch Councils, and following the continued debates at the next level in the hierarchy (Divisional Councils, and Partnership Council), I decided to try to gain a deeper understanding of the relationship between the democratic bodies and the Partners working on the shop floor. I asked permission to observe Communication Half Hours in two separate constituencies within Northern Branch, over a twelve month period. I was given a choice of departments and selected two, one with an elected Councillor who had been in post for many years, and the second with a Councillor who was new to the Partnership. These are referred to in chapter seven as *ConSew* and *ConTech*. I met with the elected representatives and Section Managers and explained the research and gained consent to observe their meetings. The intensive period of study with small

groups meant that I developed an informal relationship with many of the constituency members, after the first few visits they either ignored me, or included me in jokes and gossip.

The Partnership is split into two Divisions –John Lewis Department Stores and the Waitrose Supermarkets. The **Partnership Council** is a formal meeting of elected representatives from both divisions which takes place in London approximately 5 times a year. Members of the Partnership Council are the elected Councillors (usually two per Branch) and holders of key Partnership posts (appointed by the Chairman and strictly limited in number). During the period studied, the Chairman appointed 9 members (The Principal Registrar, the Managing Director of each of the two divisions: John Lewis and Waitrose and the Directors responsible for Finance, Communications, Strategy, Organisational Development, Legal Services and Financial Control). The Council elects a President, as well as three Partners to be Trustees of the Constitution and Directors of the John Lewis Partnership Trust Ltd, and five Partners to be members of the Partnership Board.

The **Divisional Council** is the formal meeting of elected representatives from the John Lewis Department Stores, John Lewis Direct and the three manufacturing units (JD Dixon, Steel Bros and John Maguire). The Divisional Council took place five times a year in Conference Venues in Westminster, London. Members of the Divisional Council were the elected Councillors (usually two per Branch) and holders of key John Lewis posts (appointed by the Chairman and strictly limited in number). During the period of study the Divisional Council meetings lasted between 4 and 5 hours and were attended by an average of 65 Councillors and around the same number of visitors. Towards the end of the data collection the Partnership announced that two of the manufacturing units, JD Dixon and John Maguire, were being sold, and so at the time of writing the only manufacturing unit remaining is Steel Bros. The sale of these units and the impact on the remaining Partners is explored in chapter six.

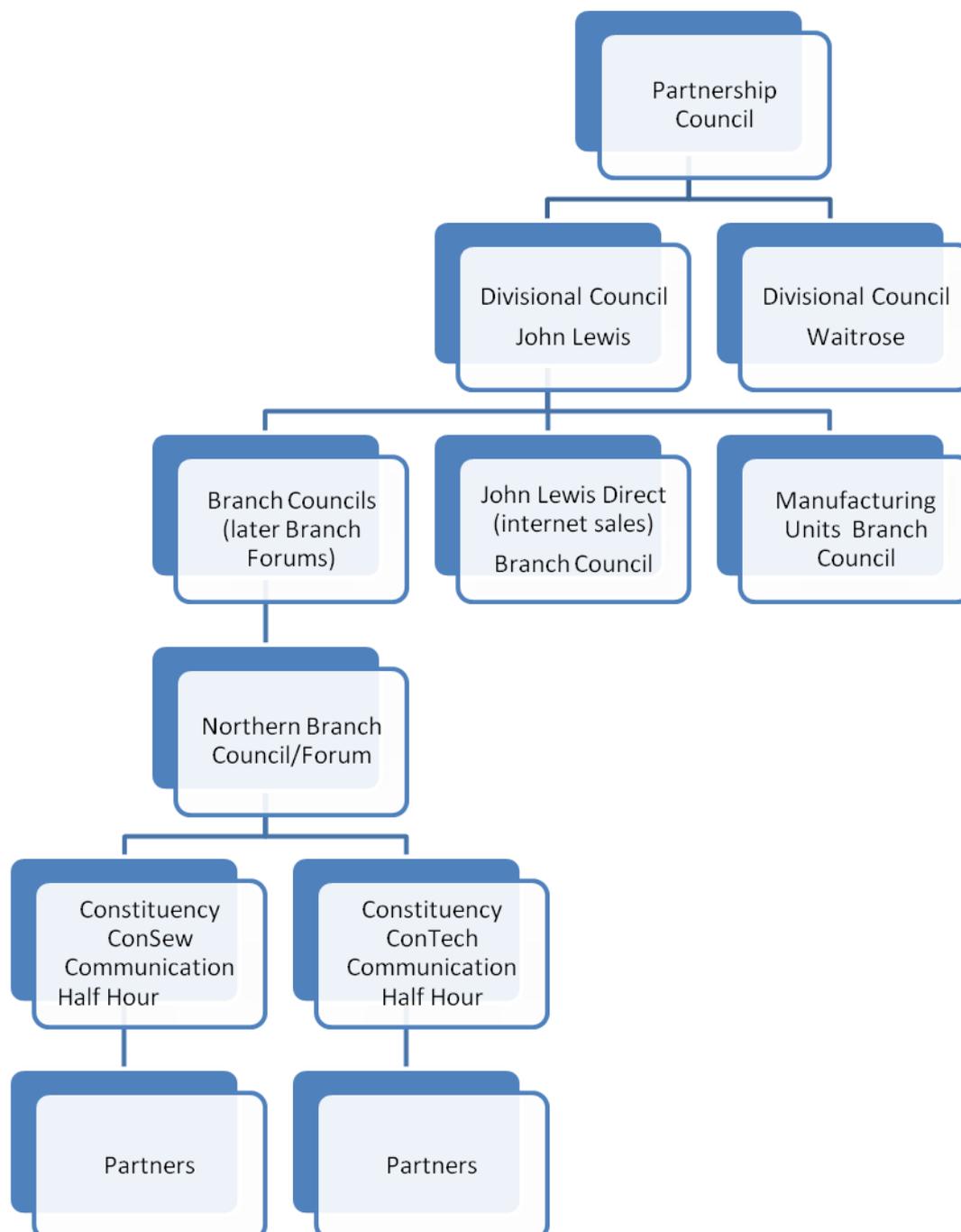
A summary of the ‘type’ of formal meetings that I observed and the relationship between them is given in Table 3.1 and Figure 3.2. In addition, *Appendix A* contains a

key to the codes which are used when citing my notes from the meetings in chapters 6, 7 and 8.

Table 3.1: Formal Meetings Observed by Type

Meeting	Number
Branch Council Meeting – Northern Branch	3
Branch Forum Meeting – Northern Branch	6
Branch Forum Meeting – Other Branches	1
Divisional Council Meeting – London	4
Partnership Council Meeting – London	3
ConSew Communication Half Hour Meeting – Northern Branch	7
ConTech Communication Half Hour Meeting – Northern Branch	6
Committee for Communication – Northern Branch	1

Figure 3.2: Relationship between Observed Meetings



Interview Programme

The sampling of informants for interviewing was a combination of “convenience sampling and snowball sampling” (Bryman and Bell, 2003: 328). Statistical sampling was deemed to be inappropriate for the research design, instead something akin to Glaser and Strauss’ theoretical sampling was used, whereby “the analyst collects, codes, and analyzes his data and decides what data to collect next and where to find them, in order to develop his theory as it emerges” (Glaser and Strauss, 2004: 226). This approach influenced the shift in focus from CSR to democracy, giving primacy to the data and accepting that “we cannot identify ahead of time what categories our observations will suggest are persistent or interesting, and, therefore, what we must direct our data gathering towards.” (Locke, 2001: 55).

Interviews were either unstructured (usually when the opportunity to interview someone came up unexpectedly) or were semi-structured (based on the emergent categories). The semi-structured approach was to determine a number of questions and themes in advance, but with the freedom to pursue other lines of interest as the discussions developed (Saunders *et al.*, 2003). The questions were designed to gather participants’ interpretations of their everyday actions and events as they related to the exercise of participation and democracy in work. Examples of questions asked included:

Could you explain the role of the communication half an hour? Can you give any examples of occasions where you felt that you influenced decision-making in the store? Are the democracy structures important to you? Why?

Following Silverman (2001) there was no attempt to seek the truth of statements made by the interviewees, but simply to accept them as narrative accounts. I collected data from a range of sources and Branches in order to capture “the multiplicity of voices, opinions and ‘realities’” of the people working in the Partnership (Mangan, 2009: 102). 30 interviews were conducted over a two year period, ranging from 45 minutes to 2 hours in length. All interviews took place on Partnership premises, usually in offices behind the shop floor or at head-quarters, or occasionally in the Partners’ Dining Room. I dressed formally in a suit for all interviews, consciously choosing colours to

differentiate myself from the suits worn by partners. Of the Partners who were interviewed, 5 were classed as Senior Managers, 6 were part of the Registry (the critical side of the business), 4 were Departmental Managers and 15 were non management Partners. Over three quarters of the interviewees were based in three regional stores. A summary is provided below, and *Appendix A* contains a key to the codes which are used in chapters 6, 7 and 8 when quoting from the transcripts of interviews.

Table 3.3: Summary of Interviewee by Job Role and Location

	Regionally Based	Based in Headquarters
Senior Management	1	4
Registry (Critical Side)	4	2
Departmental Managers	4	
Non Management Partners	15	
Totals	24	6

All interviews were recorded using a digital voice recorder and permission for this was sought on each occasion before the recorder was turned on. Once all interviews had been completed they were transcribed and the participants were assigned a code and a pseudonym in order to protect their identities. The real names of participants were never transcribed and all references to comments or quotations were attributed to the code rather than the original name. Next, a process of categorising and theme identification took place (Strauss and Corbin, 1990). It was acknowledged that this would “fracture the stories being told” (Miller and Glassner, 2004: 127) but was essential in order to focus the analysis on the research aims. Further detail on this process is given overleaf.

ANALYSIS AND PRESENTATION OF THE DATA

Following Knights and Collinson (1987: 458), a fundamental consideration was that the analysis of my data would be plausible to the reader. This is not to suggest that methodology is unimportant, but rather that to over-emphasise the role of methodology in generating an account of what happened in the Partnership would be to align with the belief that a single truth is out there waiting to be uncovered. My focus in contrast was to provide an account of democratic life within the Partnership which explored the multiple ways in which 'truth' was constructed by the participants (Mangan, 2009).

One way in which I decided to make the subjectivity of my analysis apparent was influenced by a book by Van Maanen in which he noted that field work was shaped by "numbing routine as much as living theatre" (Van Maanen, 1988: 2). Some of my time in the Partnership could certainly be described as numbing routine; numbing routine is of course a feature of most large bureaucracies. In my presentation of the data I wanted to give a sense of this routine, common-place rituals, and my occasional boredom.

In exploring different ways in which I might analyse the data I was struck by my fear of getting it wrong, and selecting a form of analysis that would not bear scrutiny. My focus was on justifying my method, and as such I found myself creating artificial barriers between myself and the data as I sought to fit it (and my approach) into a named analytical method. It was at this point, that I found comfort in an edited collection by Clive Seale in which he described this as a lack of confidence in everyday intelligence, and proposed the terms "qualitative content or interpretive analysis" to describe "the very common activity of looking for interesting things in qualitative data" (Seale, 2004: 299). I like this description because it fits well with the broad approach to analysis (and indeed to methodology) that I used in my research. Nothing about my methodology was neat or structured, I used a range of coding practices, and from that generated categories which were merged, separated, divided and sometimes abandoned as my analysis deepened (Seale, 1998). Although my approach was

influenced by a number of techniques including discourse and content analysis, I could not claim to have adhered to these forms in any strict sense.

As a part-time student I thoroughly enjoyed the data collection period and the periods of reading and literature review that I had conducted on conceptual frameworks and exploring the histories of the JLP in the published work on the subject. In the face of my mountain of data and potential stories to tell, I felt somewhat overwhelmed, exhausted, and for the first time in my PhD, bored. I found comfort in the advice of Strauss (1987: 29) who recommended a form of open coding designed to:

“...force the analyst to fracture, break apart the data analytically, and leads directly to excitement and the inevitable payoff of grounded conceptualisation”

Essentially this involved several stages (Strauss, 1987), firstly asking the data a set of questions (What category does this incident indicate? What is the main story in the data?) to generate core categories. Secondly, analysing the data minutely until it and the codes are saturated (this was intended to minimise the chance of overlooking important categories, and leads to conceptually dense theory) (*ibid.*). Thirdly, I interrupted the coding at key points to write theoretical memos and reflect on the categories and codes in terms of the wider literature:

“Open coding proliferates codes quickly, but the process later begins to slow down through the continual verifying that each code really does fit” (Strauss, 1987: 32)

Initially, I decided not to use a software programme to facilitate the data analysis. My rationale was informed by concerns raised by Wolcott (2009: 39) who noted that software programmes are an engaging way of drawing researchers away from the central task of thinking. I wanted to become very close to my data, to feel my way around categories and to immerse myself in thinking about the material and its theoretical implications. This worked well for the first part of my data collection; I used an index-card system to generate emerging themes, which in turn generated fields of inquiry for future interviews and observations. As my body of data grew, my filing system grew with it and I began assigning broad descriptive categories and using these to code different bits of data (see for example Miles and Huberman, 1994: 57; Silverman, 2006: 88). This early set of categories included: Branch Council; Founder;

Democracy Definitions; Voting; Length of Service; Dissent. I became particularly interested in the way in which various people claimed to speak for the 'founder' and the ways in which 'truths' about the founder were constructed and this caused me to focus carefully on the founder's retrospective accounts of the formation of the Partnership.

At this stage in my analysis I decided that my decision to immerse myself in the data was having the unintended consequence that I was so immersed that I was struggling to make sense of it all. I decided to explore the use of software programmes as a mechanism of controlling my material and enabling me to locate the data that I needed. Having read about various programmes I decided to use *NVivo* for two key reasons. Firstly, because it could carry out the basic functions I required, namely I could use it to divide text into chunks, attach multiple codes to them, and retrieve all instances of coded chunks (Kelle, 1994; Miles and Huberman, 1994: 312). Secondly, I had attended an introduction to *NVivo* as part of my research orientation several years previously and so understood how to use the software and had access to it.

I created nodes for each topic or concept that emerged and then coded sections of text by placing references to the data at the node (Bazeley, 2007). *NVivo* has the capacity to record nodes in tree formations which indicate a hierarchical relationship between concepts. However I decided to simply use the software in a very basic way and only used 'free-nodes' so that the analysis remained something that I did with the data, rather than something that the software generated for me. Free-nodes do not assume relationships with other concepts and this enabled me to think more carefully about my data before making links.

Coding happened at different times in my analysis (Miles and Huberman, 1994: 58). Some of the data was coded on paper shortly after it was collected and simply uploaded to *NVivo*. Other material was coded directly in *NVivo* and then re-coded in the light of emerging themes or new categories. Following Butler (2009) both *a priori* and emergent codes were used to examine the data. Literature on employee voice, and existing research on the Partnership guided the initial research, and some of the constructs from this material were adopted as *a priori* codes e.g. voice, pseudo

participation. As analysis progressed, new concepts were uncovered and emergent codes explored and refined. Some nodes were pre-determined by my conceptual framework (for example: 'Voice', 'Democracy', 'Dissent') whereas others emerged as the analysis was conducted (for example: 'Survey Perceptions', 'Gratitude' and 'Toilets and Tea towels').

Strauss (1987: 33) defined 'in vivo' codes as "derived from the language of the substantive field: essentially the terms used by actors in that field themselves". *NVivo* allowed me to identify words or phrases that constituted 'in vivo' codes and then automatically record the occurrence of the term in transcripts of interviews or observations of meetings. One such phrase was 'Our Business' – a phrase which was repeated often and became analytically useful because of its capacity to relate to other nodes such as 'tough talk' and 'compliance' but also because the phrase itself generated an image with interpretive meaning (*ibid.*). As the work progressed I used Foucault's work (Foucault, 1972; 1973; 1979; 1982) to develop the idea of paradoxes of power and identity in the Partnership, as constructed through discourse. This emphasised the ways in which the language of co-ownership was used to construct an identity for Partners and a 'truth' about participation which privileged the 'business case' for democratic engagement.

A clear advantage to using the software was that I was able to refine and merge nodes as my analysis deepened. In this way I was able to revise codes, closing down the ones that did not suit the data and opening new ones as ideas emerged. Even with the help of the software which enabled me to attach multiple labels to sections of text, retrieve it and modify it repeatedly, this process took a great deal of time. Carrying out the same processes on paper would have been significantly more problematic. I finished coding and re-coding when I felt that the analysis could go no further, all my data had been explored, categories were saturated and my material was no longer suggesting new leads (Strauss, 1987: 31; Miles and Huberman, 1994: 62).

At this point I started to explore ways of presenting my data and analysis. I was keen to separate the descriptive accounts of key events from my analysis and I sought to present my data as something akin to a combination of Van Maanen's realist and

confessional tales (Van Maanen, 1988; 1995). For me fieldwork itself was an interpretive act (Willis, 1977), I sought to demystify the data collection process by occasionally emerging in the stories so as to emphasise my presence and acknowledge the subjectivity of the fieldwork experience. However, I also wanted to present a compelling story about the Partnership, and produce a narrative which would both engage the reader and prompt questions.

The data itself is presented as a series of filtered accounts and narratives. I begin in chapter 4 by outlining the structure of the Partnership and the legacy of the founder, drawing heavily on the texts written by JSL which constitute the official history of the organisation. In chapter 5 I explore the differences between JLP and other organisations that claim to operate models of organisational democracy. Chapter 6 outlines the key structures which constitute democratic engagement within the Partnership at Branch, Division and Partnership level. I narrate a democratic episode from each. Chapter 7 explores the democracy project which was launched by the Partnership in 2004 and which mirrored my own research with its concern to explore what democracy might mean within the Partnership. The chapter ends with a detailed account of the Northern Branch democracy trials. The accounts in chapter 6 and 7 are presented with little commentary and analysis, instead, my intent is to allow some space for reflecting on the story itself before moving to analysis in chapter 8. Chapter 8 explores the meaning of democracy in the Partnership. It is presented as a series of contradictions and paradoxes, as democracy is both opened out and constrained by actions and practices within the store. Ultimately, chapter 8 illustrates the ways in which particular truths about the Partnership and its democratic structures are largely created and sustained by the discourse (Foucault, 1972).

ETHICS AND LIMITATIONS

An important aspect of my research was considering the ethical implications of the study and the chosen methods. The JLP were open and welcoming and I had access to everything I requested (and more) over the period of data collection. I am grateful to the organisation and very aware that some of the things that I wish to say about its experimentation in democracy will be critical. The terms on which I gained access to the organisation were made explicit in my original research proposal, but these changed after the initial access visits and in consultation with senior Partnership staff and my Supervisors. Although I am confident that I made clear the nature of the research in all my interactions, I regret that the revised proposal was not formally written up and submitted to the Partnership. My original proposal simply stated that permission would be sought from the Managing Director of Northern Branch before research findings were published in journals.

Silverman and Marvasti (2008: 312) provided a list of considerations in obtaining informed consent (adapted from Kent, 1996): giving information about the research that is relevant to subjects' decisions about whether to participate; making sure that subjects understand that information; ensuring that participation is voluntary. Consent was given verbally, by the Managing Director of Northern Branch when I submitted my original research proposal. In giving his consent, he explained that he had forwarded my proposal to the Chairman and Chief Registrar, who had agreed. Later, when the interview programme started I prepared a brief 'Participant Information Sheet' which explained the research aims, stated that participation was voluntary and outlined the ways in which data would be collected and recorded. Fineman (1998) noted in his own research using participant observation that there was a period of self consciousness after which the participants appeared to ignore the researcher. He was vigilant both to the possibility of participants 'acting' for the observer and to the possibility that they truly have forgotten that he was recording what they said and that there may be consequences if comments could be traced back (*ibid.*). For that reason, I was careful in my notes and transcriptions and used codes to represent Partners rather than names, and replaced section/constituency names with pseudonyms. I also gave

assurances that my digital recordings would be destroyed once the thesis was submitted, and that the raw data would belong to me alone and not be made available to the Partnership.

A significant regret is that I did not fully embrace a Participative Action Research methodology. Although I worked closely with members of the Partnership, and the research objectives emerged from the discussions I had with various Partners, I did not seek explicit participation or approval for the research design, the objectives, or ultimately the use of the findings. When, part way through my study, the Partnership independently decided to enact a 'Democracy Project' and examine their own structures and values, I saw this, not as an opportunity to engage, but simply as an opportunity to compare my own findings with their findings. In short, I remained separate, distant, removed; I was frightened that my research might become tainted or biased and that if some of my more critical opinions were laid bare to the Partnership, my access may be closed down. As a new researcher, I also lacked confidence that I would be able to both collaborate with the organisation and retain my academic independence.

In retrospect, I regret deeply my decision to remain separate. For me, the point of research is to change the world, not simply describe it; and following Whyte (1991: 21), I believe that "it is possible to pursue both the truth and solutions to concrete problems simultaneously". While I analysed and observed as an outsider, albeit one that tried to see the company from the perspective of those that inhabited it, I missed the opportunity to demonstrate my own commitment to the concept that my thesis actually explored, democratic participation. Ultimately, I rejected the term 'voice' with its poorly defined meaning, and its offer of contribution but not of shared power. My methodology falls into the same trap. I gave the Partners a form of 'voice', I listened to their views, I observed their actions, but I did not allow them to participate equally in my research, to determine the objectives, or to reject my conclusions. I could have shared my tentative findings in a way that would have enabled the Partnership to use them to inform their own democracy research. Instead, I watched the Partnership struggle with the same concepts that I had struggled with, I watched them trial different practices, without comment, I observed the tensions in the models they were

exploring, and I read with interest, and some sadness the final decisions that they came to about the future of the democracy. My research findings will be shared with the Partnership, but I will always regret my decision not to embrace Participatory Action Research as a means of enabling the Partnership to participate in decision-making about this research.

A commonly identified limitation of both case study research in general, and ethnography in particular, is the threat to the analysis of over-relying on key informants (see for example Bryman and Bell, 2003; Gold, 1958). This is sometimes related to the accusation of 'going native' where the researcher may "over-identify with the informant and start to lose his research perspective" (Gold, 1958: 221). The result may be a presentation of reality through the eyes of the informer, rather than attempting to construct the reality as understood through its broader membership. A second, related consideration is that the key informant may become a gate-keeper, hiding things from the researcher and using smoke and mirrors to distract them from critical events and actions. I was aware that my key contact 'Ruby' was potentially a danger as well as an asset to my research endeavours. William Foot-Whyte recorded his own informant 'Doc' as making the following offer at the beginning of their collaboration:

"You tell me what you want to see and I'll arrange it" (Whyte, 1955: 291)

Ultimately I determined that the complexity and scale of the Partnership meant that the benefits of having an introduction to people and processes far outweighed the risks of that 'reality' being falsely constructed. As my research developed and I made further contacts within the Partnership, I started to arrange meetings and interviews independently but still found 'Ruby' invaluable in opening doors for me. Although initially I would tell her what I was interested in learning about and she would suggest people that I may like to meet, or meetings that I may wish to observe, as the data collection went on I felt more and more confident proposing paths of my own, and never once was a proposal overruled. I was also careful to ensure that once access was approved, I conducted interviews on my own, and in private; and that I sat separately during meetings so that I did not need to hide my notes. Conversely, rather than acting as a 'gate-keeper' I found that on a number of occasions, Ruby vouched for my credibility and the confidentiality of any data collected when concerns about an 'outsider' were raised by anxious managers.

CONCLUSION

My research design was an emergent one which gave me the freedom to follow what appeared interesting without fear of moving off track. This enabled me to learn a great deal and follow paths as the categories emerged. The disadvantage is that I also spent a great deal of time pursuing 'blind leads' and 'dead-ends' before focusing my interests in order to produce a thesis which is interesting and coherent. Above all my chosen methodology sought to both tell a good story about the Partnership and use the data "to speak to larger issues" (Kunda, 1992: 23). Following Whyte (1955) I did not seek to cover all of the community I sought to understand, but rather to build up "the structure and functioning of the community through intensive examination of some of its parts – in action." (Whyte, 1955: 358).

So far I have introduced the organisation and explored the methodological and conceptual framework for my analysis. In the next chapter I outline the structure and development of the Partnership and the role of the founder in constructing an official history of the organisation.

STYLE GUIDE

When a quotation is given directly from a **transcription** of an interview it is coded as T plus the tape number and appears in quotation marks. For example:

“Tom is a high-flyer” (T16)

[Comment transcribed from recording on Tape 16]

When I cite material from my **field notes** (created during observations of meetings) they are coded as FN and the notebook number. Occasionally I cite specific comments made by Partners and these are presented in single quotation marks and in italics to distinguish between quotations recorded on tape and quotations that were only recorded in my notes. For example:

‘Give her a proper chair, she’s from the University’ (FN26)

[Comment recorded in field notebook 26]

In addition to my own material I also draw upon **documents** from the Partnership including memos, minutes and reports. These are indicated by a D and a number.

“The majority of Partners want to influence decisions” (D19)

[Comment appeared in Partnership document number 19]

Appendix ‘A’ contains a table which explains what each document is, and the ‘types’ of interviewee or meeting that the code refers to. The identity of interviewees has been carefully disguised in this system so as to protect their anonymity.

CHAPTER 4: THE STRUCTURE OF THE JOHN LEWIS PARTNERSHIP AND THE FOUNDER'S LEGACY

INTRODUCTION

This chapter will introduce the organisation that formed the basis for the empirical research. I begin by setting the context by providing a history of the Lewis family and the John Lewis Partnership (JLP). Next I explore the stated intentions and values of the founder of the Partnership, John Spedan Lewis (JSL), and examine the key organisational governance structures. Finally, I briefly summarise the research on the Partnership and explain how it has informed my own study.

As I noted earlier there has been surprisingly little published about the Partnership given its size, longevity and unusual structure. For that reason the founder's texts (Lewis, 1948; 1965) and the 'official history' on the Partnership's website feature heavily in almost every book, paper and article that claims to provide a history of the Partnership. As I outlined in the Methodology chapter, my approach, following Rowlinson and Hassard (1993: 302) is to problematise the organisational history by:

“...emphasising the social construction of the past and the selective process through which writers both interpret and determine which historical events to incorporate.”

This is not to reject the founder's narrative, but rather to recognise the subjectivity reflected in his history and the retrospective nature of his account of the beginnings of the experiment. Foucault (1976: 119) argued that we need to see “historically how effects of truth are produced within discourses”. Here I explore the ways in which certain interpretations of the corporate history have become privileged both inside the Partnership and in the other external accounts of the organisation. I subsequently argue, in chapter 8, that the claims of 'authoritative' history, particularly the words of the founder have become a key form of power in the organisation. As Delahaye *et al.* (2009: 39) have suggested:

“Telling the past of an organization is a powerful means of communicating or challenging its culture and identity”

'Partnership for all' was written by JSL in 1948 and published by Kerr-Cros Publishing on behalf of the JLP. The book is 504 pages long and is structured in three parts: the business 1904-1948, the ideas arising from the experience, and the institutions and structures arising from the ideas. As JSL acknowledged in his preface (Lewis, 1948: v) the sections of his book were “difficult to keep apart and arrange satisfactorily”. The result is a text that gives a fascinating insight into the founder’s retrospective claims about the Partnership, but is also repetitive, confusing, difficult to read, and in parts deeply patronising. His 1954 book *'Fairer Shares'* was published by Staples Press Ltd on behalf of the JLP and is considerably shorter (244 pages). It is aimed at “the general reader” (Lewis, 1954: 3) and is written in the style of a guide to ‘producer cooperation’. Like his earlier book the text is often repetitive, confusing and patronising. JSL also uses this book as a way of rebutting criticisms that had been made about the Partnership. So for example, in his section on Trade Unions he quotes in full a review published in an unspecified “weekly journal of high-standing” which criticises his 1948 book and accuses him of “patronising ignorance of the principles of the Trade Disputes Act” (Lewis, 1954: 194). JSL includes his response to the Journal, noting that they chose not to print it (*ibid.*).

In the next section I outline a history of the Partnership and its founder, drawing on the texts written by JSL, the official publications produced by the Partnership (see for example: MacPherson, 1985), research by external authors (see for example Flanders *et al.* 1968) and media reporting (including letters to the Partnership’s in-house journals). Where possible I call attention to the conditions that led to the commissioning of particular pieces of work and identify the relationship between the company and the hired historian (Rowlinson and Hassard, 1993: 302). In addition, I explore some of the criticisms that have been made about the Partnership and contrast alternative readings of the founder’s intentions with the ones that appear in his own retrospective account.

THE EARLY DAYS: JOHN LEWIS (1836-1928)

In 1836 John Lewis was born in the town of Shepton Mallet in Somerset, England. His parents died when he was young and he was brought up by his aunt before becoming a draper's apprentice at the age of 14 (MacPherson, 1985: 139). In 1856 he moved to London and became a silk buyer working at a shop in Oxford Circus (*ibid.*). In 1864 at the age of 28 Lewis started his own shop 'John Lewis and Co.' in Oxford Street, London, selling drapery (John Lewis Partnership, 1953: 4). The business was successful and the building was expanded to accommodate the growth in trade (Lewis, 1948).

In 1884 Lewis married Eliza Baker, a draper's daughter. Baker was one of the first women to obtain a University degree at Girton College, Cambridge and before her marriage had worked as a teacher (MacPherson, 1985: 139). John Lewis and Co. developed a reputation for delivering good value and strong customer service (Bradley and Taylor, 1992: 34) and continued to yield profit for the family, most of which was withdrawn and spent on purchasing residential property.

Lewis was a man of strong convictions and was twice elected to the London County Council (1901, 1904) as a Liberal Party Councillor (MacPherson, 1985: 140). His principles led to him engaging in a series of litigation cases relating to his properties when he felt that landlords or the Council were making unreasonable demands (Lewis, 1948: 18). In 1903 he spent three weeks in Brixton Prison for contempt of court, having defied a court order to return a number of leased properties from commercial to residential use (MacPherson, 1985: 143).

In 1885 John Spedan Lewis was born and in 1904 when he was 19 years old he left school and joined his father in the business (Oakeshott, 2000: 204), his younger brother Oswald joined in 1905 (*ibid.*). JSL wrote two retrospective books about his experiences in business and his philosophy of work; in his first book in 1948 he described how upon joining the family business his view of his father changed dramatically:

"At home we had regarded him as a superman, virtually infallible in matters of business. I had not expected in the very least to find that his business was in

fact no more than a second rate success achieved in a first rate opportunity.”
(Lewis, 1948: 3).

In 1906 the family acquired a second store, Peter Jones in Sloane Square, London, and JSL took on a role in helping manage both stores. On his 21st birthday in 1906 his father gave him a quarter share in the business of John Lewis and created a family partnership (*ibid.*). Oswald Lewis (JSL’s brother) was similarly given a quarter share in 1908 when he turned 21 (MacPherson, 1985: 147).

JSL wrote a great deal about his father (Lewis, 1948; 1954) and his approach to the business, and suggested that it was his fear of poverty that made him draw all the profits from the business rather than using the funds to grow the company. He felt that his father had become overwhelmed as the store had become more successful and lacked the vision to implement the kind of changes that would enable them to stop them being outperformed by the competition (Lewis, 1948: 3). Furthermore, by extracting virtually all the profits that the business made, JSL believed that his father had more money than he knew what to do with (*ibid.*) and that this in itself was a huge source of stress for him. In a section in his book entitled ‘A Quite Unreasonable State of Affairs’ he wrote:

“There on the one side was my father and on the other side his staff – my father with over a 100 separate pieces of property that he never saw and that were nothing but a bother to him, and with an income so far larger than the cost of his very comfortable way of living that the surplus was constantly obliging him to make more and more of those investments; the staff with an employment that was extremely insecure and that gave them a living so meagre that they were very far less happy than they perfectly well could have been, a happiness that would have increased very greatly both the soundness of the business and the real happiness of my father’s own life.” (Lewis, 1948: 18)

JSL records that he had a difficult relationship with his father (Lewis, 1948: 12, 22; Miller, 1985: 23) and the early years of the family business were characterized by conflict as Lewis repeatedly intervened in both his sons’ business decisions (*ibid.*). Both sons left the business at various times in protest about their father’s interference, and

it wasn't until 1924 when his mother died that JSL rejoined the family business and actively pursued his "experiment in industrial democracy" (Lewis, 1948: cover). John Lewis died in 1928 at the age of 92, he had never retired from the business (*ibid.*).

Next I outline the roles that JSL played in John Lewis and Co. and the beliefs that he claimed led to the creation of the John Lewis Partnership.

JOHN SPEDAN LEWIS (1885-1963)

Since joining John Lewis and Co. in 1904 JSL played an active role in the businesses of both John Lewis and Peter Jones. He claimed to have become aware of the disparities in income between the owners of the business (his family) and the workers and started to question the system that he increasingly saw as unjust (Lewis, 1948). In 1906 the family withdrew £26,000 from the business, a sum that exceeded the total wages paid to the 300 employees (£16,000) (MacPherson, 1985: 145). Lewis claimed that his outrage at this level of inequity prompted him to begin exploring alternative ways of organising work (Lewis, 1948: 27).

In 1909 JSL was thrown from his horse while riding to the shop and was badly injured (Tweedale, 1985). He was away from work for nearly two years and it was during this period that his ideas about transforming the family business began to develop (MacPherson, 1985: 145). In 1911 JSL returned to work and continued to argue with his father about the interests of the business (Lewis, 1948). The Peter Jones store was not doing well; turnover was a third lower than under the previous owner and Lewis reluctantly allowed JSL to introduce measures aimed at turning around its fortunes (*ibid.*).

This period was characterised by conflict between the two men and in 1914 Lewis agreed to let his son take managerial control of Peter Jones only on the condition that he continued to work until 5pm each day at the John Lewis shop on Oxford Street (*ibid.*: 147). JSL agreed to the terms and spent the next year working at Peter Jones every evening and at weekends. Despite the challenges of effectively holding two full-time jobs, he clearly loved the freedom that he had at Peter Jones and introduced a number of changes including establishing a staff committee and incentive scheme, improving buildings and staff accommodation, and shortening the working day (Lewis, 1948: 24; MacPherson, 1985: 147). Within the year his father became so concerned at this perceived largesse that he asked him to return his controlling shares. JSL refused and Lewis threatened to end his partnership in the Oxford Street Store (something that JSL claimed would have been legally almost impossible) (Lewis, 1948). Claiming to be

frustrated with his father's intervention and seeking freedom JSL offered to exchange his quarter share in the business for his father's controlling interest in Peter Jones Limited (John Lewis Partnership, 1953: 5; MacPherson, 1985: 151), his father accepted.

This period was one of great change for the Peter Jones store as JSL began to experiment with ways of improving staff morale and conditions and enhancing business efficiency (Lewis, 1948). In 1918 at a meeting of all staff at the Peter Jones store, JSL announced his intention to introduce a profit sharing scheme (Lewis, 1953: 8). In what has been described as an "emotional response" to his father's repressive attitude and his sense of injustice (Tweedale, 1985: 767) JSL sold his house to raise funds for capital improvements at the store. His father had refused to allow him access to his private funds (Lewis, 1948: 26). Within 5 years Peter Jones had doubled its turnover and moved from making a loss into making a small profit (*ibid.*: 29; Tweedale, 1985: 769).

The conflict between father and son appears to have entered a period of uneasy truce around this time and JSL started to play an active role in both stores (*ibid.*). Despite this, a theme in JSL's books is his regret that his father did not retire in 1911 at the age of 75, but instead worked until his death at the age of 92 (Lewis, 1948; 1954). This meant that JSL had to delay his plans and draw upon his own limited funds (generated by selling off his property) to meet essential costs and keep the experiment alive (Lewis, 1948: 27, 54).

In 1922 Sarah Beatrice Hunter joined Peter Jones as a Buyer and in 1923 she married JSL who made her a director of Peter Jones Limited (MacPherson, 1985: 209). She became Deputy Chairman of the Partnership and was a Director from 1929 until the Second Trust Settlement in 1950. The Lewis's had three children John, Jill and Edward (their youngest child John died at the age of 4) (Lewis, 1948: 83).

Once his father died in 1928, JSL became the Chairman of the company and the experiment in industrial democracy began in earnest (Lewis, 1948: 54). New structures and processes were established to make Partners co- owners of the business and share in its success. These structures and the process of developing the Partnership are discussed later in the chapter.

By 1940, at the age of 55, JSL stated that he decided to put some distance between himself and his 'experiment', retaining his position as Chairman, but working mainly from home and visiting each Branch annually. He claimed that his ambition was that the Partnership would eventually run without his involvement:

“From the outset I was always planning a Partnership that would be a set of institutions so definite, a system so coherent and strong, that the continuance of the whole thing would be quite independent of my own availability or of that of anybody else.” (Lewis, 1948:29)

Despite this stated intention it is clear that JSL struggled to let go of the Partnership and was saddened by his diminishing role as time went on. He described how he invited two Partners a week to tea at his house (between 1941 and 1944) just to get a closer understanding of what was happening and offer support and advice (Lewis, 1948: 373). He lamented the lack of contact with the business he had created (*ibid.*).

Sarah Lewis died in 1953, two years before JSL was due to retire from the Partnership (MacPherson, 1985: 185). As retirement approached, JSL became increasingly reluctant to pass on the reins to a successor, but was bound by the constitutional rules, written by him decades earlier, which required the Chairman to retire in his 70th year (BBC Modern Times, 1995). It was reported that he wept as he signed over the Chairmanship to Sir Bernard Miller in 1955 (*ibid.*). Following his retirement, JSL tried to reclaim a share of the power in the Partnership but his claims were repeatedly turned down by the new Chairman and the Partnership Council (Miller, 1985: 42; Tweedale, 1986: 770). JSL died in 1963 at the age of 78 (MacPherson, 1985: 190).

EARLY INFLUENCES ON JOHN SPEDAN LEWIS

JSL claimed that number of factors influenced his decision to experiment with industrial democracy. These have been summarised and explored under the following headings: Capitalism and Justice; Technical Efficiency; and Personal Values.

Capitalism and Justice

JSL was highly critical of John Lewis and Co. and the business model on which the vast majority of organisations were based (Lewis, 1948: x, 128, 173). He was at pains to stress that his objection was not politically based but rather, a moral stance; he saw himself as a naturalist and a humanist rather than a revolutionary (Lewis, 1948: 203). Despite this position his ideas were certainly perceived to be political, and he attracted interest from both the left and the right. When he first formed the Settlement in Trust which heralded the new Partnership structure, he states that he was written to by the leader of the Liberal Party, Ramsay Muir, and by representatives of the Conservative Party (Lewis, 1948: 42). Both parties congratulated him on the experiment and asked whether he wished to become a full party member in the light of his obvious affiliation with their respective parties (*ibid.*). Similarly, a number of Partners wrote in to the early editions of the in-house magazine, *The Gazette*, expressing the view that the Partnership was a revolutionary socialist design (*ibid.*). JSL repeatedly refused to be drawn on political affiliation, simply stating that the business was not a matter of party politics (Lewis, 1948: 420). This could be seen as an example of his naivety in failing to recognise the politics within his own work or as a shrewd position based not on an inability to comprehend the political nature of the experiment, but instead a strategic choice designed to minimise criticism.

JSL forcibly criticised elements of the Capitalist system. He berated the regime whereby the earnings of industry did not go to either the workers or the managers but to:

“...absentee-capitalists who in any particular case may be many or few, but few or many, be getting in the particular case a quite excessive reward for their function of saving and lending.” (Lewis, 1948: 173)

Lewis called this a “perversion, a distortion of capitalism” (Lewis, 1948: 128) and argued that the excessive inequalities of the modern world threatened to destabilise society. The problem for JSL was not capitalism itself, but what he believed was the manipulation of capitalism by a minority of investors in modern industries. Nonetheless, his stated concern was “inequality in the distribution of power, income, sense of security, and other satisfactions of ownership.” (*ibid.*: x).

JSL further warned that society may have been tolerant of this inequality in the past, but with an increasingly educated workforce, that tolerance would not continue for much longer (*ibid.*: 130). His strong sense of injustice and anger at the inequalities within society was accompanied by a firm belief that something would have to change unless the country was to descend into a period of major civil unrest or communism (Lewis, 1954). He claimed that both sets of beliefs were the driving force in the development of the Partnership model.

Technical Efficiency

JSL appears to have enjoyed the challenge of making the company more efficient and effective by experimenting with structures and different strategies. It was this technical superiority and bureaucratic effectiveness that would lead to his experiment spreading to other organisations and industries (Lewis, 1948: 96). He stated his belief that the current forms of organising led to a workforce that lived on the poverty line (*ibid.*: 10), and gave workers little opportunity to influence the businesses in which many would work their entire lives. His proposal was to create an organisation based on teamwork, where the gulf between the managed and the management was bridged (*ibid.*: 31, 34).

Both of JSL’s books on the Partnership contain detailed recommendations on subjects as disparate as “building plans” (Lewis, 1948: 85), “structuring financial reports” (*ibid.*:

37) and “policy towards Trade Unions” (Lewis, 1954: 184). His passion for the experiment in industrial democracy and his conviction that other companies would learn from his experience is without question. JSL constantly searched for new ways of organising; restructuring processes and procedures and seeking inspiration from sources as disparate as the Webbs’ Soviet Incops (Lewis, 1948: x), Robert Owen’s Co-operatives (*ibid.*: xv) and Dubreuil’s ‘Liberal basis for organising work’ (*ibid.*: 376; 1954: 165). These key influences are explored more below.

Co-operatives

JSL described his experiment as a “fresh try at an old problem” (Lewis, 1948: 376) and noted that many others had also attempted to create new visions for organisational design. He was aware of Robert Owen’s New Lanark experiment but stated that he knew little about the details, however he was broadly in favour of co-operativism:

“...there should be, I believe, much further experiment in this general direction, the direction of the self-governing workshop, the producer cooperative, the direction in which Robert Owen achieved for a time so much and in the end so little.” (Lewis, 1948: xv).

He firmly believed that a Cooperative Society of Producers would be the solution to both a lack of goodwill by employees and the lack of “brainwork” demonstrated by managers (*ibid.*: 194). He proposed that the owners of businesses should receive no more than they would pay another to run the business for them, and that the surplus should be invested in the business (*ibid.*).

JSL stated that organisations structured according to cooperative principles would be preferable to nationalisation, but was critical of the gap between rhetoric and reality in the early years of the Cooperative Society of Consumers (*ibid.*). For example, he quoted statistics from 1955 that showed that the Society often had management committees that were far more representative of the management than shop floor workers (Lewis, 1954: 117). This criticism was levelled at the John Lewis Partnership itself in later years (Flanders *et al.*, 1968: 117). JSL believed that his Partnership proposal (which he equated to a Cooperative Society of Producers) would be more successful because of improved communication (through In-House Journalism) and a

division of powers based on a model of ‘constitutional monarchy’ (Lewis, 1948: 195). Above all he noted the need to transform work in order to liberate people from “the needless inhumanity of their present functions” (*ibid.*).

Soviet Incops

JSL cited the influence of the work of Sidney and Beatrice Webb on his thinking (Lewis, 1948: 279; 1956: 64, 156) and compared the Partnership Structure to what the Webbs’ termed Soviet Incops:

“Organisations that seem virtually identical with our Partnership except that they are not left free to distribute as much Partnership Benefit as they like.” (Lewis, 1948: 420).

Soviet Incops originated from the *kustarny* [domestic manufacturing] industry which dominated Russia up to the mid nineteenth century (Coulborn, 1940: 245) and were work organisations based on cooperative principles. JSL was clearly taken by the system, but unlike the Webbs argued against nationalism as it was too “political”, suggesting instead that the producer-cooperative would be “best for the general community” (Lewis, 1948: 248). He stressed that with this system the requirements for workers to be efficient could still be enforced (implying, presumably, that this was not the case within the nationalised industries) (*ibid.*). In the next section I explore a third major influence on the Partnership structure, the personal values of JSL.

Personal Values and Paternal Instincts

JSL’s books express a number of strong personal views about a range of social and domestic issues which claim to explain his motivations for the experiment and some of the policies that the Partnership developed. One of his more unusual positions related to his views on family, children and civic responsibilities. For example, his son died from meningitis as a child, and he included this tragedy in his book on the Partnership because he was concerned that readers may think that he had failed in his duty to repopulate Britain after the war:

“The use, that my wife and I have chosen to make of our lives, requires, I think that we shall not let it be supposed that we have set an example of limiting our own family to two children, a number obviously insufficient, since some people will be childless and some children will be lost.” (Lewis, 1948: 83).

JSL was a paternalistic Chairman and Managing Director of the company and was described as “a not unfamiliar mixture of social democrat and paternalist” (Bradley and Estrin, 1988: 6). He saw the Partnership as fulfilling many of the roles that previously were fulfilled by family members. Like a number of commentators in the 1940’s and 50’s (*ibid.*) he believed that business would supersede the family as the unit on which society would be built:

“The Family had had its day. We are entering the age of the Corporation.”
(Lewis, 1948: 119)

This belief may help explain some of Partnership’s more unusual policies at the time, including: the view that the company should provide a dowry to female employees upon marriage (*ibid.*: 127); that women should be allowed to work after their marriage and should have equal access to management positions (*ibid.*: 129; Graham, 1992: 189) and that the Partnership should encourage early marriage and large families (Lewis, 1948: 127).

In 1938 a notice in *The Gazette* warned of the forthcoming war (1939 to 1945) and notified Partners that they should feel free to volunteer to fight if they felt that it was their duty (Lewis, 1948: 99). However, Partners were asked to think carefully before taking on other forms of public service:

“Consider carefully whether it will not be as much to the public interest in the long run that they shall help to keep going a disinterested experiment in social reform, such as the Partnerships.” (Lewis, 1948: 100)

JSL proved to be a benevolent employer and subsidised army salaries so that volunteers would not suffer financially while they fought for their country (*ibid.*). He appealed to all Partners to sign up for a ‘Voluntary deferment of pay’ and was unhappy when not all Partners ‘volunteered’ (*ibid.*). In line with his own paternalistic beliefs about the organisation, he argued that the Partnership should do whatever an affectionate, intelligent family would do; this included paying salaries during the war and subsidising

disabled servicemen and women after the war (Lewis, 1948; 1954). This paternalistic view of the Partnership as a family was just one of the key influences on the Partnership's structure. It suggests a moral view of the relationship between employer and employee and is fundamental to understanding the world-views of the current workforce (Ackers, 2001: 376; Greene *et al.*, 2001: 231).

Another focus for JSL was education and his long term plan was to start Partnership Schools. In 1946 the Partnership opened an Adult Education Centre where Partners studied for 6 week residential terms on full pay (Lewis, 1948: 127). Surprisingly, the centre was modelled on Russian Soviet Incoop Colleges and the curriculum included the history of western civilisation and was designed by the Master of Balliol College (*ibid.*: 135).

JSL argued that investing in broad liberal education for his workers was money well spent because the Partnership would benefit from improved intelligence (*ibid.*). Sarah Lewis acted as Deputy Chairman and JSL stated that she was very influential in designing policy on educating Partners. She developed a scheme in conjunction with Local Education Authorities to provide 4 hours a week of free education to employees (Lewis, 1948: 139). The programme covered subjects as varied as Cultural Studies, Arithmetic and Retail Drapery (*ibid.*). However the Partnership finances were adversely affected by the war when five stores, including the Oxford Street flagship store, were destroyed by bombs. In 1948 poor post-war trading conditions led to the education experiment being suspended (Flanders *et al.*, 1968: 32).

Although JSL claimed that his prime motivation was to create a more 'just' form of work, commentators have suggested that self-interest played no small part in his decision to experiment with Partnership models (Farrow, 1964: 85). JSL would clearly have maximised his personal wealth by selling the Partnership to an outside buyer rather than creating the trust (Matthews, 1989: 443). However, that would not have enabled him to retain control of the company and gain "something equally important to his ego" (Farrow, 1964: 85). This reading of his motivation may also explain JSL's reluctance to retire from the Partnership in 1955 and his subsequent attempts to regain control (Miller, 1985:42).

So far I have outlined a history of the Partnership focusing on the retrospective accounts of the founder and the values which he claims led to him proposing a Partnership structure. In the next section I explore the process which culminated in the second settlement in trust (1950) which transferred control from the Chairman to the workers (John Lewis Partnership, 1953: 11).

THE BEGINNINGS OF PARTNERSHIP: THE PROCESS AND OWNERSHIP STRUCTURE

Although the full Partnership system was not implemented until much later, JSL used the period in the early days of his Chairmanship of Peter Jones to experiment. In 1920 he altered the Articles of Association of Peter Jones Ltd and started a profit sharing scheme (Lewis, 1954). The intention was that profit would go to Partners each year in cash. If the business needed the capital, the profit would go to the Partners as a 'security' that they would be able to trade on the stock exchange (*ibid.*). Between 1920 and 1928 share promises were given instead of benefit in the form of securities because JSL was trying to keep the experiment a secret from his elderly father (*ibid.*). The Share Promises could originally be sold outside the Partnership or sold back to JSL, but this practice was stopped as part of the second settlement in Trust in 1950 (Flanders *et al.* 1968).

In 1929 JSL signed the first Irrevocable Settlement in Trust but retained his power to end the experiment (*ibid.*). He claimed to have anticipated that by 1940 a second settlement would be signed relinquishing his control. As soon as the Partnership was formed in 1929 the share promises were redeemed by an issue of shares in John Lewis Partnership Limited (a holding company) (*ibid.*). JSL retained a controlling vote. John Lewis and Company was now a public company and a second public company John Lewis Partnership Ltd was formed (Lewis, 1954).

The first Settlement in Trust meant that JSL had sold the business of John Lewis and Company and of Peter Jones Ltd to the workers "present and prospective" (Lewis, 1948: 64) in exchange for securities (deferred bonds). The securities didn't bear interest or dividends and were intended to be paid off at 25 a year, over thirty years. The aim was to provide the Partnership with an interest free loan of the capital (Flanders *et al.* 1968). The control of the company was in the 12 million votes of the deferred ordinary shares in John Lewis Partnership Ltd. This was designed to safeguard the experiment, as JSL had read about a USA company called 'Messrs Filene Brothers of Boston' which was established under similar lines only to end when the employees gained a

controlling interest and immediately sold their shares on the open market (Lewis, 1948: 66). JSL's concern appeared to be well placed because in 1999 a group of Partners tried to explore whether the Partnership could prevent them from selling their shares, thus ending the co-ownership structure (Barker, 1999). This event, known in the Partnership as 'the carpet-bagging threat' is discussed in more detail in the next section. JSL was also well aware of the tax savings from the settlement in trust owing to the fact that profits were comparatively lightly taxed as a mass of small separate incomes. The obvious financial advantage to Partnership structures, would, he believed lead to others adopting the model (*ibid.*).

JSL wrote that eventually the Partnership would move from a 'safety first' position, but only when it had adequate buying and employing power such that it was able to defend the Constitution against unsympathetic newcomers (Lewis, 1948: 70). Initially, JSL believed that this position would arrive quickly, but in 1935 he decided to retain his controlling interest in the company due to the impending threat of war (*ibid.*). In the meantime the business continued to expand and a food business (Waitrose) was started in 1937. In line with JSL's admiration for the Co-operative Society, the new manager for Waitrose was head-hunted in 1937 from the London Co-operative Society (Oakeshott, 2000: 207).

By 1948 JSL felt that the business was more secure and started to make plans to establish a second, irrevocable settlement in trust:

"The supreme consideration could now be to make membership of the Partnership as advantageous as possible." (Lewis, 1948: 309)

In contrast to other profit-sharing schemes at the time, the design of the Partnership was that workers could choose to sell their securities on the stock exchange (*ibid.*). In 1945 JSL came into conflict with the London Stock Exchange about the implications of this structure and for a brief period the stock was suspended (*ibid.*). The second settlement in trust in 1950 transferred control of the Partnership from the Chairman to the John Lewis Partnership Trust Limited (John Lewis Partnership, 1953: 11). The Partnership now belonged to the workers present and future "and in return for this gift the Chairman had received not a penny" (*ibid.*). Securities were no longer traded on

the stock exchange but were held by workers as long as they worked for the Partnership (Lewis, 1948).

The Partnership's ownership structure means that its activities have to be funded through retained earnings, accumulated profit, or debt. It is not able to sell ordinary shares as a way of raising funds. A key way in which the Partnership generates additional funding is through the issue of bonds which pay a fixed rate of interest. The bonds are tradable in the capital market and so do not have a stable value. So for example, in 2009 the Partnership issued bonds with a coupon rate of 8.375% to pay off a £250million bridging loan it had used to purchase additional supermarkets and build new department stores (John Lewis Partnership, 2009). In addition, the Partnership has raised funds in the past by issuing a relatively small number of Preference shares, these do not have voting rights and so shareholders cannot influence the running of the company. Like the bonds, Preference shares have a fixed interest rate (5% and 7.5% of the original issue price). At the time of writing (2009), the level of gearing in the Partnership (ratio of debt to equity) is not high.

In the next section I outline the three core principles which JSL claimed were the foundation of his Partnership vision.

THE PRINCIPLES AND OBJECTIVES OF THE JOHN LEWIS PARTNERSHIP

JSL envisaged the Partnership as a mechanism for ensuring that the benefits of ownership were shared by all employees. He saw the long term success of organisations as dependent on both teamwork and efficient use of resources and argued that over-paid owners were a major waste of revenue (Lewis, 1948: 160). Instead, what was needed was a system whereby the advantages of ownership (material, intellectual and moral) were shared (*ibid.*).

JSL hoped that his experiment would be repeated and extended by other organisations until it had a more significant impact on society. He wanted his legacy to be:

“...the idea of a community that will deliberately pursue happiness as diligently as plenty of communities pursue material wealth” (Lewis, 1948: 163).

He imagined that the Partnership Structures would grow and influence society, not just in the UK, but also across the world. He claimed that his principles were:

“... obviously consistent with the ‘American way of life’ and apparently they are no less acceptable to the present rulers of Russia.” (Lewis, 1948: 440).

In apparent contrast with his apolitical stance, his retrospective account of the experiment includes a chapter entitled a “classless society” (Lewis, 1948: 167) where he detailed his objectives:

“...the managed were to have to the utmost extent that was really possible, all of the advantages of ownership – income, sense of security, sense of status, intellectual interest and everything else.” (*ibid.*)

JSL frequently referred to the notion of public service (see for example Lewis, 1948: 169, 251; 1954: 197) and his belief that owners and managers in organisations needed to think of themselves as part of a profession. This role carried with it both rights and responsibilities and a clear duty of “...service from the stronger to the weaker and not, as usual, the other way round.” (Lewis, 1948: 183).

JSL set out his vision in a letter published in the first edition of the in-house journal *The Gazette* in 1918 (*ibid.*). It detailed his ideas on large scale enterprise and the need for

team work, division of labour and specialisation (*ibid.*). He noted the criticism that large scale industry produced capitalists that wanted more than a fair share and managers who didn't care about fairness and could become tyrants, but dismissed this as an aberration of capitalism rather than a problem with capitalism itself:

“There is no reason, apart from unnecessary human folly and unnecessary human wickedness, why these by-products of large-scale industry should have arisen at all.” (Lewis, 1948: 409).

The letter went on to compare capitalists to kings who pay huge sums to themselves while cheating others. He claimed that his vision was an unusual one and that many people would not understand it (Lewis, 1948: 410), however, he was determined that the Partnership would operate on the basis of a “just” distribution of gain:

“...to each in proportion to its true earning power, of the unfair part of the present share of capital and management.” (*ibid.*).

His choice of words was deliberate; Partnership was not about an equal distribution of wealth, but simply a *more* equal one than existed under free market capitalism. He believed that managers and owners deserved a larger share than employees, but that this should be earned rather than simply associated with position or power (*ibid.*). Lewis admitted in his 1948 book that he didn't yet know how to decide what was ‘fair’ or what the relative-earning power should be:

“I am trying to build up a system of business...it shall be carried on not for the benefit of the capitalists...or yet for the benefit of the managers...but for the benefit of the staff as a whole.” (Lewis, 1948: 411).

The structure by which this realignment of power and benefit would be possible was one which replicated national democracy:

“...the evolution of a new social organism, an efficient self-governing community of business people...all sharing in its prosperity, so long as they are in it, in the just proportion of the value of the work that each does, i.e. in proportion to their pay, and all having an influence upon its administration of the same kind as that which we all have upon the government of our country.” (Lewis, 1948: 413).

The three principles on which JSL claimed to have based the Partnership system were the sharing of knowledge, wealth and power (Lewis, 1948; 1954). The new structure

meant that instead of owners, managers and employees, the new organisation was made up of Partners, all of whom had a share in the business (John Lewis Partnership, 1953: 5). I examine each of the three core principles in turn.

The Sharing of Gain

From the beginning of his working life JSL claimed to have concerns about the inequity in the levels of pay and capital drawn from the business by his father and the family when compared to that received by employees of the firm (Lewis, 1948: 18; Best, 1999: 34). His stated reasons for objecting to the huge differentials in income were firstly his belief that there was a connection between pay and performance and that favourable pay rates was a key way of recruiting and retaining good employees (Lewis, 1948: 20). Secondly, his strong sense that the current system was simply unjust and that it prevented workers (by virtue of their poverty) from leading happy and fulfilling lives (*ibid.*). This section explores these beliefs and outlines the mechanisms JSL put into place to ensure that the financial gains of the business were shared more equitably. It also outlines a challenge to the Partnership structure in 2009 when a number of partners began to question whether they could sell their shares in the Partnership and realise the ultimate financial reward of ownership.

Labour Productivity and Retention

As outlined above, one of the key reasons why JSL advocated better pay for employees was his belief that there was a link between efficiency and good rates of pay, and that income levels played a key role in motivating employees and management. He argued that the reason that many of the co-operatives had failed to thrive was that their management committees were not qualified to deal with the level of complexity necessary for the businesses to develop (Lewis, 1948: 227). This, he claimed, was a direct result of the restricted pay levels available in the co-operative system and stressed that managers in consumer co-operatives were reluctant to reward performance at a rate higher than their own pay levels (*ibid.*). In a fascinating insight into his thought processes and politics JSL explained:

“If to possessors of really good brains the professions of trade-unionism and of labour politics had been as financially attractive as the Law, the dictators would not have been allowed to ruin Europe.” (Lewis, 1948: 229).

The Partnership had a practice of hiring managers with first class degrees from ‘good’ universities, with a demonstrated commitment to public service (MacPherson, 1985: 14). Although some members of what the Partnership called “the rank and file” were able to progress to management level, the vast majority of Senior Managers were recruited from the public sector and the armed forces until the 1970’s. JSL believed in the importance of good levels of remuneration at all levels in the organisation:

“...not only are people highly paid because they are able – they are also able because they are highly paid.” (Lewis, 1948: 230).

Next I explore the mechanisms through which JSL implemented these beliefs.

Pay and Profit Sharing

As I outlined above, JSL stated that the vast inequalities that existed under traditional ownership and governance structures would not be tolerated within the Partnership, but that pay differentials would still remain:

“What is attainable is not absolute equality but such a degree of equality that differences of spending power would not be great enough to produce class-barriers- distinctions that are the result of differences not of natural qualities but simply of spending power.” (Lewis, 1948: 169)

He believed that the problem was not capitalism itself, but the distortion of capitalism, which as discussed earlier in the chapter, was the view that those in control of organisations were abusing their power by distributing the proceeds of team work inequitably. This distortion was disadvantaging not only the workers but also the community as a whole (Lewis, 1948: 170). The Partnership structure was envisaged as a mechanism for putting right the ‘distortion’ of capitalism by ensuring that wealth was more evenly distributed and that ‘unearned’ wealth would not simply be the domain of owners:

“...a conception that turns completely upside down the general aims of private enterprise, so that the supreme consideration becomes the advantage of those who are worst off and the managers become, as it were, their professional advisers, with the aim that the incomes of their clients, instead of being limited severely to that which their clients are quite certainly “earning” in the ordinary sense of that word, shall on the contrary be enlarged as much as possible by additions that are as frankly “unearned” as the revenues of a landowner, whose tract of nearly worthless land may become suddenly immensely valuable for some purely accidental reason.” (Lewis, 1948: 235).

JSL described the Partnership as a form of producer-co-operative which would pay fixed dues to its lenders:

“All of this remainder, that the economists call ‘wind-fall profit’ and that can hardly be said to belong, as a matter of natural justice, to anybody, shall go to you, the workers.” (Lewis, 1948: 193)

In this way he sought to limit the return on capital for himself and his family as a direct result of his belief that it was unfair that owners had open-ended rights to unlimited profits while shop workers’ pay was fixed (Bradley and Estrin, 1988: 6).

In order to ensure that the gap between the wages of the lowest paid and the wages of the highest paid was bridged, JSL sought to introduce both a minimum pay level and an upward limit on income (Lewis, 1954:33). He established a Partnership ‘living wage’ in 1924 because of concerns that the market rate was too low, and in 1940 this was revised into a ‘Minimum Wage’ based on a calculation of the standard of living (*ibid.*). The upper limit on pay was set at the equivalent of £5000 in 1900 or 25 times the pay of a minimum wage Partner, whichever was less (John Lewis Partnership Constitution, 1956). Surprisingly, JSL believed that pay differentials would narrow over time, although it is unclear by what mechanism he thought this would happen. The pay levels between the ‘floor’ and the ‘ceiling’ were to be based upon “the real economic value of the work” (Lewis, 1954: 34). In this way JSL anticipated the formation of what he called “a classless society”, where even those whose earning-power was low would still earn a ‘decent’ living (*ibid.*).

JSL introduced a profit sharing scheme in 1919 by issuing preference shares to all the staff at the Peter Jones Store; at the same time employees began to be referred to as 'Partners' in the business (*ibid.*). This term was used in the 1928 Constitution where the preface explained the importance of the term in emphasising that members of the Partnership were in fact owners of the business (John Lewis Constitution, 1928: 1). Unfortunately the share issue coincided with a major economic depression and profit sharing was suspended until 1924 (MacPherson, 1985: 153), when following reconciliation between JSL and his father, further cash was made available to invest in developing the business. The scheme was expanded to cover John Lewis in Oxford Street in 1926, and was formalised as part of the Partnership's structure when the First Trust Settlement was created in 1929 (MacPherson, 1985: 159). The annual distribution of profits became known as the Partnership Bonus and was paid every year from 1926 until the present day, with the exception of a period during and after the second World War (1938-1945) and during the depression (1948-1953) when it was suspended (McAnally, 1963: 314).

The bonus rate has varied tremendously over the life of the Partnership. Over the last twenty years bonuses have averaged 15 per cent of pay (see table overleaf). Even during the years of what Oakeshott (2000: 215) describes as "recession and recovery" (1992-1997) the bonus still averaged just over 12 per cent of Partners' salaries. It is important to record that JSL was adamant that the Partnership benefit should be seen as additional to pay, not a compensation for a lower than average wage (Lewis, 1948: 475). The Partnership has always claimed to pay the market rates of pay (*ibid.*; Bradley and Estrin, 1992; Pfeffer, 1995) and so the bonus represents a benefit of co-ownership over and above salary. It has been noted, however that the profit-share is a useful way of ensuring that there is a "realistic discussion on spending" in the Partnership (Lloyd Davis, 1977: 329). The profit share is based on the profits that remain after the costs of the business (including development plans) are met. Thus, if pensions, holidays or sick-pay benefits are increased it is likely to be at the expense of the Partnership bonus (*ibid.*). In 2007 the Partnership set up *BonusSave*, a share incentive plan which enabled Partners to invest part of their bonus in a tax-free scheme in return for an annual dividend, but no additional voting rights (Ellins and Ham, 2009: 59).

Table 4.1: Partnership Bonus as a percentage of pay (1919-2008)

Year	Bonus (%)	Year	Bonus (%)	Year	Bonus (%)
1919	15	1949	Suspended (Recession)	1979	20
1920	Suspended	1950	Suspended (Recession)	1980	14
1921	Suspended	1951	Suspended (Recession)	1981	16
1922	Suspended	1952	Suspended (Recession)	1982	16
1923	Suspended	1953	4	1983	21
1924	15	1954	8	1984	19
1925	20	1955	8	1985	20
1926	20	1956	8	1986	24
1927	20	1957	9	1987	24
1928	23	1958	7	1988	22
1929	15	1959	13	1989	17
1930	15	1960	14	1990	12
1931	10	1961	12	1991	9
1932	10	1962	11	1992	8
1933	10	1963	12	1993	10
1934	9	1964	13	1994	12
1935	7	1965	15	1995	15
1936	8	1966	12	1996	20
1937	6	1967	18	1997	22
1938	Suspended (War)	1968	18	1998	19
1939	Suspended (War)	1969	12 (first wholly cash payment)	1999	15
1940	Suspended (War)	1970	11	2000	10
1941	Suspended (War)	1971	15	2001	9
1942	Suspended (War)	1972	18	2002	10
1943	Suspended (War)	1973	15	2003	12
1944	Suspended (War)	1974	13	2004	14
1945	Suspended (War)	1975	13	2005	15
1946	6	1976	15	2006	18
1947	6	1977	18	2007	20
1948	Suspended (Recession)	1978	24	2008	13

Compiled from: Bradley and Estrin (1992: 293); Bradley and Taylor (1992:38); Finch (2002); Flanders *et al.* (1968:46); Oakeshott (2000: 215); John Lewis Partnership Archive (2009)

The Carpet-Bagging Threat

In 1998 an article was printed in the City page of the *Daily Telegraph* which valued the Partnership at £4.2 billion, noted that there were 40,000 partners, and suggested that demutualisation would bring each partner a 'windfall' of around £100,000 (Barker, 1999). The following month an anonymous letter was printed in the internal magazine, the *Gazette*, which speculated about the potential gains for partners if the Partnership was sold-off (Cassy, 1999). Over the next six months the number of letters on the subject escalated and a partner from the Peter Jones store took on a leading role in a campaign for a referendum on a sale (Baker, 2000). The story appeared to create great amusement in the media and the partner was referred to in the press as "the Che Guevara of the bedding department" (ibid) and "the Gordon Gekko of soft-furnishings" (Stummer and Lacey, 2001). In August 1999 the Chairman, Sir Stuart Hampson wrote a two-page article in the *Gazette* categorically ruling out a sale (ibid.).

"There are two myths. That the Partnership is a 'mutual', like the building societies, which belongs to its members; and that partners can take the money and nothing will change" (Sir Stuart Hampson, cited by Cassy (1999), *The Guardian*, 14 August)

The Chairman argued that the Partnership was owned by a trust and its board was constitutionally bound to run it in the interests of present and future partners. It would take an act of Parliament to alter the trust deeds and the Chairman had sworn an oath on appointment that he would never investigate a sale (Laurance, 1999). Despite the confidence the Chairman claimed to have in the terms of the trust, the Partnership were sufficiently concerned about the threat to their structure that they hired Lazard Brothers, merchant bankers, to advise them (Macalister, 1999). In September 1999 the Partnership Council met to discuss whether a referendum on co-ownership should take place (Atkinson, 1999). All 140 Council Members voted against any further discussion of the matter (ibid.).

In 2003, a series of letters were printed in the *Gazette* on the subject of "carpet-baggers" which re-opened the debate about a sell-off and asked for clarification on the legal barriers to a sale, specifically in connection to the Chairman's oath:

“Nothing induces uneasiness and suspicion more quickly than the realisation that the stability of one’s own life depends on the integrity of one remote and unknown person” (Anonymous letter, *Gazette*, 16/08/03)

Replies to the letters were written by the Director of Legal Services and the Director of Communications. These repeated that the constitution and settlement in trust prevented a sale and that the Chairman did not endorse of the estimates made by the press about ‘windfall’ profits (*Gazette*, 16/08/03; 27/09/03). There were no more letters on the subject.

In summary, JSL sought to introduce mechanisms that would prevent situations where the majority of the employees were earning barely subsistence wages while the minority (owners and senior managers) received amounts that bore no relation to the work they contributed. He believed that the distribution of profit among all the Partners in the business (in direct proportion to their salary) would be a way of ensuring fairer shares of the gains of business (Lewis, 1954). Furthermore, he constructed the trust in such a way that prohibited the board from acting in ways which would maximise the return for current partners at the expense of the future partners. This meant that the management of the Partnership were able to successfully defend it from the potential ‘carpet-bagging’ threat to the ownership structure in 1999. As Warren and Tweedale (2002: 217) have noted, part of the founder’s legacy was that “the future of the partnership ideal would hinge on the actions of the past”.

Benefits of Partnership

Profit sharing was just one of the ways in which JSL envisaged a more equitable distribution of wealth. A number of other areas of the Partnership were also geared towards similar “social and welfare objects” (Flanders *et al.* 1968: 66), namely, the holiday and sickness allowance, the committee for claims, amenities fund and the pension scheme.

One of JSL’s first acts upon taking control of Peter Jones in 1918 was to increase the employees paid holiday to three weeks a year, this was unheard of in retailing at the time (MacPherson, 1985: 148). The original Partnership Constitution (1928) stated that

every Partner would receive a minimum of 18 days paid holiday, this was increased to 24 days in 1948 and workers' sick pay was increased to a maximum of 26 weeks in a year (Lewis, 1948: 272). Other benefits of working in the Partnership included a discount of 15 per cent on provisions and 25 per cent on all other stock, and six months leave on full pay once the Partner had worked in the business for 25 years (John Lewis Partnership Constitution, 1956). JSL stated that his rationale was the belief that health and happiness were far more important than work, and that the Partnership needed to be vigilant in order to prevent Partners from overworking. In his view "only fools put business too far before pleasure" (Lewis, 1954: 435).

JSL implemented a 'committee for claims' in 1928 as part of the first Partnership Constitution. This was established to help workers with serious health expenses or exceptional needs and was clearly part of his paternalistic approach to business which proposed that the collective financial strength of the family should meet the "misfortune of the individual member" (Lewis, 1948: 271). The committee was elected by the Partnership Council and had the ability to offer grants or loans to any Partner to help them recover from financial hardship. Every year the Council received a budget to spend on gifts to Partners (education grants, weddings, retirement), amenities (clubs, sport, music or theatre tickets and subsidised holidays), and gifts outside the Partnership (charitable activities, philanthropy) (*ibid.*). JSL had a firm belief that recreation was desirable for the Partnership's efficiency, and invested heavily in facilities for the Partners to use, including a number of holiday centres where they could stay at subsidised rates (*ibid.*). Other facilities funded by the Partnership included a Country Club, Tennis and Cricket Courts, the Leckford Country Park Estate and tickets for events as diverse as the Chess Championships and the Glyndebourne Festival (Blum, 1968: 45). The simple rationale was that it made people happy (Lewis, 1948: 275).

With this principle in mind, JSL discouraged 'penny pinching' on cheap tickets or what he called "cheap and nastiness" (Lewis, 1948: 276). His paternalistic concern for his employees was part of a desire to foster diverse interests and provide opportunities for intellectual and social stimulation and "creating and preserving beauty" (*ibid.*: 277). He noted that not all Partners would choose to use the amenities, but that the overall community would benefit through their exposure to the minority that did (*ibid.*).

A non-contributory pension scheme was started by the company in 1941. The company had not paid pension contributions initially, because JSL objected to them on principle, arguing that Partners should be free to determine their own arrangements for retirement (Lewis, 1948). Eventually, he was persuaded of the benefit of introducing a final salary pension scheme because he came to believe that the Partnership's responsibilities to its Partners should not end simply because they had reached retirement age. JSL paternalistically attributed his change of heart to a new understanding of retired Partners' needs:

“There is also the tendency of good-hearted people, especially women, to lose their savings or at all events a gravely large part of them in helping relatives or other friends.” (Lewis, 1948: 123)

In summary, it can be seen that JSL's vision for 'fairer shares' was driven by his belief in limiting individual gain, achieving a good standard of living for all and seeking to raise labour productivity through ensuring that all Partners enjoyed the financial benefits of ownership (Bradley and Estrin, 1988: 6). In the next section I examine the Partnership's second major principle, the sharing of knowledge.

The Sharing of Knowledge

The second principle that JSL outlined in his proposal was the idea that information should be shared freely by all Partners within the Partnership. This section outlines his beliefs and then examines the key structures that were implemented in order to facilitate communication, namely, representative committees and journalism.

In 1929 JSL started publishing full accounts for shareholders, a practice that was very rare at the time and was highly praised in the financial press (Lewis, 1948: 39). He was one of the first people to share detailed financial data not only with shareholders but also with the whole of the staff (again, this was very unusual in that period). JSL explained his belief that most organisations did not have a strong rationale for restricting financial information, other than a desire to keep secrets because they were able to:

“To be kept in the dark tends to be humiliating and is certainly dull”
(Lewis, 1948:39).

JSL argued that knowledge needed to be shared, not only because without knowledge Partners would not have any real power, but also because he believed that the desire for knowledge for its own sake was inextricably connected to personal happiness (Lewis, 1954: 44). Happiness was a theme that JSL returned to again and again in his writing (see for example Lewis, 1948: 163 and 1954: 44) and many of the proposals made by JSL in establishing the Partnership were based on his view that happiness was intrinsically valuable. Next, I examine the two main ways in which knowledge-sharing was facilitated.

Representative Bodies

The next section of the chapter outlines the Partnership structures and the role of representative bodies (including Branch and Partnership Council) in enacting the democratic principles of the founder. These structures enabled elected Partners to gain knowledge about decision-making processes, strategic issues and financial information, and to report back to their constituents (Lewis, 1948: 319). In this section however, rather than describe the main Partnership level committees, I focus instead on the Committee for Communication and the in-house journalism.

A key way in which the principle of sharing information was practiced by the Partnership was through the **Committee for Communication**. This was created in 1914 at the Peter Jones store and rolled out across the business in 1929 (Lewis, 1948). The Committees would meet in each store every quarter and elected members (the ‘rank and file’ (Lewis, 1954: 54)) would attend a meeting with a senior member of the Registrar’s department. Elected Partners discussed any issue of concern to them or their constituents and following the meeting a record of the discussion was published in the relevant Branch journal ‘*The Chronicle*’. Care was taken so that comments or questions could not be attributed to any single member of the committee and any concerns that were not dealt with through the discussion were followed up on by the Chair and the response subsequently published (Lewis, 1954: 52):

“The idea was and is to bridge the gulf that in large-scale business develops between, on one side, the workers, the Rank and File, as the Partnership calls them, the people who have little or no authority over others, and, on the other side, the Principal Management, the people who have on the contrary, the ultimate authority, the real control of the whole business.” (Lewis, 1948:34)

JSL believed that the committee would encourage team work and problem solving, prevent grievances from escalating and promote understanding (*ibid.*). The committee also shared detailed financial knowledge with its members so that they would better understand the strategic choices that the organisation had to consider (*ibid.*).

Journalism

A second important way in which knowledge was disseminated across the Partnership was through the in-house journalism. The first edition of *The Gazette* was published in 1918 in Peter Jones. It was initially issued free to Partners, but after concerns about wastage, a small charge was introduced and they were sold in each Branch for a nominal sum (usually through a kiosk in the Partners’ Restaurant). By 1948 approximately 50% of the community were purchasing copies and a much higher proportion actually read them (Lewis, 1948: 392).

The Gazette was founded on the principle of freedom of speech and editorial control lay with the Chief Registrar (a position independent of the management of the Branches and answerable directly to the Chairman). JSL saw the Partnership’s journalism as a fundamental part of his belief in democracy and the sharing of knowledge with all Partners:

“There should be the utmost possible avoidance of real suppression of information, real withholding of knowledge that would be desired if those, to whom it might be given, knew it was there to give.” (Lewis, 1948: 422).

In addition to acting as a tool to share information, JSL viewed the *Gazette* as a mechanism for Partners to raise their concerns or criticisms about any aspect of the management or organisation:

“If democracy is to be genuine, then journalism must have a very high degree of such freedom of speech.”(Lewis, 1948: 396).

From the beginning, the Partnership had a policy of publishing every single letter that they received unless the content was libellous (Lewis, 1948). Partners were free to submit letters under their own names, or a pseudonym as they saw fit (*ibid.*). JSL was aware of the potential problems that this could cause and reported being frequently irritated by the content of the letters page (*ibid.*:400; Lewis 1954:70). Despite his irritation, JSL held on to his belief that “free press is indispensable to civilisation” (Lewis, 1954: 49); attacks on management were to be tolerated, but not attacks on other employees (*ibid.*).

JSL himself contributed often to the journals, both under his own name and anonymously (Snagge, 1985: 83), although it is clear from some of the retrospective comments made by partners who worked with him in the book published to commemorate his centenary, that the source of these letters was known to senior managers (MacPherson, 1985). *The Gazette* published an answer to every letter that it printed; these were written by members of the senior management team (divided according to the subject of the letter). During the early days of the Partnership many of the responses were written by JSL himself (*ibid.*: 84).

There is further evidence of JSL’s paternalistic style in his responses to letters submitted to *The Gazette* and in his writing about the experiment. In his first book, published in 1948, he noted that when the *Gazette* was published in 1918 it wasn’t well received; he compared this to the life of a gardener:

“He does not expect the plants to clap their hands when he comes in sight. His reward is in their prosperity.” (Lewis, 1948: 406).

In 1947 The Partnership started publishing ‘*Chronicles*’ (MacPherson: 1985: 180), these were ‘in-house’ newsletters that were specific to each store and focused on stories relating to issues directly impacting upon Partners in each store (*ibid.*). So for example, the minutes of the national Partnership Council would be published in *The Gazette* which was sold in every store, while the minutes of the Northern Branch Council would

only be published in the Northern Branch *Chronicle*, which was sold only in the Northern store.

JSL argued that the sharing of information was a key aspect of team work, and team work was essential to the survival of the Partnership model:

“If you want your team to work in the spirit of owners, you must give them the feelings of owners.” (Lewis, 1948: 394).

By sharing information, even information that showed the weaknesses and mistakes of the Partnership, JSL believed that the Partners would be more likely to work together to try to overcome any difficulties (*ibid.*).

The final principle to be discussed in this chapter, and the one that has been most heavily questioned by critics of the Partnership (see for example Ramsay, 1980; Baddon *et al.* 1989), is the concept of power sharing.

The Sharing of Power

This section explores JSL’s beliefs about the sharing of power within organisations and the democratic mechanisms through which he envisaged that it would be possible. JSL’s stated aim in developing the Partnership was to try and address the imbalances of wealth, power and knowledge that existing systems of organising perpetuated:

“The supreme purpose, the centre of gravity of the whole thing, was in the interest not of the controllers but of the controlled and, moreover, of those of the controlled who were worst off.” (Lewis, 1948: 317)

The professed objectives of the Partnership were democracy and equality (Lewis, 1948: 214) and although JSL recognised that the first Constitution did not allow for full democracy (due to the powers awarded to the Chairman), he believed that a full democratic model would eventually become possible (Lewis, 1948:321). In time, JSL believed that his need for control (via the Chairman’s right of veto) would lessen and that eventually the safeguards would not be necessary:

“If a Partnership is organised on the main lines that are contemplated here, then broadly speaking, its development, as it matures, should be towards enlargement of the powers and responsibilities of its Council and diminution of those of its Board and of that Board’s Chairman.” (Lewis, 1948: 355)

JSL cited as one of his sources of inspiration a book by Dubreuil (1939) which outlined a system of using democratic structures to elect managers. JSL clearly found this concept attractive and indicated that the Partnership may go on to experiment in that area (Lewis, 1948: 235). Dubreuil’s vision was an “organic unity of concern” where there was no longer a divide between masters and workers, but instead groups of people collaborating in a “co-operative regime” (Dubreuil, 1939: 7). JSL saw the Partnership as a way of sharing power which previously was held solely by the owners and managers.

JSL claimed that the Partnership was modelled on British Democracy in that the supreme power or sovereignty was divided between several bodies, in this case: the Central Council; the Central Board; and the Chairman. This restriction on any individual’s authority was the key to stability (Lewis, 1948: 322) and the supreme authority was “the public opinion of its members” (*ibid.*: 318) which was informed, developed and expressed through the journalism, committee for communication and the elected representatives on the Central Council. He emphasised the relationship between power, control and finances arguing that without financial power, authority becomes meaningless:

“The power thus divided in three is of course largely financial. In any business – even national affairs – control must be largely financial, it must be exercised largely through the power of the purse.” (Lewis, 1948: 323).

JSL tried to ensure that the Partnership Constitution allowed for financial authority to be devolved to the democratic decision-making bodies (*ibid.*). He claimed that only by having “absolute control of an important amount of money” would employees be able to exert any real power in the Partnership (Lewis, 1948: 315). The extent to which control of funds could be devolved to the democratic bodies was limited only by the Constitution and the power of veto (both of which are explained more fully in the next section). Fundamental to this belief in power sharing was the necessity for Partners to

have access to information and knowledge about the organisation. This would make democracy possible, a situation where informed employees could freely express their views on the Partnership:

“The health of the democracy will depend upon the extent to which its public opinion is sound and able to express itself.” (Lewis, 1948: 210)

JSL claimed that many of the contradictions inherent in the structure of the Partnership were designed to minimise risk:

“Private enterprise is always incomparably nearer to the possibility of real disaster. In comparison with the affairs of a nation the affairs of a competitive private enterprise are in a perpetual state of emergency and in all emergencies all communities concentrate power and responsibility.” (Lewis, 1948: 380).

For this reason, despite his democratic intent, the first Settlement in Trust allowed for the Chairman to take on a more autocratic role (in times of crisis) and act as both Chairman and Managing Director. It is worth noting, however, that despite this ‘safeguard’ the Constitution gave the Partnership Council the ability to vote to replace the Chairman if his actions were deemed to be damaging to the business (*ibid.*: 381).

Voting

JSL stated that he believed that a fundamental part of any democratic process was the ability to vote on a wide range of issues:

“If voting is not used, there will be other dangers and I would use it whenever the matters to be settled seem to be sufficiently certain to be within the qualifications of the voters.” (Lewis, 1948: 327)

He had a broadly pluralist conception of conflict (Fox, 1966; 1973) and noted the difficulty of balancing decisions that were acceptable to both the managed and the managers:

“There is bound to be a certain conflict of interest between the managers and the managed.” (Lewis, 1948: 346).

In particular, he believed that the higher pay rates awarded to managers meant that it was natural for them to put the business first, but that it was equally natural for the less well compensated employees to put pleasure first (*ibid.*). It was for this reason

that he emphasised the importance of the vote, so that the opinions of both the workers and the management could be considered:

“By persuasive speeches and energetic canvassing and perhaps by something very near to intimidation the managers may get a sufficient number of the managed to vote with them. But, all the same, the conflict will be there.”

(Lewis, 1948: 356)

However, there was also evidence of a more unitarist preoccupation with stressing the ‘common’ goals enshrined within the Partnership’s Constitution. JSL saw the Constitution as the heart of decision-making in the Partnership and believed that referring back to it would resolve conflict and protect the interests of everyone (*ibid.*).

Nonetheless, the use of the vote in the Partnership was seen as a mechanism for ensuring that management were accountable to the workforce (Miller, 1975: 3). Managers were free to manage but were expected to do so according to the interests of the co-owners, and “subject to full accountability to the managed” (*ibid.*). In the next section I examine the Partnership Constitution and the associated structures.

THE PARTNERSHIP'S CONSTITUTION AND STRUCTURE

The first Constitution of the John Lewis Partnership was published immediately after JSL's father, John Lewis, died in 1928 (MacPherson, 1985: 158). It was the first attempt at recording and publicising the principles, rules, and regulations of the Partnership and was intended to be a practical guide (John Lewis Constitution, 1928: preface). The articles of the Constitution explained that it would remain 'draft' until 1931 but after that point any amendments would have to be democratically determined, formally proposed by the Council, and agreed by the Chairman (*ibid.*). Having spent so long developing the first Constitution JSL was at pains to protect it and discourage changes that might dilute the principles of the Partnership:

“Once you admit the idea that it may be necessary or at all events right to give ground sometimes, once you admit the idea that it may sometimes be necessary or at all events right to diminish the degree of democracy that your particular Partnership has in fact attained, you will have no good enough foothold against folly or cunning. Bit by bit you will be pushed and wangled back into unnecessary inequality, privilege, selfishness.” (Lewis, 1948: 214).

The Constitution was a list of the rules and structures, but more fundamentally it was a method of safeguarding the values and principles upon which the democratic structures were based. JSL believed that by creating a bureaucracy governed by detailed rules and policies, his vision would survive and the inequalities of power (inextricably linked, in his mind, to the abuse of position by individuals) would be marginalised (*ibid.*). The Constitution enabled Partners to hold managers accountable for their decisions, and actions would be based “at least in theory...with the rule of law, rather than the rule of men” (Oakeshott, 2000: 218).

A statement made by a Partner working in the Liverpool store illustrated the power of the Constitution in governing behaviour:

“The Partnership attracts a certain type...people that toe the line, keep to the rule book, don't show any particular flair, but operate efficiently within the regulations.” (BBC Modern Times, 1995).

The 1928 Constitution of the John Lewis Partnership outlined the structure of the organisation based on three principal authorities: the Central Board; the Central Council; and the Chairman. JSL envisaged the Partnership as a system of balance and checks with both an executive side and a critical side:

“The function of the Critical Side is to safeguard the Executive Side from inadvertence.” (Lewis, 1948: 425).

The structure was designed so that challenging and critical views were given a voice in the organisation and that key constituents (management and workers) were made aware of opposing perspectives on key business issues. However, as I discussed earlier in the chapter, the Constitution and Trust deeds also protected the structure and prevented partners from realising financial gains at the expense of the Partnership’s long-term survival. JSL distinguished between “critical voices” and “malcontents”, in his view the latter should be encouraged to leave, the former to stay (Lewis, 1948: 38). The key roles comprising the executive and critical side of the Partnership will now be examined in turn before briefly outlining the role of Trade-Unions in the Partnership.

The Chairman

JSL was chairman of the Partnership until 1955 when he reluctantly retired at the age of 70 in line with the constitutional rules written by him decades earlier (BBC, 1995). The Chairmen from JSL’s reign through to the current day are listed below:

Table 4.2: John Lewis Partnership Chairmen 1928-2008

Period in Office	Chairman
1928-1955	John Spedan Lewis
1955-1972	Sir Bernard Miller
1972-1993	Peter Lewis
1993-2007	Sir Stuart Hampson
2007- to date	Charlie Mayfield

JSL compared the role of the Chairman of the Trust and of the Partnership, to that of the judiciary in a modern democracy. His vision was that the Constitution would provide all the rules that were necessary to conduct business effectively, and all the Chairman would have to do was ensure that the rules were followed (Lewis, 1948: 366). Despite this claim, the Constitution actually enabled the chairman to have almost unlimited power within the organisation (Blum, 1968: 66; Oakeshott, 2000: 222). The Chairman appointed six of the twelve members of the Central Board (who together with him constituted a majority over the five elected members) (Lewis, 1954). The Chairman also had sole responsibility for appointing a successor (Lewis, 1948: 370). JSL claimed to be sorry that such an undemocratic role was necessary, but seemed unable to imagine an alternative during his lifetime:

“I wish very much indeed that I had been able to devise something more democratic.” (Lewis, 1948: 368)

The functions of the Chairman according to the articles of the Constitution were:

- To maintain the Constitution to the satisfaction of the Council
- To amend with the concurrence of the Council, the Articles of the Constitution
- To use to the Partnership’s best advantage the sums (not given to the Council) for Pay, Pensions, Amenities, Partnership Benefit
- To decide who shall be admitted or retained within the Partnership

(Lewis, 1948: 327)

The Chairman had the power to veto any proposed expenditure by the Council that he believed would be dangerous to the Partnership’s interests. However if the Council of Trustees of the Constitution obtained a ruling that the veto was used unreasonably then the Chairman could be displaced (*ibid.*). JSL claimed that this system was designed to prevent any single party wielding power in a way that would be damaging to the Partnership itself (*ibid.*).

JSL wrote at length about his vision for the role of Chairman in the Partnership and laid down guidelines for the people that would take on the role after his retirement (Lewis, 1948; 1954). In an interesting passage on the qualifications for the role of Chairman, he stressed values rather than intelligence:

“All power, we have been told on very high authority, tends to corrupt. That must be as true of cleverness as of any other power.” (Lewis, 1948: 329)

JSL was aware that the role of the Chairman would attract criticism, and appeared to contradict his democratic intentions. Firstly because the Chairman’s tenure would be fairly secure, secondly because the Chairman named his own successor and finally because the Chairman could choose to dismiss anyone he felt had breached the Constitution (*ibid.*):

“For many years I hoped that the Chairmanship could be relieved of the very invidious function of being the Partnership’s ultimate authority in questions affecting the individual interests of its members, their admission, remuneration, promotion, demotion and perhaps the termination of their membership. But it has seemed to me impracticable. It has seemed to me that any arrangement, that would genuinely relieve the Chairmanship of this duty, would open the door to troubles that might be disastrous.” (Lewis, 1948: 369).

In defence of his position JSL noted that even in Russia collective forms of government were being replaced by government by a single person, and that in nationalised industries (in the UK) managerial power tended to be concentrated in a few hands (Lewis, 1948: 370). Despite this, he claimed that he did not enjoy some aspects of his responsibilities and hoped that the possession of power would eventually be eliminated (*ibid.*).

Central Board

The Board of Directors which constituted the Central Board consisted of the Chairman; 5 representatives elected by the Central Council; and 6 appointed by the Chairman (Lewis, 1948). JSL recommended that the Chairman’s five appointments to the Board would normally be the five heads of what he called ‘the critical side (Lewis, 1954: 133). These include the General Inspector, the Chief Registrar, the Internal Auditor, the Financial Adviser, and the Partners’ Counsellor (*ibid.*).

The main responsibility of the Central Board was controlling the budget (with the exception of pay, pensions, amenities and Partnership benefit). However, if the elected representatives were concerned about a particular budget decision (normally because of the scale of the financial decision or risk involved) they could choose to refer it back to the Partnership Council.

Partnership Council (originally named Central Council)

Each store had a Branch Council where elected members from each 'section' would meet to discuss and vote on business issues (Lewis, 1948). Each Council elected one or two representatives (depending on the size of the store) to sit on the Partnership Council (*ibid.*). The Council was first established in 1919 at the Peter Jones Store but was extended to cover the whole of the Partnership when JSL took control in 1928. In 1948 the Council consisted of 118 members, 84 elected, 28 ex-officio and 6 nominated by the Chairman (*ibid.*). The intention was that two thirds of the central Council would be elected annually by secret ballot and the Council would elect its own President. The Council elected five representatives to join the Central Board and three Partners to be Trustees of the Constitution.

The Council was responsible for a budget (fixed by the Constitution) and had the authority to amend the articles of the Constitution, consider large or risky financial proposals, and to "make of the Board or Chair any inquiry they think fit." (Lewis, 1948: 334). The Council met at least six times a year and meetings would normally last two to three hours (Lewis, 1954: 138). JSL recorded that in the early days he often had to supply the agenda himself just to ensure that the Council kept going. He even supplied wine with lunch, arguing:

"A good many people are better tempered, broader minded, more imaginative and altogether more efficient as members of representative institutions if they have had a glass or two of wine." (Lewis, 1948: 338)

JSL described the Council as a safety valve and an important part of the tri-part sharing of power within the organisation:

“...the fact that a safety-valve may come only rarely into use, does not mean that the valve is not needed.” (Lewis, 1948: 338).

He illustrated the power of the democratic bodies by citing a decision made by the Council, early on in its history, to open stores between Boxing Day and New Year. A number of Partners wrote to the *Gazette* criticising the decision and implying that it was made by the Chairman rather than the Council. JSL wrote back to the *Gazette* stating that he was surprised at the decision to open the stores and would personally have preferred them to stay closed so that Partners had a break; however, he concluded “democracy had spoken” (Lewis, 1948: 340).

The Constitution gave the Council a number of safeguards against the Chairman misusing his power, including the ability to award compensation to ‘wronged’ Partners and the ability to effectively dismiss the Chairman on the grounds that he had behaved unconstitutionally (Lewis, 1948: 372). In the next section I explore the role of the Registrar and the Partners’ Counsellor, two of the positions attributed to the ‘Critical Side’ of the Partnership.

The Registrar

The Registry was one of the areas of the Partnership that differentiated it from other organisational forms. The role of the Chief Registrar was to uphold the Constitution and act as keeper of the rules; this involved taking charge of paperwork relating to various committees (Lewis, 1948: 418):

“This may sound as if Registrars will have a somewhat invidious and unpopular function of observing and thwarting inclinations to break the Partnership’s laws or of bringing crime to light. In practice, however, I think that their work in this way will be so largely preventative and the prevention will be advantageous to those whom it affects.” (Lewis, 1948: 430).

The Chief Registrar had the task of ensuring that the Partnership followed the Constitution in all its operations, and in order to achieve this goal Registrars were appointed to work in each Branch. They were given independent status within the

Partnership, and reported to the Chief Registrar directly rather than to any of the Senior Managers within a particular Branch (Graham, 1992: 188). This design was intended to both ensure consistency (in interpreting and applying the Constitution), and to enable the Registrars to be seen as equal to senior management rather than subservient to them (John Lewis Partnership Constitution, 2000: 27).

The Partners' Counsellor and the Director of Personnel

A second key figure on the 'Critical Side' was the Partners' Counsellor. The role was to ensure that the Partnership was true to its principles and compassionate to its members (Constitution of the John Lewis Partnership, 2000: 26). JSL clearly distinguished this role from that of a Director of Personnel, stating that the latter's job was to ensure that workers were treated well because it was productive to do so, while the former was:

“...that part of the owner-manager's brain and time that in the staff-management of a small business is given to the claims of humanity.” (Lewis, 1948: 435)

This statement echoed JSL's claim to prioritise the happiness of the Partners and his emphasis on doing things differently to other organisations. He warned of the need to ensure that people did not overwork and saw this as the responsibility of both Personnel and the Partners' Counsellor:

“...there is the almost infinite variety of ways in which the management of an organisation like the Partnership can promote happiness. There is an almost infinite scope for imagination and energy.” (Lewis, 1948: 435)

JSL continuously emphasised that the system was one of checks and balances, noting that it was clearly the field of the Director of Personnel to ensure that the Partnership was not too soft, but that the supreme aim of the Partners' Counsellor was to ensure that it was not too hard (Lewis, 1948: 436). It was for this reason that the Constitution required that the Partners' Counsellor would be given full access to complaints and grievances and be available personally to support any Partner (*ibid.*).

The Partnership and Trade Unions

JSL wrote extensively about his beliefs relating to Trade Unions. He claimed to accept the scope for Trade Unionism in the Partnership and acknowledged that there could be conflict between management and non-management Partners (Lewis, 1948: 290). He stated that he felt that Trade Unionism had done “enormous good” (Lewis, 1954: 184), but he also believed that engaging in industrial action was deeply contradictory for Partners on the basis that a “strike against the Partnership, will be striking against their fellow-workers” (Lewis, 1948: 291.). Ultimately JSL expected Partners to put the interests of the Partnership above any loyalty they felt to a Trade Union. He explained that participation in strikes would be treated in much the same way as the Partnership treated sickness:

“Let us assume that he is unwilling to let the Partnership down but feels that he cannot help himself. So long as it does not happen too often let us re-engage him whenever he wants to come back, just as we should if he was ill” (Lewis, 1948: 298)

The Partnership’s fragile tolerance of union activity is perhaps expressed most clearly in the Constitution which states:

“Every Partner is free to belong to a trade union, although if there is conflict between a trade union and the Partnership those concerned must consider carefully their responsibilities as Partners” (John Lewis Constitution, 2000: 21)

Flanders *et al.* (1968: 242) described the Partnership’s attitude towards trade unions as one of “friendly neutrality”, noting that it did not encourage Partners to join, but granted union organisers facilities for recruitment and meetings. In 1968 it was noted that Union membership numbers were unknown but believed to be small in all areas apart from the manufacturing sections of the business (*ibid.*: 245). This situation appeared not to have changed in recent years when Gollan (2007) noted that management consulted with Union representatives in the textile plants but that they were not recognised elsewhere in the company. In 2007 the Chairman of the Partnership confirmed that they did not recognise a Trade Union and that:

“...the fact that there isn’t significant Union membership reflects the fact that people don’t feel there is a need” (T24).

The two Unions most likely to represent Partners are the *Union of Shop, Distributive and Allied Workers (USDAW)* and *UNITE* (formed in 2007 by a merger between *AMICUS* and the *Transport and General Workers Union*). *USDAW* confirmed in 2009 that only 51 Partners were members of the Union and that the Partnership did not officially recognise any Union for negotiation purposes (McLoughlin, 2009). Membership numbers from *UNITE* were unavailable. Occasionally, references to Trade Unions appear in the *Gazette* letters page, so for example, in 2003 there were a number of letters complaining about payments being reduced for working on Sundays (*Gazette*, 19/07/03; 30/08/03). These mocked the model of democracy that had resulted in the Partnership Council voting to accept the pay cuts and called for partners to protect themselves by joining a Union.

The only public evidence of conflict with a Union in recent years was when the Partnership sold two of its manufacturing units (JD Dixon and John Maguire) to a company that subsequently went into administration (Craven, 2009b; 2009c). *UNITE* called for the Partnership to compensate ex-partners who would have qualified for a redundancy payment of up to £40,000 under Partnership terms, but instead would receive no more than £8000 as the company had gone into administration only 18 months later. It was reported that the John Lewis Personnel Director rejected the claim on the basis that it wasn't fair to ask the current partners to "put more of the Partnership's money into this situation" (Craven, 2009a).

In the final section of this chapter I briefly summarise the existing research on the Partnership.

RESEARCH ON THE JOHN LEWIS PARTNERSHIP

At first glance there appears to have been a reasonable amount of academic interest in the Partnership. There were two key periods, in the 1960's and 1980's when the organisation featured in a number of books and studies, but it is surprising that so little has been written about it in the last decade or so. Here, I briefly review the main research on the Partnership and explain how the work has informed my own analysis.

The first detailed study of the Partnership (written by someone other than the founder), was a chapter in a book about co-operativism which focused on the relationship between co-ownership and productivity (Farrow, 1964). In 1968, Flanders *et al.* published a more critical, in-depth study in which they concluded that there was "very little real sharing of power" but that the arrangements for sharing gain and knowledge made the employment relationship very attractive (*ibid.*: 192). This research was commissioned by the Partnership although the authors claim that "all the necessary requirements of academic freedom and objective research" were observed (Flanders *et al.* 1968: 14). This point appears to be reinforced by a foreword to the book by the then Chairman of the Partnership, Sir Bernard Miller, who makes it clear that he doesn't entirely approve of the conclusions arrived at by the authors. Following the publication of this book, the Partnership became the subject of wider interest and short case studies on the organisation were included in a number of other publications (Baddon *et al.* 1989; Blum, 1968; MacPherson, 1985; Miller, 1975; Wilken, 1969). These tended to focus on describing the structures within the Partnership, and the framework laid out in the Constitution; (Blum, 1968; Miller, 1975). In addition there was some consideration of financial participation (Baddon *et al.* 1989) and the potential liberating impact of co-ownership (Wilken, 1969).

In 1985 the Partnership created and published a book which they said was to commemorate the centenary of the birth of JSL (MacPherson, 1985). This contains photographs and transcripts of interviews with a range of partners, and is unusual as a 'tribute' in that it features several criticisms of the founder, portraying him variously as eccentric, autocratic, unreasonable and vain. The preface to the book quotes a preface

to an earlier Partnership publication *Retail Trading*, which was published shortly after JSL's death and contained a collection of his memoranda:

“It is hard to be objective about a man to whom as much is owed as Partners owe to Spedan Lewis. But we ought to try. The Partnership has sometimes been accused of swallowing gladly an overdose of ancestor worship. There is no need at all for this and it does the Founder of the Partnership no true service.” (*Retail Trading*, 1968: 1 cited in MacPherson, 1985: 13)

The book goes on to outline how JSL struggled to relinquish his control of the Partnership, how he severely criticised his successors (MacPherson, 1985: 14), how he fought to regain a share of power (*ibid.* 42), and how most of his colleagues were frightened of him (*ibid.* 84). The Chairman of the Partnership in 1985 was Peter Lewis, the son of Oswald Lewis, JSL's younger brother. He wrote the foreword to the book, presumably endorsing the criticisms of uncle, and noting that “the Founder will always move like a shadow behind the Partnership for as long as it survives” (Lewis, 1985: 7).

In the late 1980's researchers from the *London School of Economics* conducted quantitative research on the firm's performance and published a series of papers and a book (Bradley and Estrin, 1986; 1988; 1992). The focus for this research was on the instrumental value of participation and co-ownership and the authors concluded that there was evidence to support the claim that the Partnership structure led to greater productivity and commitment (Bradley and Estrin, 1986; Bradley *et al.*, 1990; Bradley and Taylor, 1992).

In 1995 the *BBC* produced a documentary on the Partnership which presented it as an eccentric British institution which was stuck in the past and which thrived on ritual and hierarchy; “a blueprint of a perfect world where everyone is decent and fair” (*BBC Modern Times*, 1995). More recently chapters on the Partnership have been published in books on employee-ownership (Best 1999; Oakeshott, 2000), non-union representation (Gollan, 2007) and philanthropy (Kennedy, 2000). The Partnership was presented as an important case study because of its size (Oakeshott, 2000) and influence within the industry (Best, 1999). Unfortunately, these books relied heavily on secondary data (in particular research carried out almost 15 years earlier by Bradley

and Estrin, 1986 or 30 years earlier by Flanders *et al.*, 1968) and so contributed little to a contemporary understanding of practice in the organisation.

There have been a handful of papers published in journals which have explored aspects of the Partnership's practice including: service quality (Dandy, 1996); empowerment (Street, 2006); employee participation (Ramsay, 1980); business performance (Bradley *et al.*, 1990; Cox, 1987); retail planning (Hampson, 2007); the role of the registrar (Graham, 1992) and action learning (Spencer, 2005). Of these, the work that has been most pivotal in my understanding and analysis of the Partnership is that by Harvie Ramsay (Ramsay, 1980; 1984; Baddon *et al.* 1989). As I noted in chapter two, I discovered Ramsay early on in my PhD study and found his cycles thesis (Ramsay, 1977a) and his critique of employee involvement (Ramsay, 1980; 1985) compelling. In chapter nine I return to Ramsay's work and explain how my conclusions are framed by his earlier analysis.

CONCLUSION

The history of the JLP is rich and dramatic, and it is apparent to me that both John Lewis and John Spedan Lewis were strong characters with firmly held convictions about business and society. Although clearly JSL claims a great deal in his account of the creation of the Partnership it is important to note that:

“Far from being objective descriptions, accounts of key events in an organisation’s history reflect differential attention, selective perception and incomplete recall.” (Martin *et al.* 1985: 103).

Furthermore, the formation of the Partnership and the books written to explain it, are rife with tensions which are still sites of contention in the organisation today.

JSL claimed to be apolitical and in his retrospective books on the Partnership he went to great lengths to separate his “experiment in industrial democracy” (Lewis, 1948: cover) from any party politics. He saw the experiment, in part at least, as a way of protecting private enterprise and capitalism from revolution, believing that happier workers were significantly less likely to engage in civil unrest. However, he also claimed that the two main objectives of the Partnership were “democracy and equality” (Lewis, 1948: 214) and that the class divisions within society were what drove him to explore alternatives to capitalist enterprise (*ibid.*: 167). Furthermore, the structures that he put in place were based on a pluralist conception of conflict which recognised the dissonance between managers and workforce and sought to implement mechanisms which provided both groups with a voice in the workplace.

JSL supported the managerial prerogative and protected hierarchical structures and inequalities in pay scales. However, he also implemented systems to hold management accountable to workers and created a Constitution which protected the rights of Partners to challenge decisions. Furthermore, although managers were paid more than shop-floor workers, clear limits were placed on the pay differentials, profits were shared and other benefits (subsidies, holidays, and welfare funds) were made available on an equal basis.

JSL was a paternalistic employer who saw the Partnership as his family. He built 'safeguards' into the Constitution in order to protect his vision from opportunistic Partners keen to cash in their shares. He was unsure whether he could trust the Partners with 'his' Partnership. However, despite this initial caution, he gradually relinquished much of his control through the second settlement in trust, and also wrote that over time he anticipated that the Chairman's powers would be reduced, and the power of the democratic bodies increased (Lewis, 1948: 366).

In summary, JSL was often contradictory, dictatorial and controlling in his "experiment in industrial democracy" (Lewis, 1948). He was also innovative, generous and determined in the face of public and private criticism. In forming the JLP he created a legacy of democratic engagement in work that is still benefitting workers over eighty years later. In emphasising the possibilities of co-ownership and in distancing himself from traditional models of organising work he showed a commitment to improving society and a recognition of the privileges associated with class and wealth. In chapter 8, I explore how the founder's version of the Partnership history and his retrospective account of his values and vision are frequently invoked in discussions in the organisation. I have drawn heavily on the books written by the Founder in exploring the structure of the Partnership and have clearly outlined his belief that his values are reflected in the principles laid down in the Constitution. However, that is not to claim that JSL was a "culture creator" (Martin *et al.* 1985: 100), but rather that his founder-centred narrative has become a dominant source in other books written about the Partnership, and a form of 'truth' in debates in the Partnership today.

The founder of the John Lewis Partnership, despite his experiment in ID, claimed that his main interest was in shop keeping (Lewis, 1948). The next chapter explores a number of alternative accounts of OD some of which clearly place the business before the democracy, and others which place the democracy as fundamental to the business.

CHAPTER 5: ALTERNATIVE ACCOUNTS OF ORGANISATIONAL DEMOCRACY

INTRODUCTION

In this chapter I explore alternative models of organising work. My focus is on organisations which contain elements of employee-ownership and democratic control. Although philanthropy and an interest in ‘humane management’ underpin the development of the JLP, this chapter does not explore case studies of companies that were founded by people who were simply philanthropists or benevolent owners. Instead, my focus is on organisations where there may have been a philanthropic founder, but more importantly, where methods of organising were based on democratic or co-ownership models. This distinction is explored briefly in the first section.

This chapter brings together case studies to explore philosophies of work based on either co-ownership or OD. The first section focuses on a range of employee-ownership schemes, including employee stock ownership plans (ESOPS); workplace partnership and common-ownership trusts. The second section focuses on co-operativism which embraces both employee-ownership and co-determination. By highlighting the development and practice of organisations that can be seen as ‘alternative’ to dominant forms and structures my intention is to contextualise my study of the Partnership, and explore how it compares with other organisations that make similar claims about democracy and solidarity.

Cadbury, Salt and Owen

Cadbury Bros. is an example of a company that was founded by a benevolent and philanthropic family. Cadbury, along with Fry and Rowntree were owned by Quakers and their generous welfare provisions are frequently attributed to Quakerism

(Dellheim, 1987: 25; Kennedy, 2000: 24), although privileging the role of Quakerism has been challenged and there are competing explanations (Rowlinson and Hassard, 1993: 311; Smith *et al.*, 1990: 65).

The Cadbury brothers opened the green-field Bourneville site in 1879, creating a purpose-built factory, housing for workers, and extensive recreational amenities. A Village Council was established to provide tenants with a decision-making Forum for issues relating to the schools, gardens, halls, and recreational facilities (Cadbury, 1912: 282). However, the boundaries of the village also constituted the boundaries of democracy; workers were given a voice in the village, but not within the factory walls. Thus, although the story of Cadbury is a fascinating one, and the progressive views of the founders continue to influence practice within the firm, the case contributes little to our understanding of democratically structured or co-owned organisations. This distinction can be illustrated further by comparing two influential and well known industrialists, Titus Salt and Robert Owen.

Titus Salt was born in 1803 and worked in wool manufacturing in Yorkshire (Bradley, 1987). In 1853 he built the industrial village of Saltaire, a purpose built settlement containing mills, schools, libraries, workers' cottages, and a hospital (Japp, 1890: 394). Salt was a philanthropist, and the conditions in his mills in the mid nineteenth century were undoubtedly superior to most others in the same period (*ibid.*; Bradley, 1987).

Salt was a paternalistic employer and his approach to his workers and his ideas about organising work were deeply connected to his Christian Congregational religious faith (Bradley, 1987: 36). Alcohol was banned in his village, and his concerns with temperance were such that he went to the trouble of banning intoxicated people from visiting the 14 acre park he had built for his workers in 1871 (Japp, 1890: 398). Salt strongly opposed trade unions, and fought against the 1833 Factory Act which sought to prevent children working until they were nine years old (Bradley, 1987: 35). In short, although Titus Salt was in many ways a benevolent employer who created a working environment that was far safer, cleaner and less oppressive than that of his contemporaries, he also carefully safeguarded the managerial prerogative and used his position to reinforce the power differentials between employee and employer.

The work of Robert Owen was discussed in chapter two where I outlined his philosophy and his practical interventions in the mills that he owned. Owen believed, like Salt, that people were products of their environment and that by changing the environment, behaviour would be changed. Where Owen differed from Salt, was that he saw co-operativism not capitalism as the path to improving society.

Although in the UK philanthropists like Titus Salt, George Cadbury and William Lever created organisations that were perceived as radical in their concern for employee welfare; these concerns were limited to physical and social wellbeing. Owen, in contrast, was concerned with sharing power and relinquishing control; he saw co-operativism in work as a means of social emancipation (Cole, 1927). For that reason cooperative forms of work, as envisaged by Owen, form an important part of this chapter, whereas the contribution of Lever, Salt, Cadbury and the other “Merchant Princes” (Kennedy, 2000: 4) do not.

WORKPLACE PARTNERSHIP

Workplace Partnership, much like the concepts of ‘employee participation’ and ‘voice’ which I discussed in the previous chapter, is often poorly defined and conceptually confused (Dietz, 2004: 6; Johnstone *et al.*, 2009: 261; Martinez Lucio and Stuart, 2004: 411). One of the potential sources of confusion in understanding the governance of the John Lewis Partnership is that the term ‘partnership’ has come to represent a particular form of collaboration between trade unions, employees and employers (Ackers *et al.* 2004; Martinez Lucio and Stuart, 2004). This is quite different to the way in which Partnership is understood at John Lewis and so for the sake of completeness and clarity, I will begin by exploring the more common understanding of the term.

Proponents of the partnership model present it as an opportunity for mutual gains, meeting the representation gap for employees and bringing together unions and employers in a way which is beneficial to all concerned (Brown, 2000; Heckscher and Schurman, 1997). Partnership effectively means constructing consensus-oriented joint consultation processes whereby “unions are allowed scope to influence management decision-making” (Roche and Geary, 2002: 661).

In 1999 the UK implemented the new *Employment Relations Act* which incorporated a range of measures to facilitate trade union organisation, including statutory trade union recognition for firms employing more than 20 workers, where the majority voted for recognition (Brown, 2000: 303). The then Labour Prime Minister publicly expressed his support for workplace partnerships between employers and unions and the TUC embraced the strategy (*ibid.*: 305). A detailed study of Workplace Partnership in Ireland was conducted by Roche and Geary (2002) who examined constructive participation in *Aer Rianta*, the publicly owned Irish Airport Management Corporation. In 1988 provisions for the election of worker directors to the boards of state-owned enterprises were extended to *Aer Rianta* and 3 workers directors were elected to the board (*ibid.*). In 1994 a contract was agreed to create “multi-level and multi-stranded partnership arrangements in which employees and unions would be accorded a role in decision-making” (*ibid.*: 667).

One of the key aspects of this Partnership model was the flexibility of its structures and governance practices. For example, issues could be handled on a partnership basis, in which case it was ultimately open to unions and employers to accept or reject any proposals put forward, or issues could be handled through established industrial relations channels (*ibid.*). Union officials reported benefits of the model including improved management-union relationships; improved employees' knowledge of market position and context; and improved skills in participating in joint-decision-making processes (*ibid.*: 673). Roche and Geary argued that the Partnership model provided a basis for active union and management co-operation, and noted that although unions may have had doubts about management's commitment there was no evidence of incorporation. Further, they reported active engagement on both strategic and operational issues, a finding which may give hope to other researchers who have bemoaned the fact that Unions and employees often play an ineffective role in joint-consultation committees and Works Councils (Addison *et al.* 2000: 8; Heckscher and Schurman, 1997: 327).

Workplace partnership, as understood by the above case study is clearly an example of a reformist account of implementing elements of OD. The ownership structure of the organisation remained unchanged, and there was nothing particularly radical about the initiative's objectives or outcomes. The impact of the workplace partnership may have been improvements in employee participation and voice, but as the authors themselves concluded:

“Partnership had clearly not proved to be transformative in its overall effects on attitudes” (Roche and Geary, 2002: 682).

Significantly and in line with its reformist nature, the Partnership model is entirely dependent on the goodwill of the employer. If the employer decides not to give employees a voice, or to limit the contribution of worker directors and unionists to decision-making, the Partnership does little to safeguard their interests. This accords with the experience in the US, where Partnership agreements are frequently abandoned when new Chief Executives are appointed, or when market conditions harden (Heckscher and Schurman, 1997:325). In the next section I move from partnership to examples of organisations that have sought to alter their internal governance structures as well as the ownership structure itself.

EMPLOYEE-OWNED ENTERPRISES

There are no reliable statistics on the size of the employee-owned sector in the UK but the *Employee Ownership Association* estimated that companies with “significant” employee-ownership have a combined turnover in excess of £20 billion p.a. (O’Culachain and Forfar, 2005: 11). Employee-owned organisations are a logical starting point for exploring alternative ways of organising work, and examining the extent to which employee-ownership might be synonymous with democratic organisation. This section explores what is meant by employee-owned organisations and the relationship between employee-ownership and OD. The discussion is illustrated using several important case studies of employee-owned organisations ranging from participants in Employee Stock Ownership Plans, through to common-ownership models such as the Scott Bader Commonwealth.

There are important differences between types of employee-ownership scheme, and as I argued in the previous chapter it would be foolish not to take account of these differences when exploring organisations. One of the problems with ESOPs is that they can vary greatly in type and structure; employee-ownership can be as little as 1% of the company or as much as 100% (Logue and Yates, 1999: 227). Equally a company claiming to operate worker self-management may mean that all employees participate equally in work and decision-making but could also mean that self-managed teams are in place at operational level but that at all other levels of the organisation traditional hierarchical structures remain. In this chapter, (and following Pierce *et al.*, 1991: 138) I will explore ownership, identify its dimensions, and examine the way in which they are operationalised.

There was a large increase in employee-ownership in the UK and US during the late 1980’s and early 1990’s (Logue and Yates, 1999; Pendleton *et al.*, 1998). The vast majority of employee-owned companies in the UK were the result of owners selling to workers, or privatisation of state assets (Spear, 1999) and the *1980 UK Finance Bill* offered tax advantages to companies introducing forms of profit share or employee share schemes (Ramsay and Haworth, 1984: 297). The increase in employee-ownership

in the UK and USA during the 1980's was largely achieved by the issue of Employee Stock Ownership Plans (ESOPS) (Pendleton *et al.*, 1998: 105; Pierce *et al.*, 1991: 122).

These are defined as:

“An organizational arrangement in which there remains a clear separation between managers and workers, where shares of ownership are not necessarily divided equally, and where a significant proportion of all people who work in the firm.....possess ownership in the employing organization.” (Pierce *et al.*, 1991: 122)

The ESOP model is explored below, followed by a second, more radical case of employee-ownership in the *Scott Bader Commonwealth*.

Employee Stock Ownership

In the UK, municipal bus companies were privatised by the Conservative government in the late 1980s who offered significant tax incentives to establish ESOP's (Ramsay *et al.*, 1986: 23). This was “partly to extend share ownership, but also to help incorporate workers into the privatization programme” (Spear, 1999: 255). By 1991 there were more Employee Stock Ownership Plans (ESOPs) in the Bus sector than any other (Pendleton *et al.*, 1998: 105).

ESOP may mean sharing financial gain, but there is often limited scope within schemes for democratic participation in decision-making. Rather than seeing ESOP as the beginnings of OD, or co-ownership, many firms have seen it as a form of control or revenue raising (Logue and Yates, 1999: 244). Research into employee-ownership within four UK bus companies concluded that most schemes “fail to incorporate any employee involvement in decision-making” (Pendleton *et al.*, 1998: 116). In addition, as 3 out of 4 of the bus companies were sold within a few years of the ESOP being established, it has been argued that “the largest financial benefits of employee-ownership can be realized only by giving up ownership” (*ibid.*: 117). As I outlined in the previous chapter, this was evidenced in the JLP in 1999 when the media speculation on ‘demutualising’ led some of the partners to push for a referendum on selling shares in order to maximise their individual financial benefit.

Capital-sharing schemes, involving the creation of a fund that is collectively owned by workers and administered on their behalf, may have some reformist potential and act as a mechanism for “direct union access to the levers of power (Ramsay and Haworth, 1984: 312). However, a distinction needs to be made between capital-sharing and profit-sharing as profit-sharing alone can make very little difference to power relations and may be used to weaken unions and “undermine the solidarity of a strike through the threat of a loss of entitlement to the profit bonus” (*ibid.*: 301).

ESOP legislation details employees’ financial rights, but only makes minimal provision for rights to participate (Logue and Yates, 1999: 237). Moreover, in the US the law permits companies to limit the rights of ESOP participants relative to other shareholders (*ibid.*). This accords with a UK study that warned that a substantial employee stakeholding did not necessarily mean that there would be substantial participation (O’Culachain and Forfar, 2005: 12).

In summary, ESOP may lead to minor improvements in the working lives of employee-owners and a more just distribution of ‘moral debt’ (Guidi *et al.*, 2008: 7) but the absence of protection or clear rules governing participation in decision-making mean that any gains that are made are fragile ones. Furthermore, history shows that schemes tend to be short-lived (Matthews, 1989: 455). I now turn to the case of the *Scott Bader Commonwealth*, a company that could be described as a more radical version of Employee Stock Ownership and one that closely mirrors the structure of the JLP.

The Scott Bader Commonwealth

The Scott Bader Commonwealth is an organisation that is regularly cited by researchers as an example of successful co-ownership and participation (Blum, 1968; Oakeshott, 2000; Sauser, 2009). Scott Bader is similar to the JLP in that it is an example of employee-ownership by benefaction, transitioning from private limited company to employee-owned trust in 1951 when the founder Ernest Scott Bader created the Commonwealth (Scott Bader, 1973: 25).

I have chosen to explore the Scott Bader Commonwealth in some depth for several reasons. Firstly because the official history of the Commonwealth is very similar to that of the Partnership and as I have argued in chapter two, the role of the founder is fundamental to understanding practice within the company. Secondly the governance structure of both organisations is similar and based upon a Constitution which reflects the values of the founder (Wilken, 1969). Thirdly, the case has been selected because the Commonwealth's influence extended far beyond the factory walls and the Bader family were passionate not only about the Commonwealth, but about the need to extend common-ownership more widely in order to transform society.

As with the JLP, most of the books and papers on the Commonwealth were written by members of the founder's family (Bader 1983; 1986) or were published by the Commonwealth itself (Scott Bader 1973; 1978; 1982). The biography of the founder (Hoe, 1978) was published by the Commonwealth and is written in the style of a novel in which Ernest Bader plays the hero, who against all odds transforms the world of work. A book by Blum (1968) was based on research which was funded, in part, by the Society of Friends and although it claims to be impartial (Blum, 1968: viii) the analysis is clearly rooted in the author's religious convictions.

“The Church has a special responsibility to create a living awareness of the universal which is rooted in the eternal ground of all Being and Becoming and to make the ‘new man’ a dynamic reality and power for change.” (Blum, 1968: 362)

There are clearly some serious limitations in using these texts as an authoritative source of knowledge about the Commonwealth and the role of the founder. However, as with the JLP, the ‘official’ histories and accounts of the development of the organisation offer insights into the ways in which certain readings of the past have become privileged.

The Founder

Ernest Bader was born into a farming family in Switzerland in 1890 (Hoe, 1978). His parents were Christians, his father was a Deacon in the Protestant Church and his mother attended Chapel (*ibid.*). His family life went through a major change when his

parents separated when he was 12; his father developed a drinking problem and got into serious financial difficulties after borrowing money and the family were plunged into poverty (Bader, 1983). It has been suggested that these early experiences had a huge impact on Ernest Bader and in later life he tried to avoid borrowing money and associated the terms “usury and interest” with “exploitation of labour, unemployment, capitalism and war” (Hoe, 1978: 21).

After undertaking his compulsory military service in Switzerland, Bader moved to London and found a job as a clerk (Hoe, 1978). He lodged with a Baptist family, became a vegetarian, and developed his interest in pacifism and Christian Socialism; he established a campaign group of Christians and Quakers in 1914 in order to preach pacifism (*ibid.*). In 1920 he married and started working as an import agent, naming the business in joint names (Scott-Bader) to reflect the fact that his wife’s dowry had made the company possible (Farrow, 1965). The business expanded into plastics and celluloid manufacturing and became a private limited company in 1923 (Hoe, 1978; Wagstaff and Constable, 1977). It was financially successful (Kallander, 1969), gradually increased the number of its overseas contracts and eventually relocated to new premises in Wollaston, Northants, after the original factory was bombed in 1940 (Bader, 1983; Farrow, 1965).

In 1944 Ernest Bader joined the Society of Friends and started exploring the idea of turning the business into a co-operative, which he felt was more in-line with his religious, ethical, and political beliefs (Hoe, 1978: 77). In 1945 he circulated a pamphlet entitled “The search for truth and happiness: our need for fundamental change and a possible solution” (*ibid.*: 79) in which he proposed that a Scott Bader Fellowship be established. The paper was influenced by Quaker principles and other ideas of Quaker industrialists such as Cadbury and Rowntree but went further by suggesting that industry needed to pursue social justice and OD (*ibid.*). The Fellowship was described by Godric Bader, the son of the founder, as:

“...a kind of internal cell group within the Company to make work more meaningful, rewarding and participative and to develop recreative activities, but without organisational change or change in ownership, and with strong religious overtones” (Bader, 1983: 2).

The Fellowship never fully developed, and the initiative was officially ended by Ernest Bader in 1946, he believed that the failure was a result of the absence of common-ownership:

“...the fault was really mine in so far as I had not acted on my own belief that those who constitute the essential element in a business should have equal status with the owner” (Ernest Bader cited by Blum, 1968: 8)

Bader continued to refine his ideas over the years, and in 1951 decided to develop a model of common-ownership in the form of the Scott Bader Commonwealth. He claimed to have been influenced by a number of people including Robert Owen, Gandhi, and John Spedan Lewis (Bader, 1983; Blum, 1968; Hoe, 1978). He believed that workers needed both economic and emotional security, and that the way to achieve that was through common-ownership (Bader, 1983: 4). Others have suggested that Bader may have been prompted by his need to regain control following a strike at the plant in 1948 as much as a desire to create a more ‘just’ form of organising work (Matthews, 1989: 444). The Commonwealth established and hosted *Common Ownership Lectures* as a means of disseminating Bader’s ideas between 1973 and 2000 (Employee Ownership Association, 2009; Horvat, 1986). Ernest Bader retired as Chairman in 1965 (as with JSL this was with some reluctance (Matthews, 1989: 444)) and his son Godric Bader became the life-Chairman and Managing Director in 1966 (Scott Bader, 1982). Ernest Bader died in 1982, age 91 (Hoe, 1978).

Ownership Structure

In 1951 Scott Bader created a charitable trust to hold 90% of the shares in the Scott Bader Company in perpetuity and provide a mechanism for collective ownership (Farrow, 1965). In a clear echo of the actions of JSL in establishing the Partnership trust, the remaining 10% of the shares were initially retained by the Bader family and carried ten votes each (compared to a single vote attached to the 90% held in the trust). This was a way for Ernest Bader to retain control until such time that he believed that the Commonwealth could operate without his intervention, a conclusion that he did not reach until 1963 when the remaining shares were transferred to the trust (Blum, 1986: 67; Cleghorn, 1995: 163).

Employees become eligible for membership of the Commonwealth after 12 months service (Bader, 1983) and this entitles them to voting rights and to involvement in the democratic governance bodies (*ibid.*; Hoe, 1978). The rights and responsibilities of members of the Commonwealth are laid down in the Constitution and the company articles require that 60% of the company profit be retained in the business, the rest is shared between charities and bonuses for the members (Bader, 1983: 5). The ownership structure provides a mechanism for democratic participation and Bader has argued that this created a transformation in attitudes and practices:

“Everyone really felt differently because they knew they were working for themselves and the larger world community outside their factory walls, they knew they were working for the greater glory rather than that of other owners and outside impersonal investors. It removed Marx’s criticism of alienation, for work was done more in satisfaction of worker’s own needs rather than being a kind of cannon fodder of industry to feed the capitalist machine.” (Bader, 1983: 6)

The founder’s simplistic summary of the impact of his ‘vision’ on employees in the firm is typical of the quotes attributed to him in the authorised books on the subject. Unfortunately his claims remain untested and alternate versions of the story remain unwritten.

The Commonwealth was structured in a very similar way to the JLP, initially with a General Council and direct representation, and then as the firm increased in size the structure changed to representative democracy. The structure of the organisation evolved over many years and a new Constitution was adopted in 1963 and 1971 (Cleghorn, 1995; Wagstaff and Constable, 1977). In recent years, four key structures were used to govern the organisation: the Company Board, the Commonwealth Board, the Members’ Assembly (previously the Community Council) and the trustees (Bader, 1986; Employee Ownership Association, 2009). These are outlined below.

The **Board of Directors** in the Commonwealth is responsible for setting the strategic business direction; however the key difference in Scott Bader is that the board is accountable to the Community Council and that four of its members are elected (Employee Ownership Association, 2009). Ernest Bader and subsequently his son

Godric Bader were appointed as life members of the Board and Directors of the Company (Wagstaff and Constable, 1977). There are no more than ten other directors (each appointed for a three-year period), four elected by the Community Council, and six selected by the Chairman, and subject to the approval of the Council (*ibid.*; Bader, 1986).

The nine members of the **Commonwealth Board** are elected by the members and their prime responsibility is for charitable giving (using a sum equivalent to the annual profit-share), and to provide “social guidance for the company” (Bader, 1986: 74).

Every employee is a member of a ‘Constituency’ which elects a member to the **Community Council**, recently renamed **Members Assembly** (Employee Ownership Association, 2009). The Council consists of 16 members drawn from each constituency (Bader, 1986: 74) and its prime responsibility is to hold the Board to account (*ibid.*). Its responsibilities include: approving the appointment or removal of the Chairman and directors; electing two directors and approving their pay; consideration of any dispute referred to it by a member; and administering welfare and benefits for employees (Wagstaff and Constable, 1977: 3; Cleghorn, 1995: 194).

The **Board of Trustees** was described by Godric Bader as a “Council of Elders” (Bader, 1986: 74). The principle function of the trustees is to maintain oversight, ensure that the Constitution is adhered to, and approve appointments to the board of directors (Cleghorn, 1995: 193). The Board of Trustees consists of two Directors, two members elected by the Community Council, and three from outside of the firm (jointly appointed by the Board of Directors and the Community Council) (*ibid.*; Bader 1986). The trustees are not involved in the day to day running of the business, but as guardians of the Constitution are called upon to intervene if any proposals are made to alter the Constitution (Employee Ownership Association, 2009).

The original Constitution required all members to agree the ratio of pay between the highest and lowest paid member (Hadley and Goldsmith, 1995). In 1951 the ratio was set at 1:6 (Blum, 1968), this was changed to 1:7 by the amended 1971 Constitution (Bader, 1983; Wagstaff and Constable, 1977). In 1989 the members agreed to drop the

reference to a specific ration and instead work on the principle that that “the ratio between the highest and lowest paid should not be excessive” (Hadley and Goldsmith, 1995: 181). In addition Scott Bader distributes an equal share of profits to the workforce each year and an equivalent amount is donated to charities (*ibid.*).

The Scott Bader Commonwealth is described in its Constitution as a common-ownership organisation. The preamble to the Constitution described the philosophy of the Commonwealth as follows:

“Power should come from within the person and the community and be made responsible to those it affects. The ultimate criteria in the organization of work should be human dignity and service to others instead of solely economic performance. We feel mutual responsibility must permeate the whole community of work and be upheld by democratic participation and the principle of trusteeship. Common-ownership of our means of production, and a voice in the distribution of earned surplus and the allocation of new capital, has helped us in our struggle towards achieving these aims.”

(Scott Bader Preamble to the Constitution, 1978)

In the next section I summarise the differences and similarities between the Commonwealth and the JLP.

The Scott Bader Commonwealth and the John Lewis Partnership

The case of the Scott Bader Commonwealth is a fascinating one, and a great deal has been written about its founder, and the ways in which practices have evolved over time (see for example Bader 1986; Blum 1968; Cleghorn, 1995; Hoe 1978). As I noted earlier, the fact that much of this work was written by or published through the Commonwealth itself is a clear limitation on the way in which the texts can be used. For the purposes of this thesis my interest is in using the case to compare and contrast with my main study of the John Lewis Partnership. In this section, I analyse the similarities and differences between the two organisations beginning with a comparison of the two founders.

Both Ernest Bader and John Spedan Lewis held strong convictions about the way life should be lived, and both men used their power and wealth to experiment with these convictions. A key difference between them was that the former was driven to innovate because of his deep-seated religious and spiritual beliefs (Hadley and Goldsmith, 1995: 171), whereas JSL has been described as having a “liberal, humanitarian and distinctly British conscience” (Farrow, 1965: 96). Both men were social reformers, but Bader’s reforms were inextricably connected to his spiritual beliefs (Derrick and Phipps, 1969: 35) and “radical religious inspiration” (Farrow, 1965: 96). He attempted to impose his religious practices and spiritual beliefs on the Commonwealth by institutionalising prayer meetings every Monday (Lorenz, 1978: 3); urging the workforce to practice sexual abstinence (Hoe, 1978: 57); and vehemently objecting to any form of gambling (*ibid.*: 135). The prayer meetings were always voluntary, but were held in work time and were the source of some resentment by non-participating workers:

“They’re up there praying while we get on with the bloody work” (*ibid.*: 133).

Prayer meetings were abandoned in 1953 when new senior staff members joined the firm and objected to them (Hoe, 1978; Derrick and Phipps, 1969). The vision of Bader was more than simply a religious ideal however, and from the outset the Commonwealth was highly politicised both in terms of how authority relations were structured, and in terms of the “the firm’s declared place in the political landscape of the world” (Cleghorn, 1995: 340). Both the Commonwealth and the Partnership claimed that profit was a secondary rather than primary objective. As I noted in chapter four, JSL stated that the purpose of the John Lewis Partnership was to achieve the happiness of the workers through their employment in a viable business (Lewis, 1948: 163). Similarly the Scott Bader Commonwealth argued that the ultimate aim of the organisation was:

“...to make the world a better place to live in by raising the quality of our work life and setting an example to those with whom we come into contact” (Bader, 1986: 66).

The Commonwealth has been described as “an employee trust by another name” (Oakeshott, 2000: 165), and thus is placed firmly in the same broad structural category

as the JLP. As I noted in chapter four JSL saw co-ownership as a way to engage workers and instil a sense of responsibility, but also a way in which the excesses of capitalism could be constrained. Similarly Bader claimed that he sought to implement common-ownership (using the trust) as a way of making work more fulfilling, but also to limit the arbitrary power of individuals and capitalists to manipulate, dispose of, or benefit from capital. Both founders were seeking to constrain capital so that it was managed by an independent group and could not be directly accessible to any party. This position is summarised by Wilken (1969: 24):

“By the institutions of neutralization and trusteeship, economic logic and social justice would be served”

Both the Partnership and Commonwealth are structured using a system of checks and balances, hierarchy is accepted and management are given the authority to manage, but at the same they are held accountable by democratically elected Councils of workers. There is evidence that Scott Bader has a stronger sense of equality and solidarity than the JLP. Even the revised pay ratio of 1:7 or more recently the idea that the difference should “not be excessive” (Hadley and Goldsmith, 1995: 181) compares favourably with the Partnership where the ratio is set at 1:25 (John Lewis Partnership Constitution, 2000). Both organisations distribute a share of profits to the workforce each year, in the Partnership this is based on a proportion of salary, but in Scott Bader the distribution is the same for all members. Both companies are heavily involved in community and charitable giving. These activities have only recently started to be measured in the Partnership, but at Scott Bader a sum equal to the profit share has been distributed to charities each year since the commonwealth was founded.

The Commonwealth was described in 1969 as “probably the most radical worker ownership scheme in the country” and an “extension of the principles of the John Lewis Partnership” (Derrick and Phipps, 1969: 95). There is evidence that Godric Bader, the son of the founder shared this belief, and I was given copies of correspondence between him and the Chairman of the Partnership in the 1990’s in which he berates the

Partnership for focusing too much on profit and failing to be sufficiently radical and democratic (private correspondence¹).

Despite the arguably more radical aspects of the Commonwealth structure, Scott Bader has generated similar criticisms to those made about the JLP, and both companies have been accused of insufficient radicalism:

“Scott Bader is not a radical institution with a business sideline. It’s a business institution with a radical sideline.”

(Hoe, 1978: 182 quoting John Ang).

The founders of both organisations were a mix of democrat and autocrat, urging democratic participation while retaining crucial powers (Lorenz, 1978; Cleghorn, 1995). In a rare critical commentary on the Commonwealth, Cooley described Ernest Bader as:

“...the embodiment of the antagonistic contradictions of his paternalism on one hand, and his perception of the need for revolutionary change in the ownership and role of industry” (Cooley, 1978: 280)

Both founders struggled to step back from their organisations once the trust had been established, and both were highly critical of many of the decisions that were made once they were no longer in a position to control events. Significantly, and as I explore further in my analysis of the JLP, both organisations have been accused of lacking democratic consciousness:

“Bader gave his workers “power”. There did not exist among them the level of consciousness which animated them to demand power much less to take it. It is perhaps a consequence of the nature of this transfer of power that no real political self-activism or reliance has emerged among the workforce. (*ibid.*: 280)

The lack of democratic consciousness (Hadley and Goldsmith, 1995: 196) was particularly apparent in the early days of the Commonwealth when the workers actually voted against the transfer of the remaining 10% of shares from Ernest Bader to

¹ Godric Bader, the Life President of the *Scott Bader Commonwealth* gave me copies of correspondence between him and Sir Stuart Hampson, Chairman of the *John Lewis Partnership*. These were from the period 1995 to 1999.

the trust. Blum (1968: 150) suggested that this fear of unqualified common ownership was inextricably connected to people's negative experience of political democracy. His research concluded:

“The attitudes expressed are a stunning comment on the political institutions which, instead of being experienced as models of a living democracy have become examples of a dangerous game of power” (Blum, 1968: 152)

This point is expanded on by Cleghorn (1995) who noted that although there was no doubt that Ernest Bader was a paternalistic and often autocratic founder of the Commonwealth, his radical ideas about co-ownership created a space in which class consciousness might find a voice. It was this emerging notion of class consciousness that led to the Constitution (developed by the early managers) explicitly addressing the redistribution of power and control (*ibid.*: 338).

One important difference between the firms was that workers at Scott Bader had to elect to become members of the Commonwealth, whereas at JLP membership is automatic after the minimal period of employment. Wilken (1969: 87) suggested that the advantage with the former approach was that workers were required to take an active interest in co-ownership, including a period of education about the principles and responsibilities of joining the commonwealth. In addition, the spiritual basis for the Commonwealth created a closer social bond between workers which it is claimed was “more intimate, more directly human” (Wilken, 1969: 87) and which potentially generated a communal spirit more easily than the wider liberal philosophy of the Partnership.

Like JSL, Bader emphasised that co-ownership and democracy are inextricably connected and that the governance structure was fundamental to the successful engagement of employees in decision-making about the firm:

“Democracy is only possible when the members themselves, and they alone, own and control the resources of the enterprise” (Scott Bader, 1973: 53).

Whereas it could be argued that the Partnership are inward looking in their experiment with industrial democracy, a major objective of the Commonwealth was to extend the common ownership principle throughout society (Wagstaff and Constable, 1977). To that end they provided financial assistance to common ownership ventures and were a

founding member of the *Democratic Integration in Industry Association* (Deminty) (*ibid.*). In addition, the *Scott Bader Common Ownership Lectures* were published in a *Commonwealth Monograph Series* which was widely distributed. This contrasts vividly with the JLP who as I have noted previously, have always been relatively reserved in publicising their ownership model or emphasising its democratic or experimental nature.

One of the reasons that the Commonwealth has remained so true to the vision of the founder was that it was made concrete through the Constitution. Like the JLP, the Constitution could only be changed with the full agreement of the Council. This protection was strongest when Ernest and Godric Bader played an active role within the Commonwealth:

“He [Godric Bader] has been a staunch defender of the Constitution, which, as good as it is on giving the employees some control over their work lives and destinies, is still subject to interpretation by the new managers who in some cases have not shared the founder’s vision” (Cleghorn, 1995: 336)

Cleghorn (1995) has argued that the Commonwealth has endured because its values were embedded in its organisational and legal structure and operationalised through the Constitution. Common-Ownership at Scott Bader, unlike the limited democracy and power sharing offered by Employee Stock Ownership Plans, combines the legal protection of the ownership model, with the democratic decision-making structures that are driven by the values of the organisation.

Neither the founder of the Partnership nor the Commonwealth have explicitly stated their political allegiances, although both were connected to the broad liberal philosophy of the early twentieth century. Lewis claimed that Partnership was an alternative to communism (Lewis, 1954) and anarchy (*Gazette*, 14/03/98) whereas Bader described the commonwealth as an alternative to capitalism (Bader, 1983). In summary, the politics and values of the founders played an influential role in the official histories of the organisations and as I explore in chapter 8, the ‘founder is frequently invoked in the JLP as a way of adding weight to arguments. Bader described the commonwealth in the following way:

”It is a visionary concept of a working community of mutual trust and co-operation without the divisions between owners, management, and workers that exist in traditional companies. It is neither capitalism nor socialism though in some respects it is a bridge between the two.”

(Scott Bader, 1973: 38)

Although Scott Bader is significantly smaller than the JLP, it has clearly influenced the development of the employee-owned sector in the UK, and it is apparent that Scott Bader represents a slightly more radical case of common-ownership which retains many of the original aspects of democracy, solidarity and co-operativism which feature in the official accounts of its formation.

In the next section I explore a model of organising based on co-operative principles that stemmed from the influence of Robert Owen and William King and which embraces the dual goals of common-ownership and democratic control.

CO-OPERATIVES

It has been suggested that the cooperative structure is more in tune with OD and participative practice than any other form of organising (Forcadell, 2005: 255; Ross and Stoddart, 1921: 98). Others have warned that to see co-operatives as a valuable way of eroding capitalism is to indulge in fantasy (Ramsay and Haworth, 1984: 300). Co-operatives are defined as:

“Organisations that are owned and managed by their workers” (Rothschild-Whitt and Lindenfeld, 1982: 8)

Or more comprehensively:

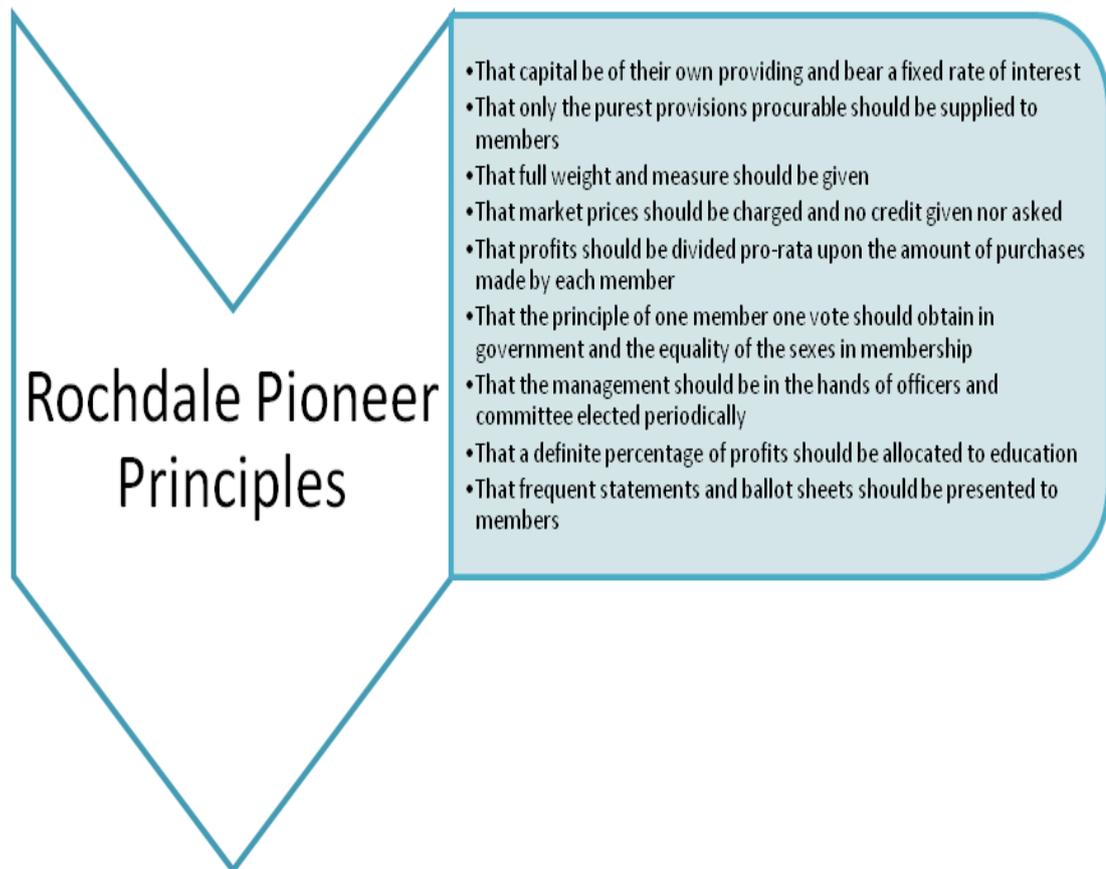
“...any enterprise in which control rests ultimately and overwhelmingly with the member-employee-owners, regardless of the particular legal framework through which this is achieved” (Rothschild and Whitt, 1986: 2).

As I discussed in chapter two, Robert Owen played a key role in establishing the co-operative movement, however, much of what was written about co-operativism remained highly theoretical and offered little by way of practical advice to working people interested in the ideas (Mercer, 1922: xxii). Dr William King was heavily influenced by Owen and in 1828 published a regular pamphlet ‘The Co-operator’ advocating co-operativism and outlining practical steps in establishing co-operative groups for working class people (*ibid.*). King (1828) emphasised individual and collective action as a force for change, and in 1844 a group of flannel weavers in Rochdale followed his advice and established the Rochdale Society of Equitable Pioneers (Mercer, 1922: xxxi; Reeve *et al.*, 2003: 7).

The Pioneers were frustrated by the overpriced and adulterated food in the ‘Tommy Shop’, a company-owned store which was often the only place where workers could buy provisions. They decided to each contribute a sum of money and buy groceries in bulk which they could then sell to members (Parker *et al.*, 2007; Reeve *et al.*, 2003). They made decisions democratically, avoided using credit in any form, and shared profits among members based on the amount spent on purchases each year. This

became known as ‘the divi’ (*ibid.*). The Rochdale Pioneers developed a set of principles in 1860 which are shown below.

Figure 5.1: Principles of the Rochdale Pioneers



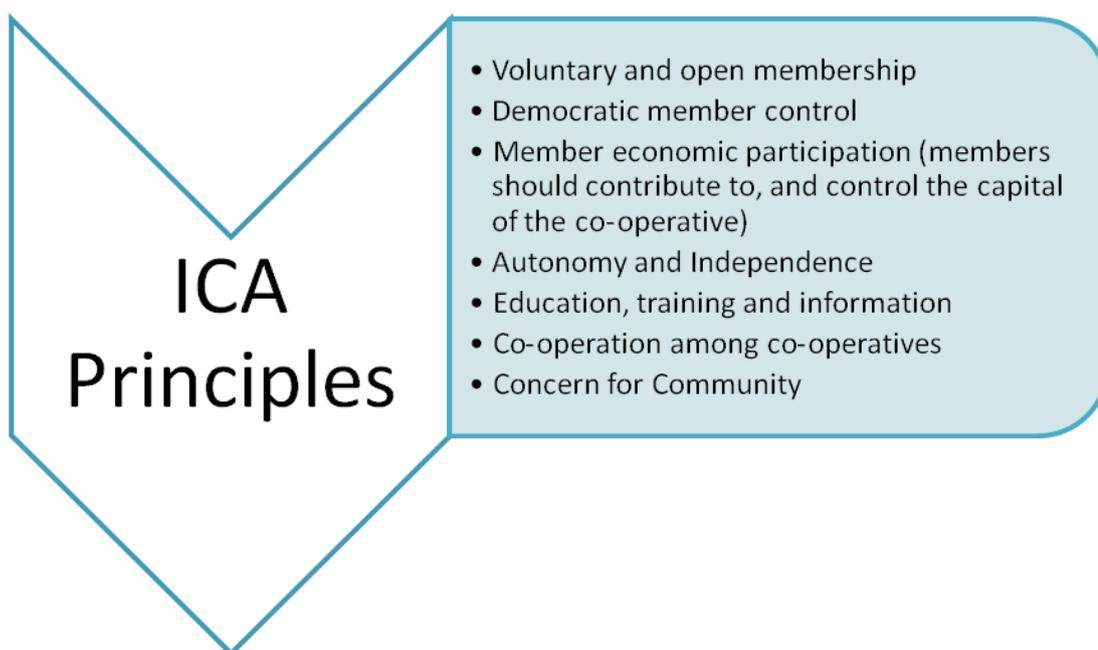
(Reeve *et al.*, 2003: 8).

The pioneers became “missionaries of the co-operative movement” (Parker *et al.*, 2007: 237), encouraging other societies to develop and broadening the scope of the organisation. They played a key role in the formation of the *English Co-operative Wholesale Society* (CWS) which was founded in 1864 for the purpose of wholesale buying and production (Ross and Stoddart, 1921: 12). The CWS was a federation of retail co-operatives and enabled smaller distributive societies to benefit from wholesale trading and manufacturing prices.

The *International Co-operative Alliance* (ICA) was founded in 1895 and is an independent, non-governmental organisation which unites, represents and serves co-

operatives worldwide (ICA, 2009). The ICA revised the original nine Rochdale principles into seven principles which are designed to guide co-operatives across the world. These are shown below.

Figure 5.2: International Co-operative Alliance Principles



(International Co-operative Alliance, 2009)

The ICA has 223 member organisations and represents 85 countries; its members vary greatly in size, industry, and in the way in which they apply the seven co-operative principles (*ibid.*). The variation in practice under the name of co-operativism is an important consideration, and in the UK alone co-operatives span the full breadth from radical workers associations, through to organisations with only the vaguest connection to the ICA principles. Furthermore, rationales for forming co-operatives vary greatly and it is important to establish the context for the formation before exploring the forms of co-operative practice. For example in Aberdeen in the 1980's dock workers were encouraged by the Port Authority and Council to form a co-operative (Turnbull and Weston, 1993: 117). The newly formed co-operative had a single customer, the port authority, which had replaced its challenging problem of controlling the recalcitrant workforce with a more effective, commercial control over the co-operative (*ibid.*). Thus, although the waterfront co-operatives in Britain's ports may have had autonomy

over their own operations, their high degree of dependency on the port authority meant there was a very real danger of exploitation. Turnbull and Weston (1993: 131) summarise this uneasy position as “co-operatives in form rather than substance”. In short, co-operativism should be seen as more than a structural form, but rather a way of organising work on the basis of co-operative principles and values.

In chapter two I outlined the degeneration thesis which states that democratic forms of organising will become progressively more hierarchical and elitist as they are forced into adopting the same organisational forms and priorities as capitalist businesses in order to survive (Cornforth, 1995: 488). There is evidence that a number of firms, including co-operatives have successfully resisted the so called “iron law of oligarchy” (*ibid.*: 506). For example, SUMA, the UK whole-food co-operative acknowledged their increasing dependence on an elite group and implemented a range of strategies to ameliorate against it, including job rotation, and representative democratic involvement in decision-making, all designed to increase democratic accountability and control (Cornforth, 1995: 509). Similarly, in their study of the SAMITI Workers’ Cooperative in India, Varman and Chakrabarti (2004: 203) noted that “democracy seems like a fine balancing act” which requires constant vigilance, and ongoing challenge in order to prevent degeneration.

The Co-operative Wholesale Society has become one of the most successful of all commercial undertakings in the UK; however it is seen by some as falling far short of the great ideals expressed by the Rochdale pioneers:

“It is run as a conventional business by conventional businessmen and there is little sense of real democratic ownership or communal management felt by the many thousands who go to shop every week at their local co-op” (Scott Bader, 1973: 44)

For that reason, I have chosen for my next case study the Mondragón Cooperative which is based in Spain. The case has been selected because it is one of the largest co-operatives in Europe, it has been the subject of a vast number of studies, and thirdly because it has been frequently cited as a successful example of worker cooperation (Cheney, 1999; Sauser, 2009; Whyte, 1999).

The Mondragón Co-operatives

Mondragón represents an important example of a producer cooperative and democratic organisation because of its size, its longevity and its economic success (Bakaikoa *et al.*, 2004; Cheney, 1995; Ellerman, 1990; Forcadell, 2005; Surroca *et al.*, 2006). The interest in the organisation is evident by the fact that over 70 books and 60 journal articles have been published on different aspects of the co-operatives (Whyte, 1999: 478).

Mondragón is an organisation where the workers own the assets of the firm and control the decision-making process; it is defined as a producer-cooperative under Spanish Law (Surroca *et al.*, 2006: 99). It started under the name Ulgor in 1956, and evolved into the Mondragón Cooperative Group in the 1980s and ultimately the MCC in 1991 (*ibid.*: 104). In 2007 Mondragón employed over 100,000 people (80,000 of whom were members of the co-operative) across 254 companies (MCC, 2008) and has been described as a world leader in co-operativism (Ellerman, 1990: 100; Forcadell, 2005: 255; Sauser, 2009: 152).

The Founder(s)

In 1941 shortly after the end of the Spanish Civil War, Jose Maria Arizmendiarieta, a young priest, arrived in the small Basque town of Mondragón (Irigoién, 1984: 2). He taught at the local factory's apprentice school and after the management refused to increase the number of young people it admitted, he decided to create a new school where he founded a two year vocational education programme (Whyte, 1999: 479). Eleven of the first students graduated in 1947 and were helped to obtain places at University where they completed degrees in engineering (*ibid.*). On their return to Mondragón, five of the engineers, with Jose Arizmendiarieta acting as an adviser, formed the Ulgor cooperative (Irigoién, 1984: 3; Oakeshott, 2000: 450).

Arizmendiarieta has been described as "socially committed but relatively uncharismatic" (Cheney, 1999: 38); that charisma is even commented upon emphasises the common assumption in organisational history that founders are always dynamic,

charismatic individuals who are central to events (Rowlinson and Hassard, 1993). It has been claimed Arizmendiarieta's focus was on exploring ways of creating a better society, a desire that was shaped by his Catholicism, his experiences during the Spanish civil war, and the economic depression that was engulfing the region (Clark, 2004; Freundlich *et al.* 2009):

“Cooperation is an authentic integration of the person in the economic and social process, and it is central to a new social order”

(Arizmendiarieta, 1983 cited by Cheney, 1999: 39)

Arizmendiarieta was influenced by Robert Owen, Marx, the Rochdale Pioneers, Weber, and the anarchist producer co-ops of Catalonia (Cheney, 1999: 39). Like John Spedan Lewis, and Ernest Bader, he saw his model of organising as a ‘third way’ between unbridled capitalism and centralised socialism:

“Seeing themselves as neither in the service of capital nor alienated from it, the co-ops aimed to subordinate the maintenance of capital to the interests of labor and human values.” (Cheney, 1999: 39)

Arizmendiarieta died in 1976 (Whyte, 1999: 479) but remains a hugely influential figure in the MCC, not simply because he planned the original structures, but also because he represents the co-operative values which underpin the organisations philosophy (Irigoien, 1984; Cheney, 1999).

The History and Structure of the Mondragón Co-operatives

The Mondragón Co-operatives have undergone significant change since the first co-operative ‘Ulgor’ was formed in 1956. In this section I briefly outline the key changes before reflecting on the case in terms of the implications for my analysis of the John Lewis Partnership.

Ulgor started with a workforce of 20, and a single product line (oil stoves), but by 1958 the workforce had risen to 143 and the product line had been extended to include a range of gas cookers (Oakeshott, 2000: 454). Ulgor grew rapidly, taking over other small businesses and transforming them into co-operatives which then worked together as a ‘confederation’ (*ibid.*: 459). In 1959 a credit cooperative was established

and the Working People's Bank, (the Caja Laboral Popular (CLP)) was opened (*ibid.*). This was created after Arizmendiarieta persuaded over a quarter of the inhabitants of the neighbouring village to invest (Cheney, 1999: 41). The bank used these funds to invest in co-operatives as well as create an Empresarial division to conduct feasibility studies and provide support services to the members (*ibid.*). By 1979 there were 87 co-operatives in the group and over 18,000 members employed (*ibid.*). It has been argued that a key reason for the success of the group was the ready access to finance (through the CLP Bank) to help establish new co-operative ventures, and the specialist advice provided to members by the Entrepreneurial Division (Oakeshott, 2000: 463).

In order to join one of the co-operatives, recruits were expected to contribute the equivalent of 6 months salary paid as a deduction in salary (Oakeshott, 2000: 481). The majority of this contribution went into "collective reserves: and the rest was used to create a "individual capital account" which was adjusted annually to reflect the performance of the business (*ibid.*: 482).

Initially, individual co-operatives were connected not by an umbrella group, but by their relationship with the central CLP bank. These relationships took the form of "contracts of association" which imposed a common set of arrangements for ownership, control and industrial relations (Oakeshott, 2000: 491). During the late 1980's the bank expanded and it was felt that its co-operative leadership role was incompatible with its responsibilities to its growing numbers of non-cooperative business clients (*ibid.*). A Co-operative Congress was formed as a group-wide general assembly with responsibility for setting policy (Freundlich *et al.* 2009). This move weakened the autonomy of individual co-operatives within the group and allowed for "a more corporate system of governance" (Cheney, 1999: 47). One of the first acts of the Co-operative Congress was to adopt the Ten Basic Principles of the Mondragón Co-operative, inspired by those of the Rochdale pioneers (*ibid.*: 54). These are outlined overleaf, alongside the mission and values that constitute the 3 pillar framework which underpins the governance structure (Forcadell, 2005: 256).

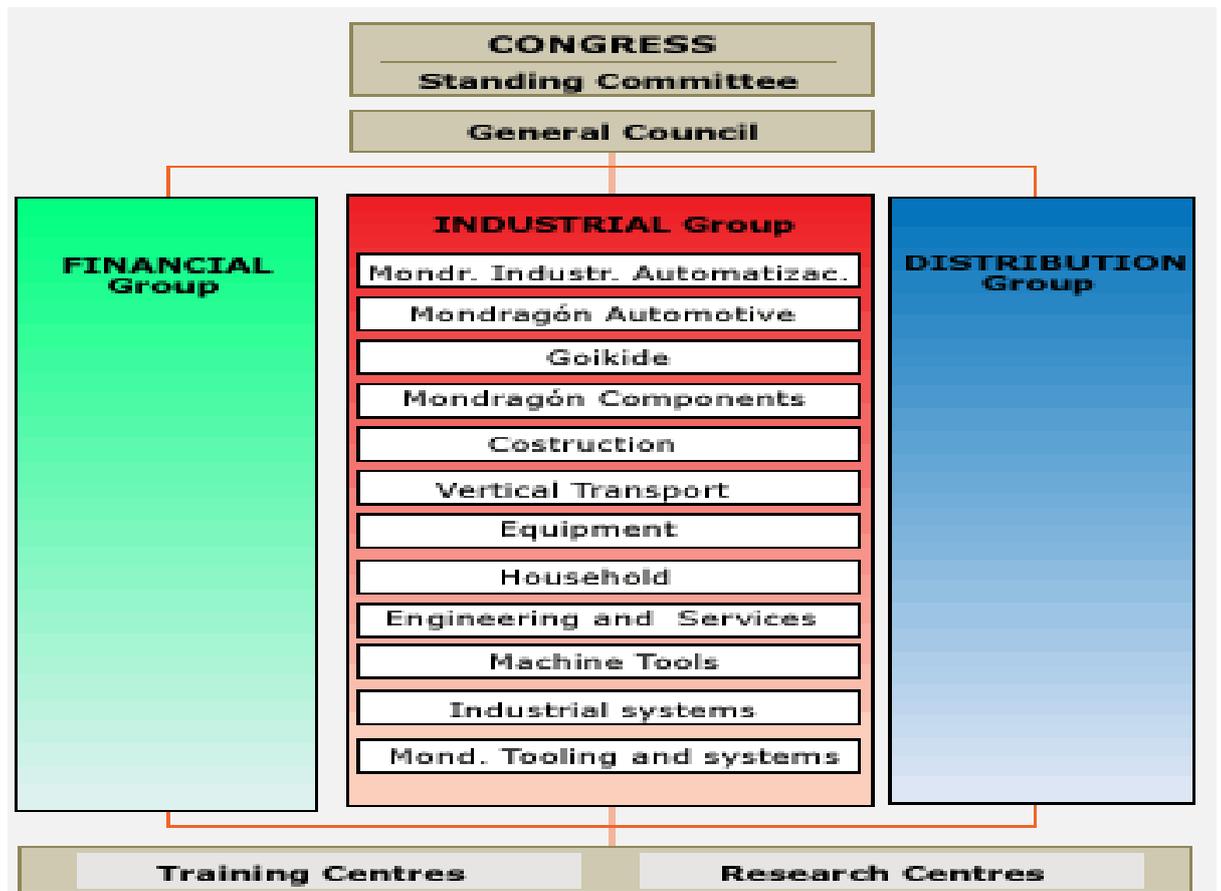
Figure 5.3: Principles, Mission and Values of the Mondragon Corporation Co-operative

Principles	Mission	Corporate Values
<ul style="list-style-type: none"> •Free Access •Democratic Organisation •Sovereignty of Labour •Instrumental & Subordinate role of Capital •Participatory Management •Redistributive Solidarity •Interco-operation •Social Transformation •Universality •Education 	<ul style="list-style-type: none"> •MCC is a socioeconomic business reality, deeply rooted in the Basque Country culture, created by and for the people, inspired by the principles of our Co-operative Experience, committed to the environment, competitive improvement and customer satisfaction, to generate wealth in society by means of development and the creation of employment 	<ul style="list-style-type: none"> •Cooperation •"Owners and actors" •Participation •"Commitment to management" •Social Responsibility •"Fair distribution of wealth" •Innovation •"Permanent renovation"

(Adapted from Fordacell, 2005:257)

At the third Co-operative Congress in 1991 a number of key decisions were made by the group. These included greater centralisation of a managerial superstructure; renaming the group as the Mondragón Cooperative Corporation (MCC); major restructuring from geographical groupings to business sector clusters; and a widening of the wage index (see below) (Cheney, 1999: 49). The MCC described itself as a group of different kinds of co-operatives, working in different fields (Financial, Distribution and Industrial), but forming a single body, with a single set of rules (Irigoien, 1984).

Figure 5.4: MCC Structure



(Source: Mondragón Corporacion Cooperative, 2009)

In order to understand the decision-making and governance structures in MCC, it is necessary to focus first on the individual co-operatives, and secondly on their interaction with the MCC. Within the co-operative there are three key bodies: the General Assembly; the Governing Council/board of directors and the Social Council (Cheney, 1999: 58). I outline the key functions of each group below.

The **General Assembly** includes all worker-members and is the highest governing body within the co-operative (Cheney, 1999: 58). Members meet once a year and vote to approve the strategic plans of the cooperative, nominate the Governing Council, the Audit Committee and the Social Council (Fordacell, 2005). Despite the fact that the assembly has been described as “the supreme authority expressing the social will of all

the members” (*ibid.*: 260), Cheney described the assemblies that he observed during his study of the MCC as “formal and controlled” (1999: 58).

The **Governing Council** or **Board of Directors** has been described as the “body of representation, administration and governance of the cooperative” and is responsible for the day-to-day governing of the co-operative (Fordacell, 2005:260). The Council consists of 12 members elected by the General Assembly for 4 year terms. Decisions made by the board are subordinated to the strategies agreed by the General Assembly and elected directors cannot be part of the top-management team (Oakeshott, 2000: 483). The Council appoints the Chief Executive, who then chooses his or her own team of senior managers (*ibid.*). Each co-operative also elects a President who is an ex-officio member of the Governing Council and the Social Council. The President and the Chief Executive are intended to act as partners in the management of the co-op (Cheney, 1999: 61). This dual governance-management structure helps to strengthen democratic awareness in the co-operatives and as I will explore below, creates a similar structural safeguard to the one anticipated by JSL’s introduction of a ‘Critical Side’.

The **Social Council** has been described as “performing the function of a labour union” (Fordacell, 2005:260). Although the MCC does not prohibit membership of Trade Unions, it does not formally recognise a Union for negotiation purposes, and like the JLP sees the union role as “rendered redundant” by forms of non-union representation such as the Social Council (Mondragón Corporacion Cooperative, 2009). The council has three main functions: to provide a channel of communication between managers and members; to provide a forum for non-management opinions; and to provide a mechanism for managing grievances and complaints (Oakeshott, 2000: 485). The Social Council “counterbalances the business orientation of the governing Councils” focusing instead on safety, pay and personnel issues (Cheney, 1999: 60). Although it has been suggested that the Social Council is ignored by the Governing Council and is ineffective in this role (*ibid.*: 60).

Each of the firms within MCC operates with the above structure and does not interfere with the other co-operatives. However there is also a structure at corporate level, the Co-operative Congress, which aims for consistency across the MCC. The balance of

powers between the governing bodies is based on a legally binding contract which requires the co-operative to accept the regulations of the Congress and subordinate its development with the rest of the Co-operatives that are in the same sector-grouping (Bakaikoa *et al.*, 2004: 75). The main bodies at MCC level are the General Council, the Co-operative Congress and the Standing Committee (*ibid.*).

Each co-operative is a member of the **Co-operative Congress**, and is represented (proportionally based on membership) at the annual meeting (Cheney, 1995:188). The Congress determines guidelines and criteria for the Corporation to follow; approves changes to regulations, and calls to account the General Council (Bakaikoa *et al.*, 2004: 68). The **General Council** consists of the President, nine divisional vice-presidents and the six directors of the MCC central departments (MCC, 2009) and is the highest management body in the organisation. Each of the individual co-operative governing Councils also elects a member to the **Standing Committee**, and this group appoints the president and approves the president's choices for the General Council (*ibid.*). In summary, each co-operative in the MCC practices a complex system of both direct and representative democracy, in addition to pursuing traditional managerial functions (Cheney, 1995: 188).

Researchers have suggested that democratic participation at Congress level has weakened in recent years, and in 2002 only 38% of delegates attended (Bakaikoa *et al.*, 2004: 69). In addition, the principle of wage solidarity- has come under close scrutiny in recent years. In 1956 when the first co-op was founded this was set at 3:1, a ratio which is all the more notable when compared with the average in the US at that time, a figure of 200 to 300:1 (Rothschild-Whitt and Lindenfeld, 1982: 3). This was changed first to 4.5:1 (Irigoiien, 1985: 10) and then 6:1 in 1991 (Cheney, 1995:190). More recent studies have reported that the wage differential principle appeared to have been replaced entirely with a policy of paying managers 70% of the market wage (Surroca *et al.*, 2006: 108; Whyte, 1999: 480).

The profits made by the co-operatives are divided into three categories, the majority is reinvested, a portion is given to the MCC to support the extensive social welfare and educational programme, and the remainder is allocated to co-operative members as a

percentage of their salary (Clark, 2004: 5). This 'profit-share' is re-invested in the co-operative and workers receive a competitive return on their investment (8% in 2004) but cannot withdraw the capital until they leave the co-op (*ibid.*).

In the next section I outline the differences and similarities between the MCC and the John Lewis Partnership.

The Mondragón Corporacion Cooperativa and the John Lewis Partnership

In this section I explore some of the conclusions reached by researchers who have studied MCC, before turning to the differences and similarities between MCC and the JLP. I focus on three areas that are prominent in the literature, and which emerged as particularly relevant to my research question in my literature review in chapter three. These are democracy, power and degeneration.

Researchers have claimed that MCC's success as a cooperative is closely linked to the unique culture of the Basque country (Cheney, 1995: 188) however Fordacell, (2005: 268) further claimed that "much of its success is organizational, not ideological" and that the practices could be successfully adopted by others. Researchers have reported on the constant struggle in Mondragón to keep the co-operative vision alive (Cheney, 1999; Clark, 2004; Whyte, 1999), although this struggle in itself could be seen as a positive and vital aspect of democratic organisation rather than evidence of a decline in standards or dilution of values. MCC publishes a monthly magazine which openly discusses problems and debates the values expressed in the three pillars (Clark, 2004: 4). In addition, the organisation has a strong culture of "critical self assessment of problems and prospects" (Whyte, 1999: 481). This sense of continuous reflection and openness about tensions, paradoxes and problems is an important aspect of pursuing the broader aims of democracy, solidarity and equality within the organisation (Cheney, 1999: 17).

As I explained in chapter two, the degeneration thesis states that democratic forms of organising will become progressively more hierarchical and elitist as they are forced into adopting the same organisational forms and priorities as capitalist businesses in

order to survive (Cornforth, 1995: 488). One of the original principles of organisation in the Mondragón Group was that under normal circumstances all workers should be members of the co-operative and that even in special circumstances, no more than 5% of the workforce could be non-members (Irigoien, 1984: 9). In recent years however, the proportion of employees who are not worker-owners, and therefore are not members of the co-operatives has been steadily increasing (Bakaikoa *et al.*, 2004; Cheney, 1999; Freundlich *et al.* 2009). 'Non socios' typically earn around 80% of the salaries of worker-owners and do not receive dividends or voting rights (Cheney, 1999: 86). Furthermore, the strategy of increasing the number of non-member workers in order to create a more flexible form of labour to respond to volatility in the market appears at odds with the principles of the MCC, in particular the principle of solidarity and may illustrate "constitutional degeneration" (Bakaikoa *et al.*, 2004: 83). Several researchers have studied the impact of the growth of different categories of worker in MCC, noting its detrimental effect on employees' sense of involvement, collaboration, equality and faith in the democratic structures (Cheney, 1999: 89; Bakaikoa *et al.*, 2004: 83). According to the MCC website, just over half the employees are currently full members of the co-operative Mondragón Corporación Cooperativa (2008).

Mondragón has been criticised for allowing a gap between its democratic principles and its practice. For example, Oakeshott has described MCC as a "passive democracy" where "regular managerial decision-making is not significantly affected by the democratic arrangements" (Oakeshott, 2000: 485). In addition, Cheney has noted that in his repeated visits to Mondragón he had a strong sense that the co-operatives were becoming less democratic and that employee participation was "less and less valued for its own sake" (Cheney, 1999: 148).

This key criticism of Mondragón goes to the heart of my own analysis of the JLP. Both organisations are models of co-ownership, (although the principles which underpin the co-operative are clearly more radical than those laid out in the Constitution of the John Lewis Partnership) and both claim to be democratic. A key difference is that whereas Mondragón claims to be democratically controlled, JLP simply claims that its managers are accountable to the owners through a system of checks and balances. As Reid and Griffith (2006: 7) have noted, JLP are "commendably clear about the limits of their

ambitions". The Partnership claims to be an experiment in ID, but a key test for this claim is the extent to which democracy is valued intrinsically as compared to valued for its contribution to profit levels or customer demands. Cheney (1999) has argued that in Mondragón, recent changes indicate that the concept of the consumer as sovereign is privileged over everything else, including the principles upon which the co-operative claims to be based. In my analysis of the Partnership in chapter eight I explore the same concern.

CONCLUSIONS

In this chapter I have explored a number of radical and reformist examples of employee-ownership and OD. In doing so I have sought to contextualise the structure of the JLP by examining other 'alternative' forms of organising which share the principles of common-ownership and democratic participation.

It is clear that JLP has a great deal in common with common-ownership organisations like Scott Bader, and with cooperatives like Mondragón. Both cases illustrate the complexity and contradictions which are often inherent in democratic workplaces. In Scott Bader this is represented particularly by the tension between autocracy and democracy and the confusion which can reign when an organisation embraces co-ownership at the same time as embracing hierarchical control by a management elite. In Mondragón the complexity and tensions stem from trying to remain true to founding values, including those of equality, democracy and solidarity, while competing in an ever-growing and changing marketplace where the consumer is made sovereign.

All three organisations have operated for over fifty years, and all have been accused of diluting their principles and of incorporation over time. However, they remain important examples of alternative models of organising work and their longevity, their success and their ongoing commitment to democratic principles makes them worthy of exploration.

A table summarising the key features of the Scott Bader Commonwealth, the John Lewis Partnership and the Mondragon Corporacion Co-operative is shown overleaf.

Table 5.5: Summary of the three organisations

	John Lewis Partnership	Scott Bader Commonwealth	Mondragon Corporacion Cooperative
Founder	John Spedan Lewis (Liberal / Humanist)	Ernest Bader (Liberal / Quaker)	Jose Maria Arizmendiarrieta (Priest)
History	Employee Ownership by benefaction: 1929 – 1 st settlement in trust 1950 – full trust established	Employee-ownership by benefaction: 1951 – partial employee- owned trust established 1963 – full trust established	1956 – Ulgor formed 1991 – MCC formed
Stated Purpose	Happiness of the workers through their employment in a viable business	To make the world a better place to live by raising the quality of our working life	Committed to the environment, competitive improvement and customer satisfaction, as well as to the generation of wealth in society through business development and the creation of jobs, based on a firm commitment to solidarity, and democratic organisation
Model	Partnership / Co-ownership Representative Democracy (direct and indirect) + Conventional Management Structure	Common Ownership Representative Democracy + Conventional Management Structure	Producer Co-operative Representative Democracy (Direct) + Limited participation in Management Structures
Governance Structure	Constitution Board of Directors – 12 members (5 elected by Partnership Council) Partnership Council – An elected representative from each Branch Branch Forums – Elected representatives from each section of the store Registry – Represent the 'critical side'	Constitution Company Board – 6 directors chosen by Chairman, 4 elected by Council Members Assembly – workers from each of the 16 constituencies elect a representative Trustees – Philosophical oversight of the Constitution	10 Principles General Council – President, Vice- President, 16 x Directors MCC Congress – An elected representative from each co-operative (650 Members) Standing Committee – Representatives elected by each group Council. Acts as internal board of directors
Pay Ratio	1: 25	1: 7 / differential should not be "excessive"	1: 6 (70% of market rate)
Profit Share	Relative to salary level	Equal	Relative to salary level
Membership	Automatic after 12 months	Voluntary after 12 months	Voluntary after 6 months + investment
Size	69, 000 Members	400 Members (650 employees)	80, 000 Members (103, 000 employees)

I have noted that one of the key tensions in Mondragón is the struggle between adhering to cooperative values, and meeting the needs of market place. Cheney (1999: 150) argued that participation was becoming a new form of alienation which he called “commodified empowerment”, the process whereby employees were seen as instruments and resources and where participation was valued not intrinsically, but commodified as a currency of exchange. In Mondragón democratic engagement has been constrained and diluted so that increasingly it is only valued in terms of its contribution to customer satisfaction and productivity (*ibid.*). The Co-operatives may still be employee-owned and contributing to their wider community through socially inspired working practices, but there is an important difference:

“The value of “participation” is rather systematically being relocated at the level of work production, redefined in terms of “continuous improvement” in production, and redirected toward the reference point of the customer”
(Cheney, 1999: 159)

Another key conclusion from the comparisons is that the structure of the organisation is fundamental to successfully pursuing the ideals of democracy, solidarity and equality. Attempts at democratic participation through workplace partnership are stymied by the fact that there is an absence of control through ownership structures (Jansson, 2005), which means that any gains are often temporary ones. Conversely, ESOP’s which theoretically create rights for employees as owners of the organisation, in practice are often so piecemeal in their design that they do not constitute any significant change to the ownership structure. As Ramsay and Haworth (1984: 303) have argued, pseudo capital-sharing schemes are particularly dangerous because “the juridical change in ownership interests invests an enduring authoritarian paternalism with greater force”. In addition, while a key feature of both the Partnership and Cooperative Societies is democratic engagement, cooperatives are “democratically-controlled” by law (Ng and Ng, 2009: 182), while the extent and limits of democratic participation in the Partnership is protected only by the Constitution.

The corporate governance challenge for co-operatives is to design mechanisms that encourage workers to define goals that maximise their wealth and welfare and induce managers to internalize such goals (Surroca *et al.*, 2006:104). In order to meet this

challenge the co-operative needs to create a democratic culture; democratise organisational power and ownership (structures), and pursue a strategy which embraces egalitarian values (Fordacell, 2005: 269). There is evidence that Mondragón and Scott Bader have sought to do this, but that there is an ongoing struggle to prioritise those goals above others dictated by the market.

It is clear from the authors who have studied Scott Bader and MCC that a commitment to education is a fundamental part of democratic engagement (Cheney, 1999; Whyte, 1999; Oakeshott, 2000). Improving the quality of training and support that is available to elected representatives of workers is fundamental to remaining democratic (Cornforth, 1995; 2004; Sauser, 2009). A robust internal education system may also help workers to resist the subordinate employee role and claim the authority of worker-owners (Ellerman, 1990: 144). Furthermore, if we accept the constant threat of degeneration and recognise the contradictions which are so fundamental to organisations like Mondragon and Scott Bader, then education remains vital to liberating voice and embracing critique. In summary, and following Cornforth (1995) the degeneration of democratic forms of organisation is not inevitable, but rather:

“Organizational democracy evolves amid the pushes and pulls in a set of contradictions and the effectiveness of members and a leadership committed to the cause of democracy lies in progressively creating slack, so that the possibility of maintaining a fine balance among the contradictions remains...The point is that democracy probably cannot be an absolutely defined goal...there always remains a possibility of attaining a progressively higher state vis-a-vis an absolute ideal.” (Varman and Chakrabarti, 2004: 204)

So far I have outlined the structure and provided insights into the founder-centred history of the Partnership, explored the conceptual framework for my analysis and provided smaller case studies of other organisations that use democratic forms of organising work. The next chapters narrate key democratic episodes which help to illustrate what it was like for Partners to engage with the democratic structures in the Partnership. Episodes are selected because of their importance in terms of my theoretical framework but also because they give a flavour of my time in the organisation and the relationships between managers and workers whom I observed

CHAPTER 6: DEMOCRATIC STRUCTURES AT THE JOHN LEWIS PARTNERSHIP

INTRODUCTION

This chapter explores the core democratic structures that were in place at the beginning of the research project. These include the Branch Council, the John Lewis Divisional Council, and the Partnership Council. Each structure is described and discussions that took place are narrated in order to provide an insight into the experiences of Partners.

These accounts are presented with little commentary and analysis, instead there is an opportunity to reflect on the story itself before moving to my analysis of the implications in chapter 8. This method has been selected in order to emphasise the context and traditions of democratic structures within the Partnership and their importance in understanding what is meant by democracy. The material on the Branch Council is of particular relevance. Firstly because the Council is the closest most Partners get to directly experiencing democracy in the shops where they work, and secondly because it was this Council that was chosen for radical change by the Partnership during the period of research. This chapter constitutes not only a snapshot in time which explores what democracy looked like in 2004-6; but given the limited changes to the original structures created by John Spedan Lewis in 1929 it also provides a fairly reliable insight into what democracy has looked like in the Partnership for the last 75 years.

The chapter is broken into three sections. Section one explores Branch level democracy, using a case study called 'Northern Branch'; section two moves to divisional level and examines the role of the John Lewis Divisional Council; section three narrates key events at one of the largest and most powerful democratic bodies, the John Lewis Partnership Council.

BRANCH LEVEL DEMOCRACY: THE CASE OF THE NORTHERN BRANCH

This section introduces the 'Northern Branch' which was the focus for the majority of the data collection. I begin by providing a brief history of the store and outlining the context for the study. Next I introduce the main body for democratic engagement at this level – the Branch Council – and an account is given of a meeting to debate a proposal to open the store for 7 days a week.

History and Context

The John Lewis Northern Branch was originally an independent Department Store, founded in 1838 and based in a city centre in the North of England. In 1953 it was bought by the John Lewis Partnership, but retained its original name 'Marx Bros' until 2002 when the Partnership asked its stores to consider adopting the uniform branding 'John Lewis'. In 2002, the elected representatives of the Partners at Marx Bros attended a meeting where they were asked to vote on the name change proposal. This was the second time that the proposal to change the name had been considered by the Council - it had been rejected by Partners approximately six months earlier (T22). This time, the proposal was accepted, and in September 2002 the store was renamed 'John Lewis - Northern Branch' (FN01, 32).

Northern Branch is located in the central shopping district of a large city in the north of England. The shop is spread over four floors and has the advantage of entrances on the main city centre high street as well as adjoining an indoor shopping centre. The Branch is a 'full range' department store and sells items as varied as Perfume, Washing Machines and Menswear; it also has a restaurant, two coffee shops, warehouses, workrooms and a call-centre. The store is well known in the city, and has been based in its present location since 1976. Like all John Lewis shops it uses the slogan '*never knowingly undersold*' (FN02) and for that reason is claimed to have a reputation among northerners for value and service (FN10). In 2002, the same year as the name change,

the store undertook a major refurbishment and converted one of the cafes to an 'Espresso Bar'. This signalled an attempt to appeal to a younger customer, and become the north's leading contemporary department store (FN28).

Partners entered the store through a dedicated doorway which opened onto a staircase leading up to a large reception area. This was painted in the Partnership colours (pale green and white) and had a large counter on one side, behind which sat the security staff whose responsibility it was to check bags, store Partners' shopping, and register visitors to the store. A large sign on the front of the counter said "Welcome to John Lewis, Powered by our Principles, Driven by our Sales". Next to the sign was a board with a circle on containing the words 'Partner, Profit, Customer'. Across from the counter were a series of notice-boards, with information about the store's management, current activities, and democratic bodies. One notice outlined the six behaviours that made up the 'Powered by Our Principles' (PBOP) philosophy that was introduced by the Partnership in March 2005 (D03). These are shown below.

Figure 6.1: Powered by Our Principles (PBOP)



There was a board with minutes from the Branch Council (subsequently the Branch Forum) and photos of the elected representatives as well as a poster listing the latest

findings from the 'Happiness Focus Group' and the winners of the 'One Step Beyond' Customer Service Competition (FN35). Every Partner walked through this area at least twice a day and the displays on the notice boards were changed regularly in line with new initiatives in-store, and decisions made at Branch meetings (FN33).

Having described the Branch and set the scene for the Council meeting this section will focus on a key decision on trading hours that was made by the Partners in Northern Branch. It has been chosen to illustrate the democratic structures that were in place at the beginning of my study in 2004, and which will be contrasted in the next chapter with structures that were adopted in 2006 as part of what was called 'the Democracy Project'. The section outlines the context for the '7 day trading debate' and narrates what happened in two core Branch Council meetings when 7 day trading was discussed.

The Branch Council

The key democratic structure at Branch level was the Branch Council which took place approximately 7 times per year in each store. There were 850 Partners working in Northern Branch and they were grouped into departments or constituencies based on their area of work, for example Furnishings, Selling Support B, Warehouse, etc. In order to become a Branch Councillor Partners had to be nominated by their constituency, and if more than two people were nominated, there would be an election (FN04). Branch Councillors and deputies were appointed for a two year period and were expected to discuss Branch Council agenda items with their constituents in advance of each meeting. A Clerk organised meetings and took minutes. During my observations the elected President of the Council was a customer service manager and was in the second year of a two-year period of office. In addition to elected members there were a number of ex-officio members of the Council: the Managing Director; the General Manager; the Finance Manager and the Branch Registrar. There were 26 female and 8 male Councillors (FN02). The majority of the Branch Councillors were section managers or department managers (T25, T16, T17), non-management Partners were in the minority (FN02).

The Council meetings took place in the 'Events Room', a large modern meeting room with windows on one wall and double doors on each side. One set of doors led to a corridor behind the shop floor, the other doors led to the Partners' recreation area, where there were sofas to sit on, pool tables and a Partners' bar (which was closed while the shop was open). The meeting room was painted white and was spacious; it became very hot in summer and smelled faintly of cigarette smoke as the Partners' smoking area was in the roof-garden which adjoined it. The meeting was arranged with a table at the front on which there was a tape-recorder and a silver gong on a small stand. The meeting was opened by the Clerk striking the gong at exactly 2pm. The 28 Branch Councillors and ex-officio members were seated in rows facing the President. The Management ex-officio members were seated together on the front row, any visiting speakers were also seated at the front, Branch Councillors sat on the two rows behind.

All Partners and managers were wearing business dress (FN30), which consisted of dark grey, navy or black suits. A small number of Partners were dressed differently, either because they worked in the warehouse or as a driver (and so wore overalls with a shirt and tie underneath) or because they were members of the 'critical side' of the Partnership, that is Registrar or Assistant Registrar, and were exempt from the dress policy. The Registrar and Assistant Registrar both wore suits but these were usually different colours to the rest of the Partners, or if they were wearing grey or blue suits they would also wear a brightly coloured scarf or top to distinguish themselves from the other Partners (FN02, 03, 07). Occasionally, on particularly hot days, the Managing Director would give his permission for the men to remove their ties for the duration of the meeting (FN14).

Behind the Branch Councillors there was a small gap and then an additional two rows on which there was a paper sign stating 'Visitors' Gallery'. This was explained as follows in the Branch Council Agenda that was published in the *Chronicle*:

"Partners are always welcome to attend Branch Council meetings in the Visitors' Gallery. The Branch Council can appear complicated and daunting to those Partners with no involvement and a visit to the Visitors' Gallery can make things a lot clearer. If a Partner would like to attend the meeting they should

ask their Department Manager's permission to do so. If they would prefer to 'drop in' while having their break, please encourage them to do so as they would be most welcome." (Agenda, March 2004, Northern Branch)

I was always seated in the Visitors' Gallery, alongside any other external visitors (usually one or two from other Branches or head office, and on one occasion representatives from a company considering adopting a Partnership model). The Assistant Registrar and around a dozen other Partners (deputy Branch Councillors, managers and non-management Partners) were also seated in the Visitors' Gallery (FN01, 02, 04).

Meetings followed a set agenda: written questions, oral questions, presentations on key subjects, proposals to accept minutes of Branch committees e.g. Dining Room Committee, Reports on Finance and Trading. After all this, 'special items' would be included such as 'Seven Day Trading' or on one memorable occasion 'Report from the Happiness Focus Group' (FN01). There were a number of rules governing behaviour, for example the agenda stated that "Councillors are expected to stay until the meeting is adjourned". In addition, Branch Councillors were only allowed to ask one oral question, but could make up to two comments on other agenda items (T07).

The 7-Day Trading Debate

Early in 2004, the John Lewis Central Board asked all stores to discuss whether to extend trading from 6 to 7 days a week. The request followed an earlier debate (in 2000) when stores were asked to increase trading from 5 to 6 days. Six-day trading was embraced across the Partnership and led to major changes in shift and employment patterns (T03, 06). By 2004 all stores traded for at least 6 days, although patterns varied between Branches. Some already traded for 7 days (the newer Branches), some closed on Sunday (all Scottish Branches and a handful of others), and some closed on Monday. Historically all stores had closed on Sunday and Monday to give full-time employees a two day break, so when stores had moved to six day trading some had chosen to open Sunday but remain closed on Mondays (FN02, T05).

Northern Branch responded to the request to debate 7 day trading by establishing a committee of 9 elected Partners and 4 appointed by the Managing Director. The group

met monthly over a six month period and regularly surveyed Partners on their concerns and preferences. Surgeries were held each week in the Partners' Dining Room and minutes from the committee show that the group conducted research into overcoming transport difficulties, bank holiday pay implications, and preferred shift patterns. Regular staff ballots were taken to try and anticipate how Partners would vote, for example in January 2004 just 29% of Partners indicated that they would vote to accept the proposal, by March 2004 this had increased to 68% (FN29).

It was clear from my informal discussions with the Managing Director and Departmental Managers that the store was under a certain amount of pressure from the Central Board to accept the proposal and start trading 7 days a week. Retailers in the UK had undergone a difficult year, profits were down nationally and Northern Branch was failing to achieve its target sales and profit. The six strongest performing Branches of the Partnership were all trading 7 days (FN29). This section depicts the Branch Council meeting and sets the discussion on trading in the context of the other agenda items.

The President opened the meeting by welcoming Branch Councillors and the visitors; she described me as '*Professor Cathcart from the University who has come to learn about our democracy*' (FN02). There were a number of agenda items, starting with a presentation on the *Golden Jubilee Trust* by the Chairman of the Trust who was visiting the Branch. The Trust was set up in 2000 to celebrate the 50th anniversary of the second settlement in trust which led to the formation of the Partnership (*Gazette*, 28/06/03), it funded Partners to work for UK Charities for extended periods.

The next item on the agenda was the 75th Anniversary of the formation of the Partnership. The Managing Director introduced the item, Peter Straw was in his late 40s, had been appointed as Managing Director three years previously, and had worked for the Partnership since he was a teenager (T01). His leadership of the Branch represented a significant change from his predecessor and he seemed to be personable and popular (T08, 13, 16, 17, 20). His style of speaking was dynamic and energetic and he paced around the front of the room while talking, regularly pausing for dramatic effect and to make eye contact with the Councillors (FN02).

Next on the agenda was the Annual Trading Report. This had been circulated to Councillors in advance, and the presentation used graphs and statistics to illustrate turnover, profit, performance against estimate, and internal and external comparisons. The presentation lasted about 30 minutes and the financial ratios were covered at some speed. At times the Managing Director paused to explain core concepts, such as gearing, or trading profit, but even so, given the complexity and pace, I had a sense that some of the Councillors were unable to follow (FN02). The Managing Director emphasised the uniqueness of the Partnership and its position within the wider business community:

'This is the most exciting time in the Partnership's history and the most challenging, We are the number one department store group, and more than that, people trust us, they know we are a decent business to deal with' (FN02)

He laid the groundwork for the forthcoming debate on trading hours, emphasising the tough trading climate, and the need for Partners to take individual responsibility for achieving efficiencies:

'Saying we haven't got enough staff is too easy, we have to change in order to get more resources, Partners must be motivated to get the results' (FN02)

At the end of the presentation the Managing Director asked for questions, and Partners indicated to the President their desire to speak. The questions were implicitly critical of aspects of the Partnership, but were all stated in a fairly neutral tone:

'John Clifton, Selling H, our central costs seem very high, could it be that we are making savings in the stores, at the expense of customer service, but that the real savings need to be made at the centre?'

'Felicity Moody, Selling G, Could there be a problem with the new assortment, could we have thrown the baby out with the bathwater and dropped our bread and butter lines?'

'Carol Looter, Selling L, Could it be the targets are too high, could we be trying for too much profit?' (FN02)

The Managing Director responded to each question, standing each time and facing the Councillors, the ex-officio managers remained seated but nodded in support of his comments:

'We have a reputation for offering assortment, but we have to make a profit, we can't do everything for everybody, do people want Jonell Knitwear? Not enough. But Crème de la Mer, 800 pounds a pot and great margins'

'We may alienate a few customers but we have to be a business that changes, buyers must make some tough decisions, we will make mistakes, but we mustn't waste time agonizing over them - learn and move on'

'I wish our targets were even higher... our customer service, our stock availability, they need to be better, the target is a stretch but its achievable, If you talk about being a co-owned business...you have the power...the question is how are you going to use it...you have to be proactive' (FN02)

The meeting had gone on for two and a half hours at this point, and the Chair called for a break. A trolley was pushed in to the back of the room with tea, coffee and soft drinks, and a large Gateau was carried in by a Catering Partner and slices passed around. Partners wandered about chatting, and some members of the Visitors' Gallery left and additional visitors arrived. After approximately 20 minutes the President struck the gong, and the Council restarted, opening with a round of applause for the catering team who had provided the Gateau (FN02).

The next item on the agenda was the 7 Day Trading Debate. The committee were reporting back to the Council, and updating them on the research they had undertaken. Their report was thorough and outlined all the activities they had engaged in, including setting up a table in the Partners' dining room to get feedback on the proposal, surveying local competitors' trading hours, writing to all public transport providers to try and resolve any anticipated transport difficulties, clarifying the rota proposals and surveying Partners on how they were likely to ask their Branch Councillor to vote and whether they would 'opt out'. The proposal was that the Branch would trade for 7 days, and that Partners would be given a choice of opting in or out of Sunday working

using a number of rotas. The latest poll showed that 73% of Partners supported it, but in some constituencies (unspecified) less than a third of Partners were in agreement (FN02). It became clear to me, subsequent to the Council meeting, that opting out of the Sunday rota would not have a neutral impact on the Partner concerned. In fact 'opting out' meant that the Partner would be transferred to a different rota which did not require them to work on Sundays, but would mean that they were required to work on more Saturdays than they currently did (T09, T22). The Chair ended the presentation by asking the Branch Councillors for comments and questions. These ranged from technical: *'what will happen on bank holidays?'* to principled: *'for my constituents it's a religious objection'* (FN02).

After the first few comments, the Managing Director made a speech which lasted about 15 minutes, he was a charismatic speaker and the speech was a passionate one which expressed a range of emotions including anger, pride and disappointment. He started by stressing the business rationale for the proposal, emphasising that Northern Branch was not achieving its target trading profit, whereas other Branches in the Partnership were performing much better:

'You have a responsibility to this process, it is about give and take, no-one has to opt-in, but I get annoyed when I hear of mental pressure being put on Partners to stop them opting in...I am slightly uneasy, I feel like I did about break change' [proposal on break times the previous year, which was rejected by the Council],

'We all understood the rationale but I had a sense of people not knowing where they stand yet, let's be honest about it...this is not a vote on whether you agree with Sunday trading or working Sunday hours, this is the career we chose, you have taken on the privileges and you must take on the responsibility, if you genuinely object then that is what you must vote, but as a responsible Branch Councillor, if you vote against it I wonder why you are a Councillor, this is our business and this sends out a big message. You have seen the financial data, you know it makes sense, if we get things wrong I won't stand here and fudge it. If you have any doubts come and talk to us. I am not saying do what I say, but don't make the decision based on keeping friends or bowing down to a big voice'. (FN02)

After the speech, 8 Councillors made comments. These were all respectful and conciliatory in tone, and there were a number of attempts to distance the Councillor from the views and actions of their own constituents:

'Susan Gibbs, Selling J, We really do understand the rationale, in my constituency it really is just people opting out for religious reasons'

'Lena Briggs, Warehouse A, In my view, Partners have been here a long time, people don't like change, but ultimately we will accept it'

'Tracey Butler, Selling E, In my view it is the older staff that are objecting'
(FN02)

The Managing Director closed the item by appealing once more to Councillors to put the Partnership before their own personal interests and warned them to look out for Partners who might be being pressured into opting out (he did not express a similar concern about Partners being pressured into opting in):

'I accept religious or family reasons for opting out, but I really object to the dictatorship approach taken by some Partners who are trying to force people to vote with them' (FN02)

The Chair called for *'Any Other Business'* but it was agreed that remaining items would be postponed as it was 6.30pm and the meeting had already lasted four and a half hours (FN02). After the meeting I spoke to the Managing Director who told me that he was quietly confident, but that *'you just never knew'* what might happen at a Council meeting (FN02). Another Partner told me later that proposals had been *'voted down'* in the past, as a way of expressing unhappiness with the leadership of the Branch but that this was unlikely on this occasion as the Partners *'quite liked the 'new' Managing Director'* (FN31).

The next Branch Council took place in May 2004 when the Councillors were scheduled to vote on the proposal at an Extraordinary Meeting. The meeting started with a 30 minute speech by the Managing Director outlining the proposal for Sunday opening and providing a business rationale:

'Historically the proposal presents a very important decision for the business. If we vote to accept it we will be leading not following and sending a message to John Lewis Division which confirms, once and for all, that Northern Branch is a progressive business' (FN01)

As before, the Managing Director spoke passionately and coherently, imploring Partners to put the business before their personal interests and vote for the future of the Partnership, regardless of their own preference. At the end of the speech, the President asked for questions and comments, these lasted over 60 minutes and at least three quarters of the Councillors spoke:

'Joe Smith, Services B, I think the proposal is excellent, and there have been some grumbles in my constituency but most of them are personal ones'

'Lynda Craig, Selling D, Many of my constituents feel that democracy is not working and some of them have said that Branch Council is only there to 'rubber stamp' decisions. I've told them that they're wrong, and that the Council listens to all sides before we vote. There is no getting away from the fact that many Partners are unhappy, but the reasons for that are personal to them; we have to think of the business'

'Gena Jones, Selling C, My constituents have told me that they know there is a business need for 7 day trading, but it boils down to the fact that they just don't want to work on Sunday'

'Elizabeth Moodie, Selling G, We've had some long talks about this in my department and my constituents feel that work time is taking over their leisure time, they feel that Bank holidays are times to spend with their families. Many of my constituents chose a career in retail when the shop traded from Tuesday to Saturday, but now they have been asked to move from 6 to 7 days and they're just not happy to do so. The saddest thing for me is that many of my constituents are saying they don't feel that we're special anymore and they're asking whether we're any different from any other retailer.'

'Dennis Smith, Services A, We've got to get the message out that all Partners are "special" and the fact that we are discussing the proposal here today, instead of being told what to do, shows us that we're special. The way we look after our retired Partners makes us special, the clubs and societies make us special; the bonus certainly makes us special'

(FN01)

After the comments, the Managing Director stood and made a final plea, reminding the Council that nobody would be forced to work the 7 days if they didn't want to, and that the option to 'opt out' was still there:

'I understand all the sentiments but this is a decision that one takes for the business, in the interest of co-ownership. There is not a retailer out there that matches us in caring for staff, a business like ours needs to make hard decisions. Please decide on the basis of what is best for the business, not just you personally' (FN01)

The President of the Council and Chair of the meeting thanked the 7 day trading committee and the Managing Director, and said in closing *'we should vote with our heads not our hearts, this is a business decision'*(FN01). A secret ballot was conducted, with Partners indicating their choice on a slip of paper which was placed in a box at the front of the room. The Clerk then counted the votes, with the Registrar observing, and the President announced the decision, *'27 in favour, 1 against, no abstentions'* (FN01). A manager commented to me at the end of the vote *'we all know who voted against it'* (FN01).

Branch Councils were replaced by Branch Forums part way through my data collection period. Forums were markedly different to Branch Councils in a number of ways. Councillors were replaced by Section representatives, and although agendas were still issued and publicised in advance, the structure was much less formal. Meetings took place approximately every six weeks, and were shorter and less structured, for example, the representatives sat in a large circle with the steering group and President indistinguishable from the other members. The Visitors' Gallery still existed, but visitors simply sat on a row behind as an outer circle. Action notes, rather than

Minutes, were produced by the clerk as a formal record of proceedings. The gong was no longer used to open meetings. The transition to Branch Forums and the response of Partners to the changes are discussed in chapter eight.

Having provided a brief insight into Branch level democracy the next section gives an account of the next level in the hierarchy: Divisional level democracy.

DIVISIONAL LEVEL DEMOCRACY: THE JOHN LEWIS DIVISIONAL COUNCIL

This section introduces the John Lewis Divisional Council which operates at the level above Branch Council and provides a Forum for the 28 department stores and 3 manufacturing units to debate issues. I begin by providing a brief history of the Council and outlining the context for my data collection. Next I narrate two key discussions which occurred at divisional level, the closure of a department store, and a debate on trading hours.

History and Context

The John Lewis Divisional Council was established in 2001 to provide a forum for discussion and decisions relating exclusively to the John Lewis Department Stores, manufacturing units, and Head Office Partners. The Council was structured in a similar way to Partnership Council, and was a way of streamlining decision-making as the Partnership grew larger and differences between the two divisions (Waitrose and John Lewis Department Stores) became more apparent. Councillors were appointed indirectly, by an election in each Branch Council (T19). The Council was less constrained than the John Lewis Partnership Council because its structure and rules were not codified in the Constitution. The Council only had powers that the Partnership Council deemed appropriate, that is to say, decisions made by the Divisional Council could be overturned by decisions made by Partnership Council (FN08, T02).

During the period of observation, there were 68 Divisional Councillors, representing the 28 Department Stores, Head Office in London, Victoria, and the three Manufacturing Units (Steel Bros., John Maguire and JD Dixon). 60% of the Councillors were male (although it should be noted that only 38% of all Partners in the Division were male). Significantly, Section and Department Managers dominated the Council, with less than

a quarter of Divisional Councillors holding non-management titles (FN06, FN07, FN08). The reasons for this are explored in chapter eight.

The Divisional Council met five times a year at the *Emmanuel Conference Centre* in London's Westminster, a beautifully restored building, available for hire for Conference events in the week, but still used by the Evangelical Church at the weekends. The Council took place in the auditorium, an imposing circular hall with a skylight dome and raked pews with seating for 1000 people. The walls of the auditorium were lined with oak, with high leaded windows on all sides. There was a stage area at the front of the room, above which there was a sign stating '*I am come that they might have life and that they might have it more abundantly, John 10:10*' (FN07). Flags of the world were hanging around the walls of the building, and quotations from the Bible were carved into the wooden wall panels.

Divisional Councillors were seated in pews facing forward and the John Lewis Management Board were seated to one side at the front; everybody faced a raised platform which also served as an altar when the hall was used for religious ceremonies (FN07). The Management Board consisted of the Managing Director, five Directors (Finance, Merchandise, Commercial, Personnel and Retail) and the Divisional Registrar. Facing the Council, seated on the raised platform at the front was the President and the Clerk. The Visitors' Gallery was labelled with a cardboard sign and was located towards the back of the room. There were between 60 and 100 people in the Visitors' Gallery, everyone was dressed in navy or grey suits, and the atmosphere was one of both excitement and seriousness (FN05, 07, 08).

At the beginning of both Partnership and Divisional Councils my presence was announced by the President of the Council and I was introduced to the members as 'an academic from a University who is interested in learning more about the Partnership'. As time went on, these introductions became more informal ('a Visitor who probably knows more about the Partnership than many of us...'), and hinted at the outcomes of my research ('we are looking forward to reading her final report'). During the breaks in meetings I was often introduced to senior managers and Partners from other Branches, and used the opportunity to ask informal questions.

This section narrates discussions concerning redundancies in the Partnership due to the closure of the Rohalls department store. These discussions were chosen because of their importance to the Partnership and to the Partners that were affected, and because they were given as examples by numerous managers of occasions when the Partnership demonstrated its uniqueness (T03, T24, F06).

Rohalls Department Store

Rohalls was a department store based in Windsor, Berkshire and had been part of the John Lewis Partnership since 1940. It employed 134 Partners (130 in the store itself and 4 in the service building) and was the smallest shop at just one fifth the size of the average John Lewis Department Store (*Gazette* 18/02/06).

On 19th January 2006, Partners at the Branch were informed by the Director of Retail Operations that the store would close, and the news became public the same day when it appeared on the BBC News (*BBC Berkshire*, 19/01/06). An announcement was published in *The Gazette* under the heading "Great Sadness as Rohalls Closure is announced". The reasons given were that sales had continued to fall for the last five years and that the store was trading at a financial loss despite investment in the assortment, merchandising efforts and efficiency savings (*Gazette*, 21/01/06).

The first public responses from non-management Partners appeared in *The Gazette* on 18 February 2006 when three letters were printed. Two of the letters were from Rohalls' Partners and both invoked the spirit of John Spedan Lewis to support their objections to the decision. One letter was from a 16 year old Partner who had only worked for Rohalls for a few months, the second was from a Partner who had worked there for 53 years:

"Although I may be one small voice, I am still a Partner and being a Partner shows that I have a voice. John Spedan Lewis created the Partnership for all Partners to have an opinion no matter what; I believe that given the vote, Rohalls would be allowed to remain open"

“Partners, you have it within your power to make your feelings known. If you do nothing to protest about this very bad decision – then you have only yourselves to blame. You will see your beloved Partnership slowly disintegrate beneath your feet”

(*Gazette*, 18/02/06: 20)

The Director of Retail Operations replied to the letters stating that he “understood the disappointment”, that the “decision was taken with the greatest reluctance” but that every effort was being made in “supporting the Partners involved and doing everything we can to help them secure alternative employment” (*Gazette*, 18/02/06: 21). At the Divisional Council on 27 February 2006, the closure of the Rohalls store did not appear on the agenda but the Director of Retail Operations stood to speak at the end of the trading report. His speech was sombre in tone, and was listened to in silence by the Council (FN06). He began by describing the efforts that had been made to make Rohalls financially viable:

‘Since 2000 we have worked very hard to ensure the long-term success and viability of Rohalls, this included a £1.5m capital investment to make Rohalls a more attractive destination. We amalgamated as many functions as we could with Reading, Partners worked hard to do this, but the weaknesses proved insurmountable.’ (FN06)

The main problem, according to the Director, was that the shop was too small, the building spread over too many levels, and the sales in terminal decline:

‘The percentage rate of profit to sales was improved, but the top line sales figure just kept falling. All analysis led to the conclusion that we could not reverse the fall in profits. A decision was made to close Rohalls with the loss of 130 positions by the John Lewis Management Board, and then endorsed by the Partnership Board.’ (FN06)

The Director was keen to address concerns that had been raised by Partners about the insensitivity of announcing the Rohalls closure at the same time as a new capital expenditure plan to develop the Oxford street store:

‘We decided not to make public the announcement pre-Christmas due to concerns for Partners and customer sales implications. We were keen that

Partners would have a full 6 months to secure work elsewhere or in the Partnership. We decided to make the announcement on 18 January when we could have the personnel function in place. The Oxford Street proposal went to Partnership Board on 19 January, the programme is tight, we have just 20 months, and we needed to place orders immediately in order to hit the deadlines. We decided we had to announce the development as soon as the Board approved it, that is, on the 19th, the day after the Rohalls announcement. Both announcements were made for the right reasons but we understand how insensitive some Partners felt that it was.’ (FN06)

He concluded by thanking the Partners from Rohalls for their ‘*superb attitude*’ and assuring them that he didn’t underestimate the ‘*will and determination required*’ to continue working in the store until it closed in July 2006 (FN06).

Divisional Councillors were then asked to form groups and spend 30 minutes discussing the Divisional Trading Report and preparing questions for the Management Board. Councillors stood in groups for this exercise, each had a copy of the Trading Report and members of the Board circulated among them, clarifying points such as ‘what are non-controllable costs?’ (FN06). At the end of the 30 minutes a microphone was passed to each group and they read out a question:

‘Pete Smith, Reading, What have we learned from the catalogue sales figures?’
‘Judith Mason, Glasgow, Why aren't we doing better given the tough climate in stores, I mean we have improved productivity, reduced costs, increased customer satisfaction, where's the impact?’ (FN06)

Members of the Management Board passed a microphone between them, and answered questions according to their expertise. The questions were challenging, and critical in places, and the Directors responded with detailed answers, acknowledging weaknesses - ‘*you’re right our forecasting needs to be better*’ (FN06) and defending decisions - ‘*we do have more management in our Branches than our competitors, but we are a different kind of business and we think it’s necessary*’. Given the importance of the announcement about Rohalls and the dissent that was implicit in the Director of Retail’s presentation on the matter, I anticipated that there would be questions or comments made by Councillors. There was just one:

'Chris Jones, Solihull, Did we explore relocating within Windsor rather than just closing?' (FN06)

The Director confirmed that this option had been explored, but that they *'couldn't find a site with sufficient footage'* (FN06). Following the meeting further letters appeared in *The Gazette* on 4 and 18 March 2006. One letter berated Partners for their naivety in thinking that John Spedan Lewis would have made a different decision about the store:

"These people have greatly misunderstood the founder. He was a man who did exercise great kindness to many Partners. He did provide us with the foundation of the business in which we now work, but we should never forget that he was first and foremost a businessman. He understood that when any business failed to provide a profit and attempts to redress this had failed, that it had to close. Spedan Lewis is not some benevolent, white-bearded man sitting on a cloud watching over us and tutting at the way we are running our business...we, like Spedan, should ensure it is run efficiently, humanely, and in the best interests of those who follow us"

(Gazette, 04/03/06: 19)

Other letters accused the Partnership of being "short-sighted" and asked "how much did we get for selling Rohalls?" The Director responded by repeating his earlier comments about the commitment that the Rohalls Partners had shown in pursuing viability, his regret about the "inevitable" decision, and the efforts being made to support Partners that were affected (*Gazette, 18/03/06: 19*).

These were the last letters to appear on the subject, and the Branch closed on 16 July 2006 (FN34). *The Gazette* published on 15 July 2006 contained a special feature on Rohalls, profiling the store's history and a number of Partners that had worked there since the 1950's. The store was described as "trading out with pride and dignity"; "the pride of the Rohalls Partners was apparent" and although "there was no doubt that Partners found it difficult" they had "accepted it from the beginning" (*Gazette, 15/07/06: 18*). The article recorded that "Of the 123 Partners that received redundancy notices, 43 have jobs in other Branches; 21 have retired; 53 have taken redundancy and have a 'secured future' and the remainder were looking for new jobs" (*ibid.*). The

Chairman later stated that “of the 134 Partners at Rohalls, futures were found for 132 of them” (T24).

The Chairman saw the closure of Rohalls as the only choice open to the Partnership. He saw the decision as a management responsibility but at the same time was determined that the process would reflect the principles of the Partnership:

“We had to look at it and take the right decision, that was the responsibility of the management, it was also the responsibility of all of us to manage that situation as well as we possibly could, you know, not just by throwing masses of money, in theory we could have just given tons of money to people, but that wouldn’t have been fair on the other Partners, because we’d have been spending their funds unwisely and poorly; but actually by showing real care about how we communicated the closure, how we then told people what that meant for them; and provided them with support through the transition process.” (T24)

It was clear to me that the way that the Partnership managed the Rohalls closure was a source of pride to the Chairman:

“We kept support in there in all sorts of different ways, and dealt with morale, dealt with some of the harder issues about the financial situation but also the softer issues, which is the saddest things about when you shut a shop” (T24)

Many of the Partners at Rohalls had worked there for a very long time, some for more than 40 years (T24) and the Chairman explained that he was very aware of this in taking the decision to support a closure:

“It’s more than a job, they are working with their friends, they have seen people come and go, it’s their life actually and so when you shut the shop, you are drawing to a close a chapter in their lives, and that’s a very emotional thing to do” (T24)

He described the closure process as “pretty faultless”, commending managers for looking after the “emotional fall out” and noting that “Partners at Rohalls have said that they felt that the Partnership had managed it beyond their expectations” (T24). He acknowledged that it was a “difficult occasion” but that “We tried to make it as easy as

possible for people, other companies just don't do that, because they don't need to" (T24).

The next section outlines a discussion on trading hours that was conducted at the Divisional Council.

Trading Hours

The second Divisional Council discussion which is narrated in this section is one on Christmas Trading Hours. This has been selected because as with the illustration of Branch level democracy, trading hours was one of the most controversial subjects discussed by Council. Further, discussions on trading hours were frequently cited by partners and management as an example of democracy 'working' in the Partnership (T03, T06, T13, T25, FN03, FN07).

The Council had just restarted following a break for refreshments and '*Christmas and New Year Trading Hours*' had dominated the discussions over lunch (FN07). Trading hours were seen as one of the most contentious subjects within the Partnership (T06, 19, 25) and the item was introduced by the Director of Retail Operations with the words '*If this proposal is defeated we have to stay here until we come up with something we can agree on*' (FN07).

A steering group had been created to develop a Christmas and New Year Trading proposal and this had been circulated to the Divisional Councillors in advance of the meeting. The Director of Retail Operations thanked the group for '*doing a great job at looking at customer, Partner and business needs*' and explained that they '*wanted to maximise our chances of improving profitability without pushing Partners too far*' (FN07). The proposal was that all stores (with the exception of those in Scotland and the far north) would open on New Year's Day for the first time ever (FN07, 08). Having outlined the proposal, the Chair asked for questions and comments from the Council. Partners raised their hands, and when chosen to speak, stood and were given a microphone, they were asked to state their name and constituency (FN07):

'Tim Johnson, Cribbs Causeway - There is nothing particularly radical here, but we were concerned about the timeframe. The timing of the proposal and Council meeting meant that we haven't had a chance to have a Branch Council before the deadline for the responses'

'Director of Retail Operations: We appreciate the timescale was not as we might have wished, and that will be reviewed for next time. Unfortunately the need for the decision to be taken at this Divisional Council had to overrule our desire to give more time for discussions at Branch level'

'Joseph Senior, Glasgow: We also had concerns about the process and the lack of time for discussing this with our Partners. It seems odd to use the democratic structure as an excuse for leapfrogging the democratic process.'

'Susan Baker, Liverpool: My constituency questioned the research on competitors, last year Marks and Spencer's did not open on New Years Day, and if that happens again, it will limit footfall'

'Director of Retail Operations: We have to do what is right for our business, we want to decide early because that is our democratic structure. Other businesses would wait until November and then tell their staff they have to work, we're not like that.'

'Andrew Perkins, Trafford, We were very concerned about the proposal, and wondered whether the calculations reflect the fact that our shopping centre will be closed, so John Lewis will be trading alone, that must impact on profit?'

'Director of Retail Operations: We are taking an overview for the whole business, your Branch needs to look at specifics'

'John Green, Peterborough: We'd like to thank our colleagues on the steering group for dealing with such a complex and emotional issue. In our Branch we questioned the business case, and it bears up to scrutiny. The key questions for

us is 'what is sufficient profit?' What other business has the happiness of the Partner as its ultimate objective? And we would like the Partnership to debate fully 'what is sufficient profit' so that there can be an informed consensus to use for our discussions.'

'Managing Director - I think the Partner's point is a thoughtful one, and we have thought about it. We think the minimum profit that we'll make will compel us to open. It becomes a matter of judgement and we will of course review it early in the new year.'

'Mark Keeton, Kingston: I was on the trading hours steering group and we were elected to do your bidding. I can assure you that every point you made we have discussed. It is a head and heart decision and we did consider the heart issues before we even started to review the business case. I would urge you to support the proposal.'

'Gemma Rhode, Victoria: I was on the steering group too, and our proposal tries to balance being prescriptive and being flexible. If you accept the proposal today, your Branch can still tailor it to suit your own circumstances.'

The President called for a show of hands and the proposal was accepted unanimously.

(FN07)

Having provided two examples of discussions at Divisional level I now move on to the final section of this chapter with a focus on the Partnership-wide democratic structure – the John Lewis Partnership Council.

PARTNERSHIP WIDE DEMOCRACY: THE JOHN LEWIS PARTNERSHIP COUNCIL

This section introduces the John Lewis Partnership Council which provides a forum for the department stores, supermarkets and manufacturing units to debate issues and determine policy. I begin by providing a brief history of the Council and outlining the context for my data collection. Next I narrate two key debates which occurred at Council level: a proposal to change the normal retirement age for Partners; and secondly a debate on changing the Constitution of the Partnership.

History and Context

The John Lewis Partnership Council was established in 1929 and its role and powers were laid out in the Constitution. Councillors were appointed by a direct election of all Partners in each Branch and there was normally one elected Councillor from each store (larger Branches were allowed two). During my observations there were 74 elected Partnership Councillors, representing the John Lewis and the Waitrose Divisions (FN17). 75% of the Councillors were male and as with the Divisional Council, Section and Department Managers dominated the membership (D5). The reasons for this are explored in the next chapter. In addition to the elected Councillors, there were 9 ex-officio members appointed by the Chairman, and a President elected by the Council itself.

The Council had a number of powers that were protected by the Constitution. These included the right to elect five directors to the Partnership Board, ask questions or make recommendations on any matter it chose, spend a budget equal to 1% of pay plus bonus for all Partners, and dismiss the Chairman if he acted unconstitutionally (John Lewis Partnership, 2000).

Meetings took place four times a year in the Queen Elizabeth Conference Centre in London, Westminster, and Councillors would travel from all over the country to attend;

many would stay overnight in London because of the distances involved. The Conference Centre was purpose built and modern, and contrasted starkly with the Emmanuel Centre that was used for Divisional Meetings (FN06, 09). The meeting was held in a large room with a raised platform and two projector screens at the front. There were 8 large tables around which the Councillors were seated in groups of 10 or 12. Small podiums with a lectern and microphone were strategically positioned so that Councillors could walk to these when they wished to speak. Approximately 200 'Visitors' were seated around the edge of the room and in rows at the back (FN09, 17). Visitors were usually John Lewis Partners, but there were occasionally external visitors, from other employee-owned businesses, including the EAGA Partnership and the Mondragon Cooperative (FN09, 17, 29). There was a sense of excitement and anticipation in the room, and lots of partners were greeting colleagues from other stores and making plans to meet up afterwards for dinner and drinks. During the period of observation Partnership Council meetings lasted between 5 and 6 hours (including a lunch break).

The meeting started with a welcome from the President, who sat on the stage next to the Council Clerk. He welcomed Councillors and visitors and spoke for several minutes about the agenda. At my first Partnership Council meeting I was personally welcomed and asked to stand so that the Councillors could see me, the President introduced me as *'Abby Cathcart from a University who wants to know all about our democratic structures, and who I am sure will enjoy talking to many of you over lunch'* (FN09).

This section narrates two discussions at the Partnership Council; the first relates to a proposal to change the Normal Pension Age (NPA) for Partners and has been selected for the fullness of the debate, and as an illustration of the decision-making powers of the Council. The second relates to a proposal to alter the Constitution of the Partnership, this was chosen to illustrate the significance that was given to the Founder's narrative in the organisation. In addition it highlights the contrasting claims about the Constitution's meaning and illustrates the power of dissenting voices in challenging management proposals.

The Pension Debate

The Partnership had established a 'Special Commission on Pension Age' in 2005; the members were volunteers from the Partnership Council and the group was chaired by the Deputy Partners' Counsellor. The group had been asked to examine the issue of normal pension age (NPA) amid speculation that the State was going to raise the NPA for State Pensions to 65, and in recognition of the fact that an ageing population meant ever increasing costs for Partnership pensions (FN17). The Partnership was the only major retailer with a non contributory final salary pension scheme open to all employees (with 5 years service) still in existence (Guidi *et al.*, 2008: 17). The Director of Personnel had proposed that the NPA for management and non-management Partners should be different, and that management should have an NPA of 62, and non-management 65 (FN17). This proposal had been considered by the group, and they were due to present their findings and ask Council to approve their decision.

The item was introduced by the Deputy Partners' Counsellor, who outlined the approach taken by the group and the principles that they had chosen to work within:

'The majority of our competitors are moving their Normal Pension Age from 60 to 65 and a number have closed their final salary schemes in order to contain costs. That makes us the only retailer with a non contributory, final salary scheme, open to all. We are also determined that there will not be different NPA's according to status. Management and non management should have the same rights and rules.' (FN17)

The proposal was that the NPA would move to 65 for all new Partners, and that the change would be phased in for existing Partners, so for example, anyone over 50 would not be affected but Partners aged between 41 and 49 would have an NPA of 62 (FN17). A key part of the proposal was the group's recognition that the pension funding and the bonus were inextricably connected:

'We feel passionately about fairness in bringing in these recommendations, there needs to be fairness by not distinguishing between managers and non managers and fairness between this generation and the next. 48% of our Partners have less than 5 years' service and so are not yet earning the

Partnership Pension; if we let pensions become too expensive we will be siphoning off money that would have gone into bonus. Council needs to represent all constituents.’ (FN17)

Once the proposal had been presented, the Deputy Partners’ Counsellor sat down, and the Chair opened the floor for comments. The first was from the Director of Personnel (an ex-officio member of the Council), who both conceded the defeat of his own proposal to have separate management and non management NPA’s, and intimated that the decision today would not preclude him from proposing something different for senior staff later in the year:

‘I want to thank the committee for their work, and note that our democratic approach has been very different to that adopted by others facing the same issue. I acknowledge that the proposal I had asked the committee to consider has been rejected and accept that the committee were guided by the market and that the market did not differentiate by status. I do, however want to make clear that the Senior Pension Scheme, which is due for its 3 year rolling review later in the year would also be governed by market comparisons.’ (FN17)

Councillors indicated their desire to speak by walking towards one of the podiums and signalling to the Chair. A large number of comments were made, including several that were deeply critical of the Director of Personnel’s original proposal:

‘I am concerned that any amendment to set Managers NPA at 62 would be divisive, What about non-manager’s 12 hour shifts climbing ladders, shop assistants standing on their feet for 8 hours a day, or the stressful motorway driving of lorry-drivers at 65? I don’t accept that it’s just managers who go the extra mile, good managers are essential, but so are the Partners who come into contact with customers at the coal face. We can’t devalue non management.’

‘I am a Manager and am also in support of the proposal because I would not want to benefit more than a fellow Partner with equal service.’

(FN17)

The Deputy Chairman commended the group on their proposal and in particular on the timescale which would give Partners time to adjust their plans. He emphasised the values of the Partnership:

'I am content that cost was not the sole driver for this proposal. I believe that the committee has been truly representative of the Partnership and has come up with the right proposal, fairness in the hallmark of the Partnership.' (FN17)

Some Councillors challenged the proposal to work longer *per se*, but did so by focusing on the contribution of management, rather than non-management Partners:

'We have options. Straightforward support of the proposal is one possible response, another is to consider the effect on oneself, a third is to consider whether Partners would be able to maintain the vitality and vigour demanded of them for a further 5 years. When Central Council debated this in 1987 they said [reading] "the Partnership's overriding concern...is that the quality, morale and energy of its management should be maintained at the highest level. Managers should not expect to work beyond the age of 60". Is that not equally relevant today?' (FN17)

This view created some tension in the room, and several Councillors reminded the Council that although they may be managers themselves, they were there to represent their constituents, the majority of whom were non-management Partners:

'I feel we have moved on since 1987, I'm proud of being a co-owner and that means fairness for all. I urge you all to vote not as managers but for the Partners you represent.'

'I was a member of the committee, and I am a manager, but more importantly I am an elected Councillor, we have to think of our constituents.' (FN17)

As with many of the discussions at Branch level, several Councillors demonstrated their support for the business rationale and distinguished between their personal situation and the interests of the business:

'We discussed this in my Branch, and although the initial reaction is that we're losing, we do understand the explanation as to why we need to change. Remember, the scheme is not truly non-contributory, because the contributions come out of our profit, and that would otherwise be available for bonus.'

'I am a 28 year old manager, and was also on the committee. I am very conscious of the need for fairness, those joining the business now already have a 5 year wait before being able to join the scheme, and introducing different NPA's would not add cohesiveness or fairness to the business.'

'I am also a committee member and we have to understand that the pension scheme is a huge benefit for Partners, alongside discount and bonus, we should treasure it. We have to remember that it is under pressure, today there are 4 working Partners for every pensioner, and in 10 years that ratio would be 2 to 1. Introducing separate NPA's might cause the sleeping giant of non-management Partners to wake and roar at the unfairness. Changes outside the Partnership mean that we have to take a big decision today. I feel that the committee has been powered by our principles, and fairness means treating all Partners equally.'

'I congratulate the committee on their excellent report and as a non management Partner, I urge the Council to vote for what is fair, not according to your status.'

(FN17)

The Chair asked Partners to return to their seats for the vote, which was conducted by a show of hands. The proposal was carried unanimously (FN17).

Constitutional Change

This second illustration of Partnership Council democracy relates to a proposal brought by the Partners' Counsellor who was seeking permission from the Council to make a number of changes to the Constitution (FN17). The Constitution was published in 1929 and outlined the rules and principles of the Partnership. The Constitution had been revised on a number of occasions in order to keep it "fresh and up to date" (D47:3). Any change needed to be approved by the Chairman and two thirds of the Partnership Council (John Lewis Partnership, 1928; 1953; 1956; 2000). The revisions to the

Constitution since 1929 are a fascinating story in themselves, but for the purposes of this thesis, I have limited the narrative to a change proposed in 2006.

The Partners' Counsellor had asked for 'Rule Changes' to be placed on the agenda, and Councillors had been sent a copy of the proposals. This was the last meeting that the Partners' Counsellor would attend in this capacity as he was relinquishing his post so that he could be appointed as President of the Council (FN17) the following year.

He introduced the changes as *'tidying up, reflecting changing circumstances, and removing overlap and duplications'* (FN17). Some of the changes were clearly related to issue of compliance with changing regulatory frameworks on freedom of information or age discrimination. In addition, there were a number of other changes, although the Partners' Counsellor chose only to talk about the *'four most significant ones'* in his introduction to the proposal (FN17). The four rules in question related to the confidentiality of personnel records; the pay policy wording on 'attracting and retaining people of high calibre'; the circle of approvals needed to dismiss a Partner who was a member of the democratic body; and the wording relating to the right of the Council to examine why an individual Partner leaves the Partnership (FN17). At the end of the presentation the President asked the Council for comments and Councillors walked to the Podiums and raised their hands to indicate their desire to speak.

The first Councillor to the podium was very animated and articulate and without preamble went straight into a challenge of one of the proposals. Significantly, the rule change that he challenged was one that was listed in the paper circulated to the Councillors, but was not one that the Partners' Counsellor had deemed important enough to outline in his introduction. Thus, as the challenge was outlined the Councillors in the hall, the President, and the ex-officio managers at the front, were searching through their papers trying to identify the pertinent section. The challenger outlined his objection as follows:

'Peter Smith, Sheffield: We are concerned about the removal of the second part of Rule 42 which states: The Partnership recognises that Partners should not put business too far before pleasure. At the same time, Partners must recognise their own responsibilities for contributing to the efficiency that is necessary if

the Partnership is to achieve its ultimate purpose, the happiness of its members (Principle 1).'
(FN17)

The Proposal was that this paragraph would be removed entirely leaving just the first paragraph intact, which read:

"42. All Partners, especially managers, have a responsibility to be imaginative and energetic in promoting each other's well being". (D29)

In the briefing notes circulated to the Council, the Partners' Counsellor had described this sentence as "vitaly important" but stated that he felt that the other paragraph "reads as a rather convoluted statement of behaviour - which is better expressed by our 6 Powered by our Principles (PBOP) statements" (D29). It was this interpretation that was challenged, and specifically, the Councillor argued that *'the phrase "do not put business too far before pleasure" should remain in the Constitution'* (FN17).

The next few Councillors to speak supported the challenge, and I had a sense that the objections were well planned and rehearsed, as well as being entirely unanticipated by the Partners' Counsellor (FN17):

'Philip Stewardson, Reading: I feel that Councillors are guardians of the Constitution, our job is to protect it from being diluted. The proposer has stated that the Rule 42 is covered by the PBOP statements, but PBOP is not in the Constitution.'

'Mary Parker, Oxford Street: I agree, Rule 42 is a clear and effective black and white statement of our values, and Partners should see it in the Constitution.'
(FN17)

There were a number of other comments and objections made by individual Councillors, but the only point that appeared to unite the Council was the one relating to Rule 42. The Partners' Counsellor stood to defend his proposal:

'John Church, Partners' Counsellor: I think everyone is agreed on the substance and it is really just a matter of language. I really do think that the meaning of

the phrase 'Partners should not put business too far before pleasure', which of course no one here would disagree with, is conveyed in the previous rule 'All Partners, especially managers have a responsibility to be imaginative and energetic in promoting each other's well being'. I don't really feel we have to say it twice.' (FN17)

At this point the President stated that it was time to vote on the proposals, however, before this happened, the Councillor that had raised the initial objection walked back to the podium and indicated that he wished to speak again:

'Peter Smith, Sheffield: I would like to raise an amendment to keep Rule 42 and the importance of explicitly stating that we should not put business too far beyond pleasure.' (F17)

He was followed immediately by another Councillor who stated that he wanted to support this amendment. These actions caused some discussion amongst the President, the Council Clerk, the Partners' Counsellor and two other senior managers that were at the front of the room. They also generated some commotion amongst the Councillors and the Visitors who clearly were enjoying the dispute (FN17). Finally, the Partners' Counsellor, who was no doubt keen to save his carefully crafted revisions from being rejected outright, or the decision postponed until a later meeting, rose to speak:

'I am prepared to accept the suggestion and ask Council to trust me and the Councillor [pointing to Peter Smith] to capture the wording so that the rest of the proposal might be agreed today.' (FN17)

The President asked if Council were *'happy for the adjustment to be left with John and Peter?'* (FN17), there were no objections and so they moved on to the vote. Partners were asked to raise their hands to indicate their acceptance or rejection of the proposal, the proposal was carried, with 1 vote against (FN17).

The subsequent change to Rule 42 appeared in the Constitution as:

"All Partners, especially managers, have a responsibility to be imaginative and energetic in promoting each other's wellbeing and to recognise the importance of a healthy balance between the needs of the Partnership and the personal life of Partners." (John Lewis Partnership Constitution, 2008: 20)

CONCLUSION

In this chapter I have narrated key discussions to illustrate the scope and style of the three core democratic structures that were in place at the beginning of the research project. Although there is implicit interpretation in my selection of material, no explicit attempt was made to analyse the material at this stage, but simply present stories which illustrated democratic engagement within the Partnership. The analysis is made more explicit in chapter eight.

In the next chapter I explore the 'democracy project', a key development in the Partnership that was conducted in parallel to my own research.

CHAPTER 7: THE DEMOCRACY PROJECT

INTRODUCTION

This chapter outlines the 'Democracy Project' which was launched in 2004. Like the previous chapter, the intent is to tell the story of the project rather than cloud the narrative with analysis and interpretation at this point. The democracy project was a particularly important aspect of my study because while I sought to understand what was meant by democracy in the organisation, the Partnership itself was reflecting on a similar question.

The first section explores the Partner Opinion Survey, which was introduced in 2003 and directly led to a decision to explore alternative models of democratic practice. The second section introduces the democracy project, outlining the principles behind the proposals for alternative democratic structures, the research that was conducted during the trials, and the Branches that were chosen to participate. Section three returns to Northern Branch and narrates how the democracy project evolved and was enacted over a 12 month period in the Branch. This section explores how democracy was understood and practised by Partners. The chapter concludes with an outline of the decisions that were made by the Partnership at the end of their experimentation with democratic structures.

THE PARTNER OPINION SURVEY

The Partnership introduced an opinion survey in March 2003; this was piloted at a small number of Branches before being rolled out to the whole organisation in 2004 (*Gazette*, 10/04/04). The results for the John Lewis Division (excluding Waitrose) indicated that there was dissatisfaction with pay, administration, staffing levels and the democratic bodies (*Partner Opinion Survey Results, 2003-2006*; FN02). The result that appeared to surprise the management of the Partnership most, was the lack of satisfaction with the democratic bodies. Prior to the survey results, managers had expressed their desire for Partners to be more 'engaged' with the democratic side of the business (T01, T02, T10) but there was no indication that the Partners themselves were unhappy with democratic structures (T04, T05, T02).

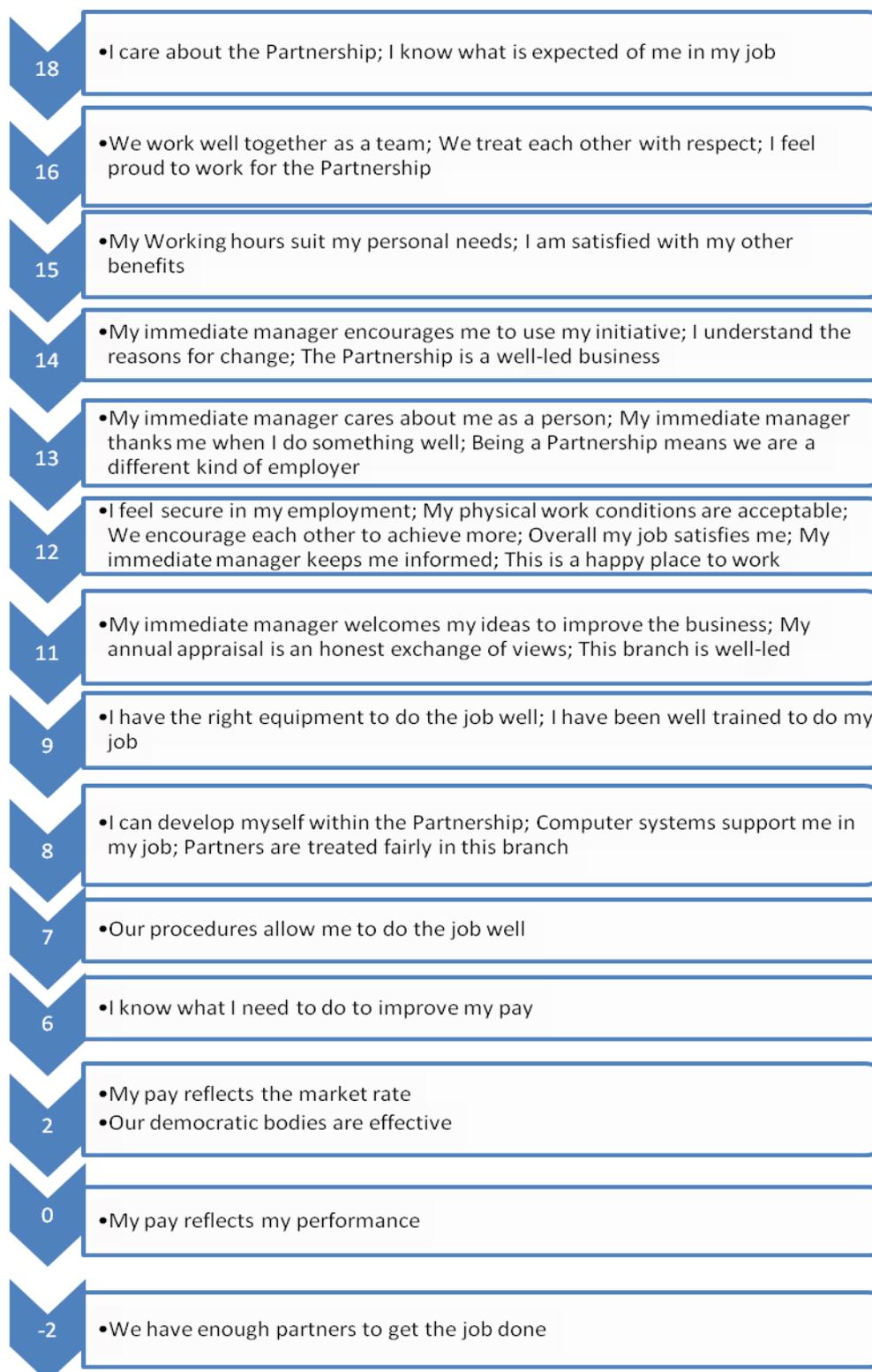
Democracy 'cost' the Partnership several million pounds a year (T24), money which was spent on meetings, transport and accommodation, elections, training, and staffing. I was told that the survey results on pay and staffing levels were to be expected. It was natural for people to want more pay (T10, T18, T24), and the staffing levels had fallen recently in Branches due to economic conditions (T18; FN03). Senior Managers reported that Partners were not engaged in the democracy to the extent that they would have liked (T02, T18, T19, T21, T24), but the level of dissatisfaction by the Partners themselves seemed to surprise them, and there was an immediate call for further research to understand it more fully (T02, FN03).

In June 2005 Partners were asked to respond to 50 statements and express their views on a scale of strongly disagree through to strongly agree. The rating scale was converted to a score of between -30 and +30. Scores were colour coded Green (12+), Amber (9 to 11.9), and Red (Score under 9) (D11). The worst score across the Division was -4 (-7 in Northern Branch), indicating disagreement with the statement 'We have enough Partners to get the job done'. The next was a score of 0 (-3 in Northern Branch) demonstrating disagreement with the statement 'My Pay is Fair', the third lowest score was a score of 3 (2 in Northern Branch) for 'Our administrative processes are straight forward'. The fourth lowest and the one most relevant to my research was 'Our

democratic bodies are effective' which received a score of 1 (5 in Northern Branch) (*ibid.*). Partnership Council responded to the results by establishing groups of elected Councillors and managers to explore each item. My focus is on the actions taken to address the 'democratic bodies' score, but I also draw on discussions relating to opinions on pay and staffing to support my analysis.

In 2006 the survey was re-written, retaining just 16 of the original questions and adding 17 new ones (*Partner Opinion Survey 2006*). The Chairman set a target of an 85% response rate and this was achieved (*Partner Opinion Survey Results 2003-2006*) following a period of intense lobbying by Registry, Forum representatives and management. Once again the lowest score was satisfaction with staffing levels, followed closely by pay, and democratic bodies. Results are shown overleaf.

Figure 7.1: Partner Opinion Survey Results 2006*



* average score of all responses. The scale was -30 to +30

(Source: *Partner Opinion Survey Results 2003-2006, Part 1*)

THE LAUNCH OF THE DEMOCRACY PROJECT

Management felt that the survey indicated dissatisfaction with the democratic bodies across the JLP. The Chairman instigated further research in six Branches (3 Waitrose supermarkets and 3 John Lewis department stores) in the autumn of 2004. This research was led by the Chief Registrar and Divisional Registrars, and entailed conducting focus groups and surveying the Partners in all six Branches (*PBOP Democracy Project Presentation to Northern Branch by Divisional Registrar, October 2005*). The following principles for democratic arrangements were specified by the Chairman:

Figure 7.2: Key Principles for Democratic Arrangements



(Source: *PBOP Democracy Project Proposal – Memo to Chairman from Divisional Registrar summarising his criteria and outlining the plans for the trial, 2 August 2005*)

The three John Lewis Branches that were chosen to participate are referred to in this thesis as Southern Branch (opened 1981), Scottish Branch (opened 1999), and Northern Branch (joined the Partnership in 1953). No public rationale for the choice of stores was provided, but I was told that Northern Branch was “very traditional” (T15, T17,

T19) and “very established” (T22, T23, T25), and that Scottish Branch was “young” (T25), “had no history” (T19) and was “always up for anything new” (T19, T22). Presumably Southern Branch was chosen because it was one of the largest Branches (*Gazette*, 08/10/05) and was “in the middle” (T25) in terms of years of trading.

The next section introduces the democracy survey which was used to devise the models of democratic experimentation at Branch level.

The Powered by our Principles (PBOP) Democracy Project Survey

The Democracy Survey was designed by the Chief Registrar to explore “how we might improve the way in which Partners at all levels get engaged in their business” (D17). Partners in the three John Lewis trial Branches were asked to respond to 37 statements to solicit their views on the existing democratic structures. These included the Committee for Communication (c4c); the Branch Council, the Retirement Committee and the Social Committee. In addition, they were asked key questions about future arrangements as shown below:

Figure 7.3: Extract from the PBOP Democracy Survey 2005

Q.25	<ul style="list-style-type: none"> • Our current councils are based on you electing Partners to represent you. Are you in favour of electing partners? Yes/No
Q.26	<ul style="list-style-type: none"> • Or would you prefer to have an active, personal role in raising questions and deciding? Yes/No
Q.37	<ul style="list-style-type: none"> • Overall should we leave the councils and committees as they are or replace them with something different?

(Source: *PBOP Democracy Survey 2005*)

One of the most significant aspects of the survey was the way in which Partners were asked to respond to questions about the level of involvement that they wanted in their

Branch. Partners were given a list of potential issues and were asked to select their preferred level of involvement by ticking one of three boxes:

Figure 7.4: Extract from the PBOP Democracy Survey 2005

Give Input/ Influence Decisions	Make Decisions	Involvement is not important
Q.27	• Partner Opinion Survey Branch Wide Actions	
Q.28	• Partner Opinion Survey Department Wide Actions	
Q.29	• Trading Hours	
Q.30	• Working arrangements	
Q.31	• Branch facilities and arrangements	
Q.32	• Branch social events	

(Source: PBOP Democracy Survey 2005)

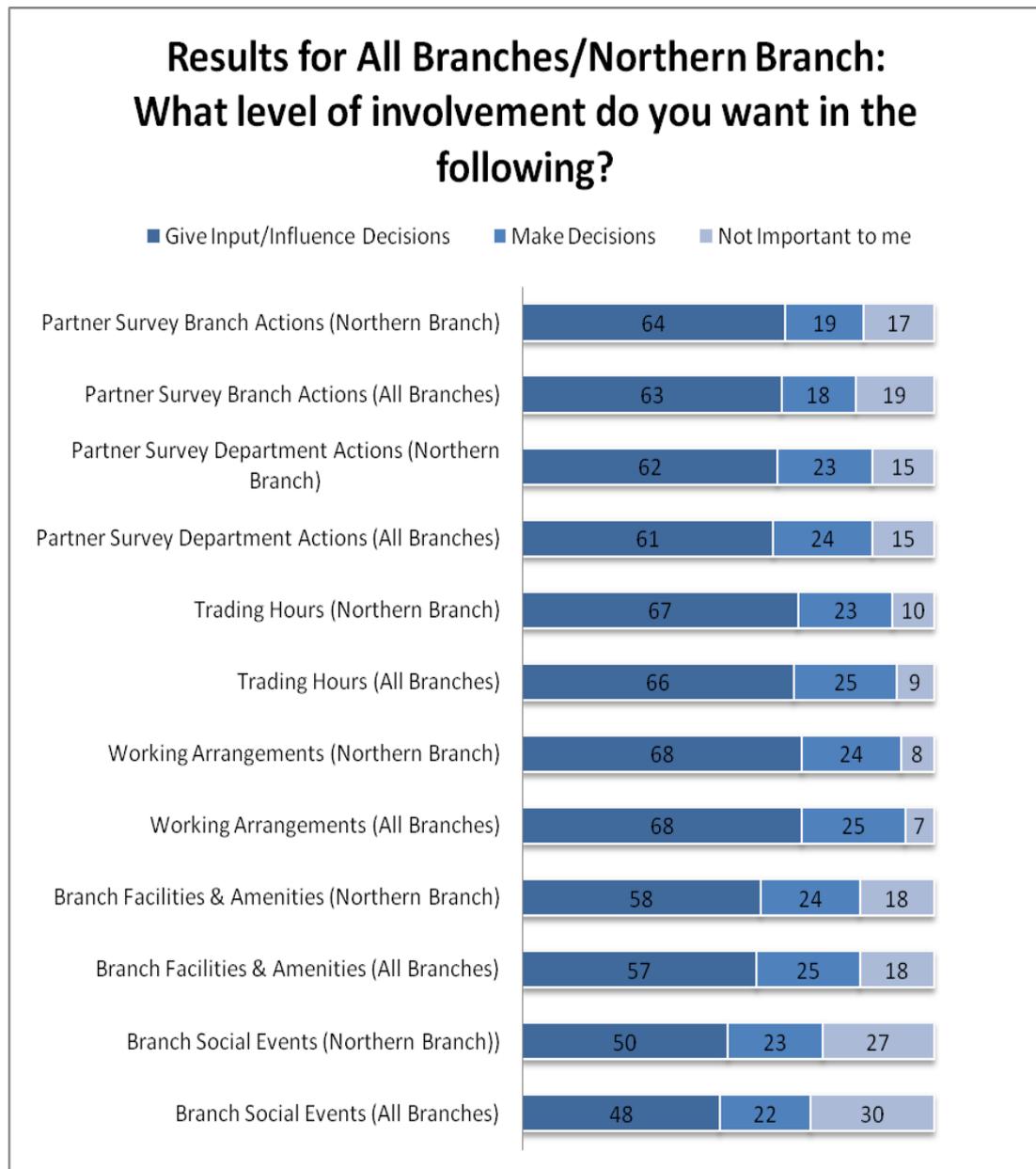
The results of these surveys were announced at the Partnership Council in June 2005 and the key findings are shown below:

Table 7.5: Results from the PBOP Democracy Survey 2005

Question	Yes	No
Are you in favour of electing Partners to represent you?	91%	9%
Would you prefer to have an active, personal role in raising questions and deciding on issues yourself?	30%	70%
Should we leave the Councils as they are?	42%	58%

(Source: PBOP Democracy Survey Results 2005: All Branches Part 1)

Figure 7.6: Results from the PBOP Democracy Survey 2005



(Source: PBOP Democracy Survey Results 2005: All Branches Parts 1, 2 and 3 and PBOP Democracy Survey Results 2005: Northern Branch)

The results were interpreted at a meeting of the Divisional Registrar and members of the 3 trial Branches, including the Heads of Branch, the Branch Registrars and the six elected Divisional Councillors. They noted the similarities of the findings from all 3 Branches which they felt indicated: “a high level of disinterest in the whole democratic piece” (*PBOP Democracy Project Proposal – Memo to Chairman from Divisional Registrar summarising his criteria and outlining the plans for the trial, 2 August 2005*). The group agreed that they would discuss the results with focus groups and build a new model “with one elected body, with meetings open for any Partner to attend, and with a changed method of election so that representatives had the support and trust of their electorate” (*ibid.*). The clear implication was that the existing method of electing representatives was viewed by many Partners as problematic in some way. This is discussed in the next chapter.

The Democracy Project Trials

A detailed proposal for a ‘democracy trial’ was submitted to the Chairman for approval and in June 2005 the Partnership Council agreed to suspend the rules governing existing Branch Councils in the trial Branches for one year to allow “experiments to proceed” (*Gazette, 13/05/06: 9*). Significantly, the group proposed to the Chairman that:

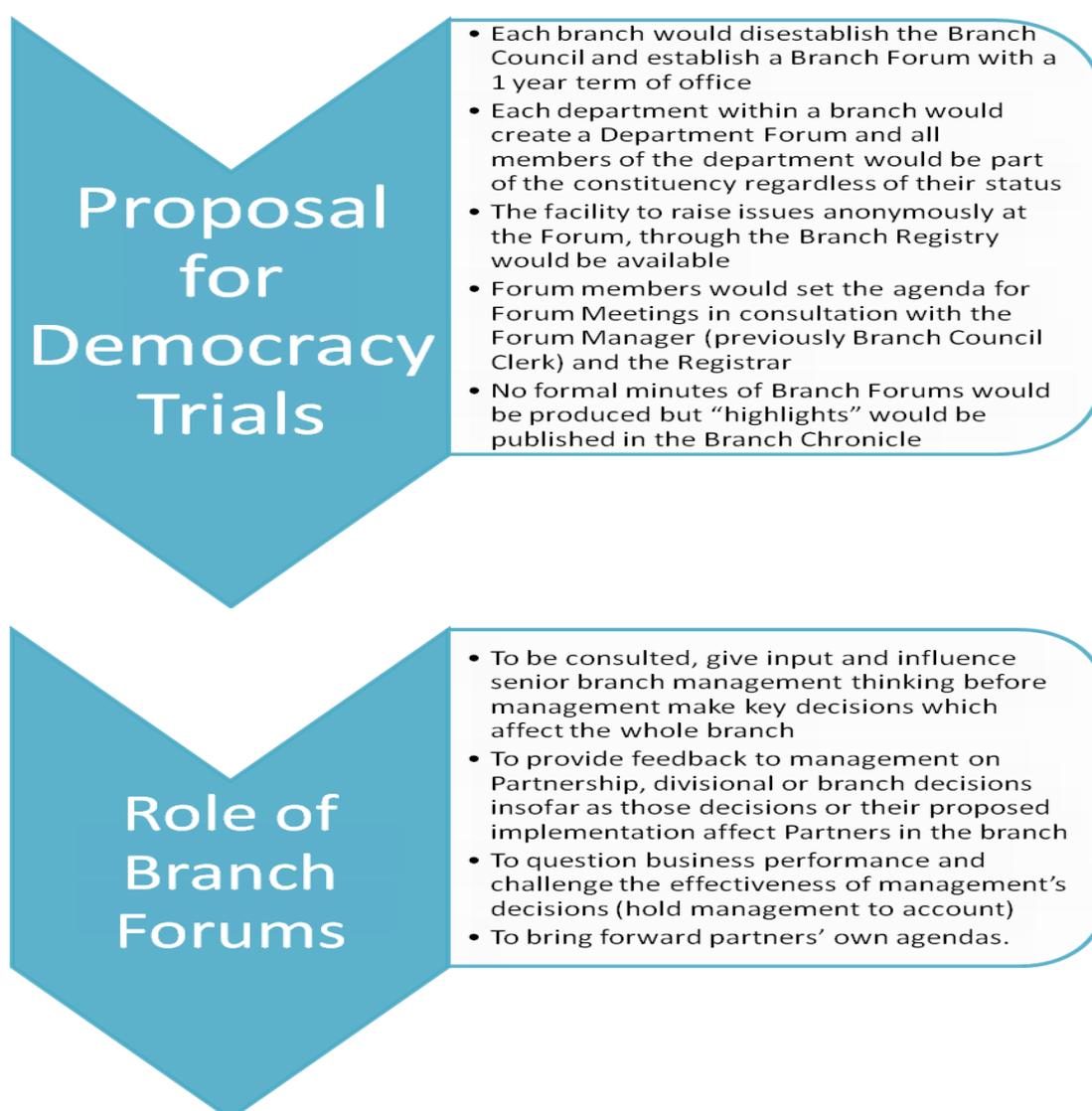
“The new body would not have decision-making powers but be critical to providing the opportunity to influence thinking and implementation. While this does not match the criteria of giving Partners “the facility to sign off/approve key decisions” it is clear both from the questionnaire results and input given through Branch focus groups that Partners do not attach a premium to decision-making. Instead they are anxious to secure the chance to input at the formulation of proposals stage and have a say in the ‘how’ rather than the ‘what’.” (*PBOP Democracy Project Proposal - Memo to Chairman from Divisional Registrar, Proposal for trial, 2 August 2005*)

This interpretation (or decision) by the Divisional Registrar and her steering group was crucial to the subsequent experimentation with democratic structures. It represents the survey results as a desire for ‘voice’ but not a desire for ‘democracy’ and both the

interpretation of this result, and the consequences for the democracy trial participants are explored in the next section.

The Divisional Registrar's proposal noted that Northern Branch had taken a different view on decision-making, and that the trial democratic structures in Northern Branch would include "the ability to vote on named specific issues" (*PBOP Democracy Project Proposal - Memo to Chairman from Divisional Registrar, Proposal for Northern Branch trial, 2 August 2005*).

Figure 7.7: Proposal for the Democracy Trials



(Source: *PBOP Democracy Project Proposal - Memo to Chairman from Divisional Registrar, Proposal for trial, 2 August 2005*)

Forum representatives were to be elected by a 'Jury Service' model of selection and all Partners would be required to participate. The Partner with the highest number of votes would be the Forum Representative, and the second highest would be the Deputy. This represented a fundamental change from the Branch Council election process, whereby Partners had to be 'nominated' by one of their constituents and 'stand' for an election if there was more than one nominee (FN04). Forum meetings would take place a minimum of 4 times per year and would be chaired by the Registrar. Department Forums would also take place a minimum of 4 times a year and would be jointly led by the Department Manager and Branch Forum Representative.

The detailed trial proposal (Appendix A: D15; 22; 23; 24) explained that each of the three trial Branches proposed a small variation on the above. Northern Branch chose to retain the vote, hold additional meetings and elect a Forum Representative as Chair rather than the Registrar (D22). The Southern Branch decided to elect two representatives from large departments, hold additional meetings, and make an audio recording (D23). The Scottish Branch took "a holistic approach to the whole project" in order to "provide open communication of business results to all Partners and give opportunity for Partners to question business performance" (D15; D24). They chose to create "a quarterly high quality full colour publication" with "Branch results against budget, Partner survey updates and Forum news" as well as "Conversation Pieces" - monthly coffee meetings hosted by the Managing Director for up to 15 volunteers to attend (D15).

The democracy trials were approved by the Partnership Council and in November 2005 the first Branch Forums were held (FN11). The *Chronicles* and the *Gazette* published regular updates on the democracy project that were positive in tone and emphasised the historical significance of the trials, the positive response from Partners in the trial Branches, and the opportunity the trials provided to engage Partners in the democratic process.

In May 2006, the *Gazette* published an extensive report under the heading "An experiment in democracy", a title which echoed JSL's 1948 book 'Partnership for All',

although this point was not made explicitly. The Divisional Registrar was reported as saying:

“The Forums are giving Partners a new sense of optimism and confidence about the democracy. It is a much more collaborative way of working that avoids the polarisation of opinion that can occur at Branch Councils” (*Gazette*, 13/05/06: 11).

The next section returns to Northern Branch and explores the newly formed democratic structures over the year-long trial. It outlines the election process for new Forum representatives and explores the way democracy worked at departmental and Branch level.

THE NORTHERN BRANCH DEMOCRACY TRIAL

This section will outline the two key changes to Branch level democracy that were introduced at Northern Branch as part of the Democracy Project, namely, the Branch Forum and the Department Forum. It will describe discussions in both arenas, and give a flavour of what democracy meant during this period for Partners in the Branch.

The Election of Forum Representatives

As noted earlier, in order to become a Branch Councillor a Partner had to be nominated by a colleague, and if there was more than one nominee an election would take place. In practice this meant a large proportion of Branch Councillors were either Section or Departmental managers who would often stand unopposed (T15, T16, T17, T23). I was told that sitting on Branch Council was a way for managers to “go up the ladder” (T17) and prove that they are “on side” (T23). In addition, once elected, Branch Councillors tended to remain in post for many years (T19, T24). New nominations were called for every two years but in practice Partners risked public humiliation by standing against the incumbent and losing (T19). The Chairman referred to some Branch Councillors as ‘career democrats’ (T24), Partners who were elected to Council and stayed on it for years because nobody dared stand against them:

“Imagine that person is quite a big personality in the Branch, its quite a big deal even to stand against them for election because you run the risk of annoying them, you’re publicly saying I think I’d do it better than you” (T24)

The new ‘Jury Service’ method of electing Branch Forum representatives meant that Partners were given a list of everyone that worked in the constituency, and using a secret ballot process indicated who they wanted to represent them at the Forum. The forms were collected by the Assistant Branch Registrar and the results published in the *Chronicle*. There was an expectation that if Partners were elected, they would accept the post (T19, D28, D30). Of the 70 new Branch Forum Representatives elected across the Partnership, one refused to accept the position and this was considered a “protest

vote” (T19) by someone who “didn’t approve of the project” (T18). In Northern Branch 20 Branch Forum Representatives and 20 Deputies were elected. The majority of these had never served as Branch Councillors, and were non-management Partners rather than Section or Department Managers (T17, T23, FN19).

Next I outline the main structure through which the shop-floor Partners were able to participate in discussions about the organisation and engage formally with their elected representative.

Departmental Forums: Communication of Forum Issues

Northern Branch chose not to use the term ‘Department Forum’ but instead decided to use existing meeting structures for Forum issues. Traditionally, departments met for a ‘Communication Half Hour’ on Saturday mornings before the store opened. The majority of Partners were present (Saturday being the busiest trading day) and the plan was that Forum Representatives would take-over the meeting once a month to discuss Forum business. Departments typically consisted of two or three sections, approximately 25 Partners, a Department manager, and several Section managers (FN18, FN28).

I observed ‘communications’ in Constituency ConSew and Constituency ConTech. This section narrates a number of discussions at these meetings. The material has been selected to provide a sense of the style of the meeting and the content and context of discussions during this period of experimentation.

Constituency ConSew

ConSew was a large department which consisted of three separate sections, all on the third floor of the store. The Forum Representative was a female non-management Partner called Doris. Doris was in her mid 50’s; she had worked for the Northern Branch for 7 years, and had previously acted as a Branch Councillor for her constituency. She had only been appointed as a Branch Councillor the previous year

and so had served for less than 12 months before the Council was dissolved in preparation for the democracy trial (T15, FN18). Doris was confident, blunt, and very happy to have been elected as one of the new Forum Representatives, “I like a chat” (T15).

The Deputy Forum Representative for ConSew was also a non-management, female Partner in her early 50's. Hattie had worked for Northern Branch for over 25 years (T16), she had never been a Branch Councillor, and in fact has never even observed a Branch Council, despite working in the Partnership for so long. She explained to me that this was because:

“It wasn't such a Partner level thing, it was more DM's and SM's [Department and Section Managers] they were all the members, and if you were going to get on, you join that committee and you said yes to whatever they wanted and that was it, and we always felt that it wasn't worth going” (T16).

Hattie was also pleased to have been elected as the Deputy Representative, but was glad that it was Doris, not her, that had the responsibility of being the actual Forum Representative “It's the speaking you know, I'm not so good at it” (T16).

Meetings took place on the shop-floor at 8.30am before the Store opened. The Branch was very quiet at this time, there was a lot of '*banter*' between Partners and purposeful walking around as they tried to '*get things done*' before customers were allowed into the store at 9am (FN18, 20). The shop floor lights were only partially on, and the escalators that normally provided a constant background hum were turned off to conserve power (FN26).

Just before 8.30am Partners started to gather for their communication half hours in small groups across the store. ConSew Partners gathered around a small row of desks on one side of the shop floor. There were 4 chairs on each side of the desks, and Doris sat on one of these. There were clearly far more Partners than seats, and at my first observation I hung back, undecided what to do. Hattie (who had been introduced to me earlier) said '*Come on love, don't be shy*' and pushed me towards one of the remaining seats (FN18). The female Department manager was not present at the meeting because she was '*covering*' on another department, in fact this would become

a permanent move, and a new manager would be appointed the following week (FN19). One of the Section managers sat down and the other clapped her hands and walked around the shop-floor telling the stragglers to *'come on'*. There were no chairs left by this point so Partners pulled over beanbags and large floor cushions from a display on the shop floor (F18). After several months of observations, I was handed a cushion by one of the Partners, who was immediately admonished by another *'Give her a proper chair, she's from the University'*, and responded *'Oh it's only Abby, man'* (FN26). I took this as a turning point in my relationship with Partners in that constituency, after which I felt that I was accepted, not as one of them, but certainly not a threat or as someone who required special treatment.

Once all the Partners were seated (typically around 14 people), the meeting began with an introduction by the Branch Forum Representative. I was introduced as *'Abby Cathcart from the University; she's studying all about us so she can tell her students'* (FN18). This announcement was met with smiles of welcome from many of the Partners. My introduction followed a similar format for the first 4 meetings, after which I was no longer introduced, but was greeted by name by most of the Partners when I arrived. From time to time, when tales of unhappiness or management error were discussed in the meetings a Partner would say *'now tell that to your students Abby'* or occasionally *'but don't tell that to your students'* (FN21, 27) accompanied by laughter from the others.

One early discussion that took place in the communication was on the question of voting at the new Branch Forum. Doris introduced this:

'Doris: As you all know, we are the only one of the trial Branches that wanted to keep the vote

Partner: Aye, that would be right!

[Laughter]

Doris: Well they've asked us to think about how that might work in practice. We've all got a vote, but under the old system, he [the Managing Director] would have a vote as well. Is it fair for him to have a vote as well?

Partner: Eh?

Partner: Vote for what?

[Breakaway groups laughing about this]

Partner: How many Forum members are there? Because if it's an even number, so you might get a tie, then I think he should vote, but if not, no.

Partner: I think if there is one vote for all the other constituency groups, there should only be one vote for management, he's in a constituency, he doesn't need another vote

Doris: I personally think, he's the MD, he's in the job because he knows what he is doing, he should vote. Remember the 6 day trading vote under the old MD, they voted no but...

Section Manager: [Interjecting and looking at me] Other Branches don't use the vote, because they have a discussion, they consult, and you shouldn't need a vote as well, technically all the issues are resolved.

Partner: But as a democratic group here we felt that we wanted to retain the vote

Doris: Yes, and Parliament, they talk but they still vote

Section Manager: Don't get me wrong, I still support the vote because even though people know that we've discussed it, we still get negative comments, they don't believe us.'

[This comment was followed by a short pause, nobody spoke for about 30 seconds]

'Doris: So what are you saying, should he get the extra vote or not?'

[There is no clear decision, some Partners said 'yes', others 'no', others appear to be ambivalent, the Forum Representative moved on to the next item on the agenda]

(FN18)

At the next meeting Doris reported back that *'they agreed that they wouldn't have a vote, and the MD was happy with that'* (FN19). The response to this statement was laughter from the Partners, and the comment *'Eeeh I bet he was mad'* (FN19).

Meetings were chaired by Doris or when she was absent, by Hattie the Deputy. The new Department Manager, Tom, had been recruited by the Partnership as a graduate trainee two years previously (T25). He was in his early 20's, and had spent the last few years working at the Scottish Branch and Head-Office on "special projects" (T25). Tom was seen by his new team as a "high-flyer" (T16) who would not be with them for long (FN20). Tom was a business school graduate, ambitious and enthusiastic about his career with the Partnership (T25). He felt that it was "a very unique company" that had a "strong culture" but was undergoing "huge change", and that to progress further he needed to "remain mobile" (T25).

Tom attended all but three meetings; when he was absent the meetings were less formal and more irreverent, as Partners took the opportunity to be blunter in their views (FN27) and make jokes (FN28). When Tom did attend the meetings, he tended to dominate the discussions, answering questions that were addressed to the Forum representatives (FN20, FN26), and providing extensive trading reports which often took up more than 20 minutes of the 30 minute meeting (FN19, FN26).

Constituency ConTech

ConTech was a smaller department than ConSew, with two Section managers, a Department manager, and 18 non-management Partners. The Department was 'back

of house' and although Partners dealt with customers on a daily basis, they spent most of their time in a large open-plan office behind the shop floor.

The Branch Forum Representative was a man called Simon, who was in his late 50's. Simon was a non-management Partner and had only worked for the Northern Branch for one year, having previously worked for over 40 years in the print industry. Simon was clearly very grateful to the store for employing him while he was still "reeling from the shock" of being made redundant (T13). He was "blown away" by the democracy, and had known nothing about it, despite shopping in the store for over 30 years (T13). Simon was the only male working in his department and thought that his colleagues had chosen him for the position of representative for "obvious reasons" (T13). He took his responsibilities very seriously, and frequently expressed his gratitude to the Partnership and amazement at others who did not "appreciate the opportunities they were given" (T13, FN23, 28).

The Deputy Branch Forum Representative was a woman, also in her late 50's. Christine was a non-management Partner; she had worked for Northern Branch for 30 years, with maternity breaks of several years in the 1980's. She had been a Branch Councillor for a period of around 4 years early on in her career and for a period of 3 years immediately before the Democracy Trial started (T17). She was hopeful that the Branch Forum would work better than the Branch Council, because the representatives were just "normal Partners" not "trying to improve themselves" (T17). She saw this as an unintended consequence of the decision to change the election process:

"They thought they'd get the greens from the shop floor, but they got me, and I'm not afraid to say no or to speak out, and Simon is new, but because he's new, he isn't afraid either" (T17)

The meetings started at 8.30am, Partners brought chairs round to one end of the office, and sat in a circle, drinking tea and coffee, while Simon chaired the meeting. One Partner remained at her desk to 'take calls' (FN25), and the Section and Department managers would typically stay for the first 10 minutes and then excuse themselves to do other things (FN22, 24, 25). A large sign on the office wall stated: "*Switch off Lights, You're burning our bonus*" (FN23).

The meetings were usually started by the Section or Department manager, who would share trading figures, 'Partnership Card target sales' for the day, and other 'church notices' (FN22, 23). I was introduced to the Partners as 'Abby Cathcart, who is doing some research on our democracy' (FN23). I sat in the circle, in a seat reserved for me by Simon. The meetings were dominated by Simon, and in fact, it was rare for any other Partner to make more than a short comment (FN23, FN25). He would spend most of the time describing what had happened at the last Forum, adding his own evaluation 'The guest speaker was excellent' (FN22), or expressing concern about the lack of response to what he deemed to be an important subjects 'I'm afraid that my idea fell on stony ground' (FN25). On one occasion he informed his constituents that the Department manager (who was absent that day) had asked him to get some feedback on how the democracy project was going, and whether Partners felt it was an improvement:

Partner: I think its better now, now there's a proper election and our rep is one of us

Partner: Yes but I still think with contentious issues, if we raise them there will be reprisals

Partner: It all depends on who the Department Managers are!

Simon: Well some people think there's no point having a democratic body, so we need to think about whether we agree

Partner: I agree, your opinion is valued, providing it fits with their one
[Laughter]

Partner: That's right, when it's a major issue, they ask but they never listen, they just pretend we have a voice'

(FN24)

Other topics discussed included the refund policy, staff discount card policy, the recycling strategy for the Branch and on one occasion, in a discussion that lasted 15 minutes, the price of cauliflower cheese in the Partners' dining room (FN23, 24, 30).

One topic that generated a number of contributions related to a new initiative in the Partnership called 'Time Banking'. This was an attempt to 'smooth' staffing levels in the Branch according to peaks in trade at key times. Partners were informed that they could accrue up to 40 hours of 'banked time' by working less when the store was quiet. This time would then be '*paid back*' during the busiest trading season - December and January (FN18). The scheme was voluntary, but each department and each Branch had been set a target of '*time banking hours*' and managers were clearly under pressure to deliver (FN11, FN12, FN23). The points of contention seemed to be the low take-up of voluntary time banking by Partners; the patterns in which some departments had required Partners to 'payback' their banked time; and thirdly the question of whether payback would be in the Partner's own department or in another one (FN18, 21, 22).

The Branch Forum representatives had been asked by the Managing Director to help '*communicate*' time-banking in their departments (FN16) and there appeared to be tension between the Kathy, the Department manager and Simon as to their respective roles:

Simon: Now, the Forum representative had some workshops on time banking last week, it was recognised that there is a lot of issues with regards to communication but I have to say it was handled well in our department compared to others. Since the procedure was handed out and we had a communication on it, there is now an issue of back pay. The hours returned to the business aren't exactly the same. Last year we were concerned that some of us were being asked to return late nights, the procedure doesn't clarify it. We would like you [looking at Kathy, the Department Manager] to define the part on 'ad hoc special purposes', I mean if your child is sick, how does that work?

Kathy - It depends, it could be time bank, no pay or special paid leave.

Simon: So you wouldn't force anyone to time bank?

Kathy: It shouldn't happen like that, each case is considered on its own merits

Partner: What happens if you have kids and can't work nights?

Partner: Aye, that's what happened to Betty, they made her come in, and she had to pay someone to watch the kids.

Kathy: We'd have to work round that, we try and negotiate where possible'

At this point the discussion was interrupted by the Store's Tannoy System:

'Okay we're drawing the balls for the tickets to the match, remember you have to be in it to win it, and the only way to be in it is to go one step beyond' (FN30)

This announcement related to a new initiative of rewarding Partners for 'excellent customer service', strong performers would be commended by their Department Manager and their names would go into a weekly draw for tickets to the Football (FN28). As the winner was read out (a Section Manager from the Personnel Department) one of the constituents commented '*Aye, that would be right*' accompanied by nods of agreement from her colleagues (FN30). This subtle indication of dissent is discussed in the next chapter. After the announcement the Forum Representative continued:

Simon: I'd like to support that, it is voluntary and we do have a chance to negotiate when we pay back, providing you raise the issues at the time. However, I've talked to the team about this, and we'd still prefer not to payback to other departments, we want to payback to this department only

Kathy: I am in discussion on that. [She stands as if to leave]

Simon: I think I was misled, we were told that we wouldn't pay back to other departments

Kathy: [Sounding cross and clearly closing the discussion] I am discussing that at management level'

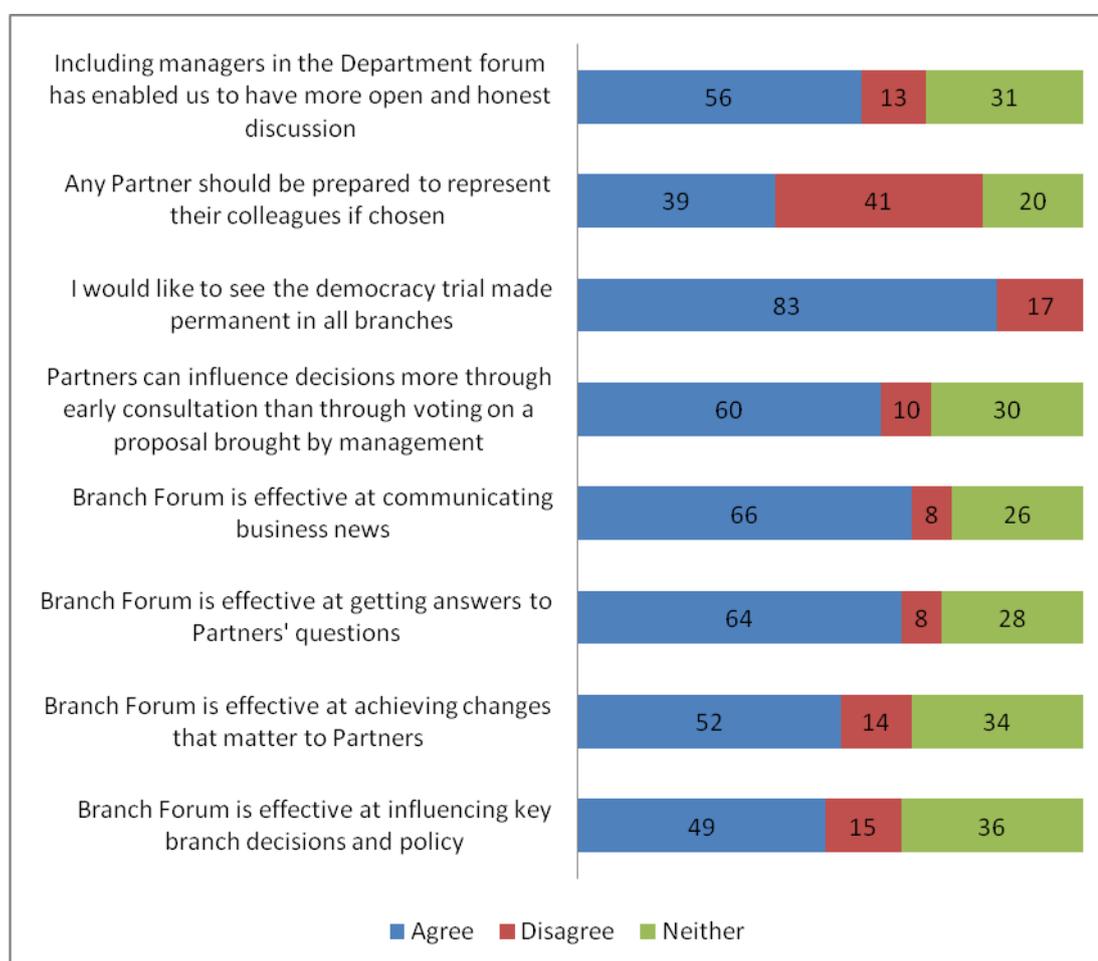
(FN30)

So far I have explored the launch of the democracy project and used the Northern Branch to illustrate the mechanics of the Branch and Departmental Forums. Next I briefly outline the conclusions that the Partnership made about the year-long trial.

THE PARTNERSHIP'S EVALUATION OF THE DEMOCRACY TRIALS

In September 2006 a new PBOP Democracy Project survey was conducted in the three trial Branches (D25, D26). The results indicated support for the new forums and selected results are illustrated below:

Table 7.8: Results from the Democracy Survey 2006



(Source: PBOP Democracy Survey Results 2006: All Branches; PBOP Democracy Survey Results 2006: Northern Branch)

In March 2007, Sir Stuart Hampson attended his last Partnership Council before handing over to Charlie Mayfield, the new Chairman of the Partnership. He was asked to comment on the democracy project evaluation and the proposals that would be considered at the next Partnership Board:

“It is a way of summing up the change in the business to say that we want to hear Partners’ voices setting the agenda rather than Partners reacting to what management proposes” (*Gazette*, 30/3/07: 24).

In his first major address to the Council, the new Chairman outlined his vision:

“An enterprising Partnership needs an enterprising democracy...the most exciting thing is that it brings the democracy and the business together...it really unlocks the competitive advantage that should come from our democratic bodies” (*Gazette*, 29/06/07)

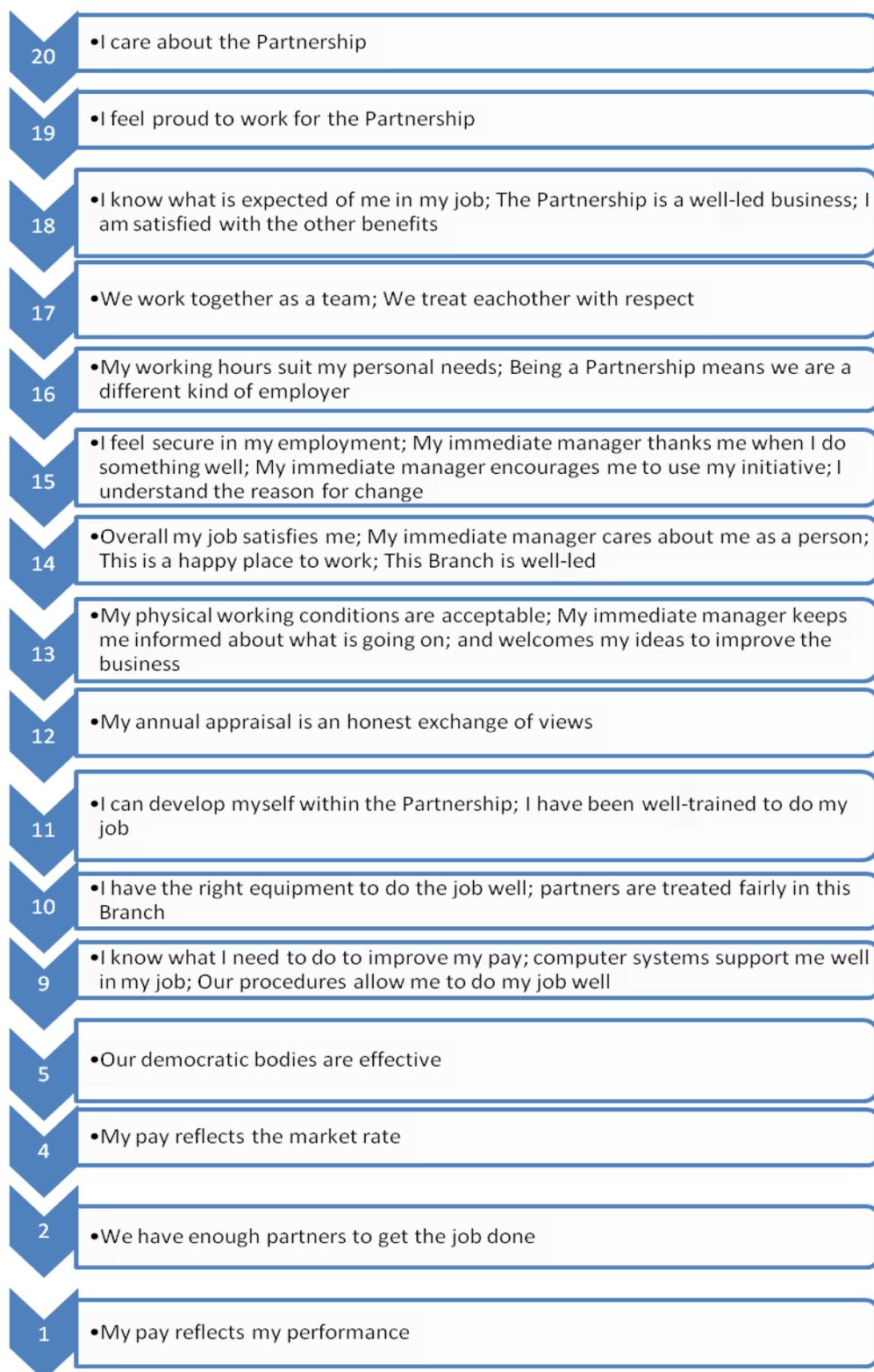
The Council were asked to approve new democratic arrangements for all Branches based on the model outlined by the Divisional Registrar. The model was very similar to that trialled in the three Branches through the Democracy Project experiment. The question of decision-making rights was summarised in a document entitled “*Report on the PBOP Democracy Project- The John Lewis Proposal 2006*”:

“On the one hand there is a mandate from Partners in the 3 trial Branches as a result of the 2005 and 2006 questionnaires. The 2005 questionnaire showed appetite for decision-making for trading hours at 25%, appetite for input/influence at 66% and no interest in involvement at 9%. The same questionnaire showed appetite for decision-making on working arrangements at 25%, appetite for influence and input at 68% and no interest in involvement at 7%. In 2006 the second questionnaire showed that 60% of respondents agreed with the statement ‘Partners can influence decisions more through early consultation than through voting on a proposal brought by management’.

There is a widely held view that senior management have the skill and experience to make commercially astute decisions and can be trusted in doing so to consider Partners’ views. On the other hand there is a strongly held view that for many Partners, democracy means having a vote - and indeed some Partners would favour all Partners being asked to vote on major issues.”

The proposal allowed Branches to choose whether to adopt the 'Consultation' model trialled at Southern and Scottish Branch or the "Decision-Making" model trialled at Northern Branch. The proposal clearly emphasised the advantage of the former but stated that there would be further trials across the Partnership. The proposal was accepted; 74 Councillors voted in favour, 6 against and one abstained (*Gazette*, 29/6/07: 11).

In 2007, the Partner opinion survey was repeated, and the results demonstrated small improvements on 17 of the 33 statements (see Figure 7.11 overleaf). The Chairman commended the "early signs of improvement" in the democratic structures" (Partner Opinion Survey Results).

Figure 7.9: Partner Opinion Survey Results 2007*

* These are the average score of all responses. The scale is -30 to +30

(The Gazette, 07/09/07)

CONCLUSION

In this chapter I outlined the 'Democracy Project' which was launched by the Partnership in 2004 and which paralleled my own study of democratic practices in the organisation. I explored the way in which the Partner opinion surveys were used to formulate a particular form of democratic experimentation, and examined how the new mechanisms were enacted in Northern Branch. Finally, I outlined how the senior managers in the Partnership used the survey results to construct a proposal for democratic engagement that was accepted by the Partnership Council in 2007.

The next chapter moves to analysis and interpretation and seeks to understand what was meant by democracy in John Lewis, and what the implications of this were for the participants. In particular, I explore the way in which opinions about the democracy were constructed through informal pressure and partisan readings of survey results in order to create an incontestable truth that was used to constrain the possibilities for democratic engagement across the Partnership.

CHAPTER 8: DIRECTING DEMOCRACY AND PARADOXES OF PARTICIPATION

INTRODUCTION

This chapter explores the meaning of democracy in the John Lewis Partnership. It takes as its starting point the position that democracy is messy and contradictory and I focus explicitly on the “paradoxes, ambiguities and tensions” involved in governance (Cornforth, 2004: 21). Foucault’s conception of power is fundamental to my analysis. As I described in chapter three, Foucault saw power as a set of techniques which are used to “gain access to the bodies of individuals, to their acts, attitudes, and modes of everyday behaviour” (Foucault, 1976: 125). In focusing on the paradoxes and tensions within the practice and discourse of democracy within the Partnership I explore the exercise of power and the relationship between power and knowledge.

The chapter is divided into three sections. Section one focuses on the struggle to direct the democracy in the Partnership, and the way in which democratic structures were used by management to pursue a highly constrained form of democratic engagement. Section two explores the tension between the Partners and the Partnership, and argues that there are a series of contradictions and paradoxes of participation. These include Partners being required to prioritise the interests of the Partnership over their own interests, and elected representatives experiencing a crisis of identity which distances them from their constituents. Section three focuses on the uniqueness of the business model, and the tension between an organisation that claims to be different, at the same time as claiming that the market requires businesses to all be the same.

DIRECTING DEMOCRACY

In this section I will argue that a key aspect of the democratic structures in the Partnership was the tension between the managers and Partners who sought to direct the democracy in ways that served their best interests. There are a number of ways in which this desire to direct manifested itself, and this section explores how voice mechanisms were used by management to pursue a particular form of democracy, one which valued democratic engagement only in so far as that engagement supported the business itself. I will argue that this conception of OD was constructed and kept in place through a wide range of strategies, including the use of opinion surveys and in-house journalism, which affirmed the dominant discourse and excluded and marginalised alternative versions of 'truth'. I also demonstrate that despite managerial attempts to control democratic voice, the structures and discourse created a space where dissenting voices were able to express small, but important alternative perspectives.

On the face of it, it is apparent that the Partnership was an organisation where employee voice mechanisms were encouraged. Employee voice was given space in three main arenas: the opinion survey; the Branch Forum / Partnership Councils; and thirdly in the in-house journals (*The Gazette*, *The Chronicle* and *John Lewis Focus*). I will argue that each one of these was a site of struggle between management and non-management Partners, as a range of forces competed to define, limit and close down the content and scope of dissenting voices. Furthermore, I will suggest the staff that constituted the 'Critical Side' of the Partnership, created by the founder to uphold the Constitution, ensure that the organisation was true to its principles, and give appropriate consideration to "claims of humanity" (Lewis, 1948: 435), failed to keep the necessary distance and independence from management that would enable them to function credibly in that role.

Each 'voice mechanism' is analysed in turn, before moving on to the question of the Critical Side.

The Partner Opinion Surveys

In many ways, the Partner opinion survey could be seen as a positive method of establishing the real concerns of Partners in the business, and using that knowledge to address them. This perspective certainly accords with the rationale put forward by members of the senior management team, who explained that the survey was all about “getting a sense of whether we’re doing better or worse” (T24), “a means of uncovering things that we need to do better in order to make the business better” (T18) and a way of ‘*tracking the impact of changes*’ (FN08). As was seen in the previous chapter the survey results generated immediate responses from the management of the Partnership who created ‘working groups’ on pay, administrative systems and democracy. This could be seen as a victory for ‘voice’; employees used the survey to give voice to their lack of satisfaction, and the Partnership acted to address their concerns.

Unfortunately, the picture was not quite that simple, and in fact I will argue that the Partnership’s use of and response to the surveys was a way of neutralising voice, rather than engaging with it. The managerial response to the survey results took several different directions, a key one was to focus on the idea of the survey as indicating ‘perceptions’. In this way addressing the survey results became a process of changing perceptions as opposed to responding to the concerns that were raised. The Personnel Director explained this to the Divisional Council:

‘We want you to help us shape the Partner opinion survey results. You can't underestimate how difficult it is to shape or shift perception. To get a 1% increase on a single question we have to shift perception among 700 Partners.’
(FN08)

As was explored in the previous chapter, one of the areas that Partners were dissatisfied with was the level of pay in the Partnership. This issue was discussed at a Partnership Council meeting and the elected Councillors asked the Personnel Director to comment on the results. His response was to invoke the question of perception, as if pay was not something tangible, and it was the feelings about pay, rather than the pay itself which needed to be addressed:

'It will take time to change perceptions, but with effort and communication we will do it' (FN08)

There was never any question for managers that pay levels might need to be changed; instead the focus was on unpicking the 'real' reason for the dissatisfaction:

'We can't change the pay levels as a knee-jerk reaction to the opinion survey, what this is really about is to ask what lies beneath it, what are people unhappy about?' (FN09).

Management had anticipated an absence of satisfaction with pay levels, and the results of the survey did not surprise or concern them, "after all if everyone agreed with the statement 'my pay is fair' that would probably mean we were overpaying them" (T18).

One manager explained that the Partnership had undertaken a huge exercise in response to the survey results on pay. This had involved benchmarking pay rates against competitors, and ensuring that Partners had access to that information so they understood why they were paid at a particular level (T24). Again, the efforts were aimed at changing the perception of pay, not exploring whether the perception may in fact signify a problem with pay rates. The Partnership gave Partners access to data which supported the view that they were paid at a level comparable to people working for the competition, but that is not the same as persuading them that they are paid enough. Essentially, the managers were exercising their power through the Council and reportage of the survey results to produce a form of knowledge about the survey which rationalised their decision to continue to pay Partners using the existing model.

A second managerial response to the opinion survey results was to change the questions that were included in the survey. In 2005, the survey asked Partners to respond to the statement "my pay is fair" (D11), by 2006; this had changed to "my pay reflects the market rate" and "my pay reflects my performance" (D13). These changes did not go unnoticed by the Partners. The following exchange took place in a 'communication half hour' in Northern Branch:

'Forum Representative: They've asked me to get your ideas on how to improve the Partner Opinion Survey Results.'

Partner: That's easy; it's just a matter of editing the questions until they get the answer that suits them

[Laughter]

Partner: Seriously, I mean the question is 'Is my pay fair', we all say no, and they just want to rephrase the question!

Partner: Yes, like 'We have enough Partners for the job', the Department Manager drummed it into us that we had to say yes, she said there was no money and we wouldn't get any more Partners and there was no point being negative.' (FN19)

This illustrates the level of cynicism that Partners had about the opinion survey as well as the paradoxical nature of the participative system. Stohl and Cheney (2001: 391) narrated a story from their own research where a manager screened employees' contributions to the suggestion box and employees were urged not to offer suggestions that were unlikely to be implemented. Similarly, in the Northern Branch, the survey that was designed to gather opinions, paradoxically led to an attempt by the manager to use the 'democratic' Forum to attempt to direct those opinions.

As I outlined in the previous chapter, the style of questions used in the surveys were a vital element of the management's desire to shape responses. The original democracy survey was created by the Divisional Registrar and asked Partners whether they wished to 'make decisions' or 'give input/influence decisions'. The majority opted for the 'influence' option and this was interpreted by the Divisional Registrar and her steering group as not wanting to be involved in decision-making (D15). An alternative interpretation might have been that Partners wanted to continue to operate a form of representative democracy, where they gave input/ influenced the decisions of their representatives, who then made democratic decisions on their behalf (through voting on key issues). Instead, the result was interpreted as "no appetite for decision-making" (T19) and a clear preference for 'voice' rather than decision-making power (*Report on the PBOP Democracy Project- The John Lewis Proposal 2006*).

When I questioned the interpretation of the results it was made clear to me that there could only be one reading of the response, and moreover it gave the group leading the democracy project a renewed sense of power:

“The statistical validity gave us a mandate” (T19).

In effect, the statistics generated by the survey became a form of incontestable data which were used repeatedly by the management and the Registrar’s team to close down dissent. Statistics were employed to state irrevocably that the Partners were not interested in decision-making (*Gazette*, 16/09/06; 30/03/07; T19, T24). As time went on, and the democracy trial was expanded to cover the whole of the Partnership, these statistics were quoted repeatedly to reinforce the ‘type’ of democracy that the management wanted to implement (*Gazette*, 20/01/07). The later version of the democracy survey went even further than the first one in shaping the responses that Partners were able to make to questions. One section asked Partners if they agreed with the statement:

“Partners can influence decisions more through early consultation than through voting on a proposal brought by management” (*PBOP Democracy Survey, 2006*).

The possibility that Partners might seek BOTH early consultation AND voting on final proposals was not explored, but instead it was presented as a choice, and a leading one at that. The 60% of Partners that indicated that they agreed with the statement became evidence for the:

“...widely held view that senior management have the skill and experience to make commercially astute decisions and can be trusted in doing so to consider Partners’ views as they do so” (*Report on the PBOP Democracy Project- The John Lewis Proposal 2006*).

It is suggested that the opinion surveys were used as a mechanism for pursuing a certain type of voice; a form of employee consultation that chimed with the management’s vision of what voice should be. Further, that the Partner opinion survey was used as a mechanism for closing down democratic voice, by manipulating questions which supported the management’s desire to limit access to decision-making powers in the Partnership, and by using statistics from these leading questions to present undeniable ‘facts’ about Partners’ opinions.

Foucault (1973) argued that we live in a society where panopticism reigns, where knowledge is organised around a conception of the norm which forms the basis of power:

“...a knowledge characterized by supervision and examination, organized around the norm, through the supervisory control of individuals throughout their existence.” (Foucault, 1973: 59).

Partners are individualised through the disciplinary practices of power-knowledge. Managerial power and the use of particular forms of knowledge through the survey and journalism sustain and reproduce disciplinary effects. Managers’ constructed a particular reading of the survey findings and presented this as incontestable. In addition, the apparent concreteness of the survey data gave their interpretation credibility and contributed to the impotence of the Partners. The effect was that knowledge about what democratic participation might mean was severely constrained by the dominant managerialist discourse which served as “an action upon actions” (Foucault, 1982: 340) to manage the possibilities for alternative responses. Although Foucault (1979: 324) argued that power was dispersed through society and thus potentially subject to resistance in every interaction, the individualisation of Partners weakened their potential resistance. Although some Partners identified the manipulative practice of constructing survey questions (FN19), they were “politically docile” (Knights and Collinson, 1987: 474) and appeared not to feel capable of mobilising resistance.

The Democratic Bodies: Branch Forums and Councils

The Branch Forums were described as an “experiment in democracy” (T18, 19; FN12) and a way of making democracy more “relevant” (T24), “engaging” (T18, 22) and “modern” (FN03, 15, T17, 21). However, right from the beginning there was evidence that what management and Registry might seek from the Forum was not necessarily the same as what non-management Partners may want (FN05, 19, 22).

Managers in pursuit of democracy

One of the key subjects that I explored in my study was the motivation for pursuing democracy within the Partnership. When I talked about the Partnership to people outside of the organisation, and described the actions of the founder to them, people often asked if John Spedan Lewis was a Quaker or a Socialist, assuming that membership of those groups would explain his decision to create the Partnership structure. Lewis himself was keen to reject any such labels (Lewis, 1948: 42), but instead stated simply that he wanted to build up a business that was conducted “not for the benefit of the capitalists...or yet for the benefit of the managers...but for the benefit of the staff as a whole” (*ibid.*: 411). Early on in my research, the Chairman described the Partnership as a kind of “third way” between communism and capitalism (T24), invoking the beliefs of John Spedan Lewis in explaining this:

“He was a man of great conviction that capitalism, as he saw it in those days, was unbalanced and therefore, at some level I am sure he felt it was unsustainable...because it was unbalanced. He saw it as unfair, that it was unequal, an insufficiently equal sharing of the spoils of business or prosperity or whatever, and I think it was a heartfelt conviction that there had to be another way.” (T24)

The Chairman was quite clear that the primary motivation for continuing to pursue democracy in the Partnership was an instrumental one, that “engaging employees was great business practice” (T24). The link between engagement and democracy was clear to him, and he argued that this was the reason that John Spedan Lewis had built democratic checks and balances through the Constitution:

“Democracy provides a check. Insurance that there is engagement. You have to be engaging with Partners, because it’s a requirement” (T24)

Other managers talked about the opportunity created by the dual role of Partners as both shareholders and employees (T03, 25, 21). They saw democracy as a key mechanism for allowing Partners (shareholder role) to hold management accountable, and engaging Partners (employee role) to work with management in pursuit of the agreed vision. Managers took pains to emphasise that what was good for the business was also what was good for the Partners:

“The purpose of the business isn’t about profit generation and aligning people as effectively as possible to the generation of profit. It’s actually about creating profit, as a means to an end not an end itself; the end is personal satisfaction from work.” (T18)

“Their engagement, makes us a better run company, they want to work here, and they have a say in how we’re run” (T20)

‘We are shareholders, we are investing our time, we should be demanding the dividend from our investment. Through our democratic bodies we should be pushing managers to achieve better results. We should be more demanding than the employees in a conventional business.’ (FN12)

JSL stated that the ultimate purpose of the Partnership was the “happiness of all its members, through their worthwhile and satisfying employment in a successful business” (John Lewis Constitution, 2000: 7). This ‘happiness’ clause was invoked frequently in my discussions and it became clear that whereas non-management Partners tended to relate the pursuit of happiness to questions of work-life balance, or welfare issues; managers focused on the inextricable link between happiness and business income. For managers, happiness would flow from a profitable business:

“Without the profit, you don’t have the employment, and then you don’t have the happiness” (T19)

“Happiness and profit go hand in hand” (T22)

“Happiness is providing a sustainable business model” (T21)

For many managers, the main problem with the democratic structures was that they were failing to engage Partners sufficiently in the business:

“Co-ownership should mean a sense of responsibility, the differentiating characteristic is the democracy, but the perception is that it is less relevant to my situation” (T02)

“The democracy project is about making Partners take responsibility for their business” (T19)

‘If there is one weakness the Partnership has, it is that historically we have created an adult-child state, we need to be more robust in expecting Partners to play an active part in our arrangements. The responsibilities should accompany the benefits of being a Partner.’ (FN05)

Several reasons were put forward by management for this lack of engagement, including disinterest in strategic issues (T02, T08), ingratitude (T03, T19), and a failure to grasp the relevance of debates (T18). There was a general opinion that the democracy had been allowed to stagnate, and that the business side of the Partnership and the democratic structures should have been closely aligned, but were actually drifting further apart (T01, 02, 10, 18, 19).

Some managers stated that Partners were disillusioned with the democracy, because they had “mistakenly” believed it gave them more power than it actually did (T19, T24). They were at pains to point out that the Partnership was co-owned not co-managed, and that some Partners confused the two and were disappointed (T19, T21). The democracy project, and specifically the forums were intended to reinvigorate Branch level democracy (FN01), to help Partners see the relevance of engaging with the democratic structures (T19, T25), and to develop a more “honest” form of democracy (T18, 19, 24).

Managers responded very positively to the Forum experiments, and appeared to be happy with the trial and the levels of engagement (FN03, 06, 17). A phrase that was repeated often, and one that for many managers appeared to symbolise the success of the Branch Forum, was “it meets the coffee cup test” (T18, 19, FN12, 18). This meant that the topics being discussed in the Branch Forums were the same ones that were being discussed by Partners taking their breaks in the Partners’ Dining Room. Effectively, managers were commending a form of Branch level democracy that was concerned with the directly experienced elements of the job, that is, with local and operational issues rather than central or strategic ones. It was felt that one of the

major achievements of the trials was that the agenda for meetings was “owned” by the Partners (T24, T25).

There were limits to the ‘directly experienced aspects of the work’ that managers wanted the Branch Forum to focus on. One subject that they were keen to see play a much smaller part in democratic debate was trading hours. Trading hours were repeatedly identified as the main subject of contention within Branches (FN02, 13) and were the source of long “adversarial” debates at Council meetings (T18, 19, 24). During the democracy trials, Northern Branch was the only one that chose to retain its vote on trading hours (T18, T19). This decision clearly sat uncomfortably with management, and although there were claims that they were pleased that different models were being trialled in different Branches (T18, 19, 24) it was apparent from interviews, and the subsequent presentation of the democracy trial results that this was not the case (T19, T22, T23, *Report on the PBOP Democracy Project- The John Lewis Proposal 2006*). Instead, the desire to hold on to the vote was seen as a function of its “history” (T22, T23) and “traditional attitude” (T19). The two stores that embraced the ‘consultation model’ by contrast, were described by managers as demonstrating their “faith in management” (T18), using a model that was “more honest and responsible” (*Report on the PBOP Democracy Project- The John Lewis Proposal 2006*), and proving that communication in their Branch was good (T08, T19).

In summary, I have argued that what management sought from democracy was support for their decisions and acceptance of “regimes of truth” (see for example Foucault, 1976: 132) constructed by managerial discourse. The models for the Branch Forum were not democratically determined, as was implied in the early reportage of the democracy project (T18, FN03), but rather, were pre-determined outcomes of a model of employee participation that correlated with the management’s desire to minimise the power of dissenting voices and maximise a unitarist conception of employee involvement.

Discourse determined who was allowed to speak authoritatively (Foucault, 1972: 28), and thus voices which did not fit within this discourse were dismissed as mistaken and misguided. In addition discourse determined what things were appropriate to say

(Jackson and Carter, 2007: 81; Mills, 2003: 54) and so as I have argued above discussions on trading hours were not acceptable, whereas performance improvements were. In the next section I examine the experience of non-management Partners in the Partnership and explore their concerns and aspirations for democratic participation.

Non-management Partners in pursuit of democracy

For many of the non-management Partners, their unhappiness with the existing democratic structures stemmed from very different concerns to those put forward by the management. For some, democracy meant that they had a voice (T13, 14), that you could “speak up and have your say” (T16, T28) and “express your opinion” (T26). For others, the democracy was symbolic of the Partnership’s difference (T17). They believed that it was their business, that they owned it, and therefore they had the right to determine the decisions that were made about it (T30, FN22):

“I know there are links with loyalty and long term employment, but for me, I enjoy working here, this is a democracy and we don’t have to slavishly follow profit” (T04)

“It’s great that we’re Partners, and we have a voice, you know, they just can’t tell us what to do” (T14)

“I’m absolutely blown away by the democracy side of it, the involvement we’ve got right across the board.” (T13)

An aspect of the democracy where non-management Partners tended to agree with managers, was the belief that the existing democratic structures were old fashioned and too formal (T14, 15, 17). However, the main problem with the Branch Councils, according to the non management Partners, was that they were dominated by Section and Department managers and therefore did not truly represent them (T05, 06, 12, 16, 17). They believed that Council has been co-opted by managers, who voted as expected in order to demonstrate their allegiance with senior management and progress their careers (T15, 17). Whereas the managers had complained that the Branch Councils were too adversarial, the non-management Partners were concerned

that the Councils were often little more than a 'talking-shop' (*Gazette*, 10/12/05). There was also a view that some of the Branch Councillors were not representing their constituents, either because they were managers and had different interests, or because they lacked the confidence or skills to speak out in the formal meetings "people go to meeting after meeting without saying anything" (T14). A further source of dissatisfaction with the democratic structures was the belief that decisions could be overturned if they didn't coincide with the decisions expected by Senior Managers (T04, T17):

"We voted on whether to close New Year's Day, but management told us that we were the only one. Management came down really hard; we had to compromise, if we voted no it would get over-ridden [by Partnership Council]. It left a lot of bad feeling in the store. Democracy has taken quite a knock this year; there is a feeling that it is there to be seen. If it can be over-ruled what's the point?" (T05).

Almost all the non-management Partners that I talked to believed that the ability of their Branch Councillor or Forum representative to vote was a crucial part of democratic engagement. They saw voting as the ultimate expression of democratic practice, and cited occasions when in the past voting had been used to overturn management proposals or take a stand against domineering Managing Directors (T04, 05, 09):

"There have been times when we've voted against what they want, and we have got our say, you know it does work" (T16)

I was given a number of examples of occasions when Partners had rejected management proposals on issues as diverse as trading hours (T05, 09); name changes (T16) and shift patterns (T04). The desire to have a vote did not necessarily indicate a rejection of management *per se*; in fact, by contrast, Partners repeatedly affirmed their belief in the skills and abilities of their senior managers (FN29):

"After all, he's got the business head" (T15)

"The MD gets the money to make decisions so let him make them" (T23)

However this faith in the management did not prevent Partners from wanting to have the safeguard of the vote, even though for some Partners this was seen as largely symbolic (T20):

“We are trying to get more people to believe in the democracy, if we were just having discussions, and letting management make all the decisions, that would be worse” (T15)

There was a belief that the management were bound by the Constitution and that this placed limits on their decision-making power, both in terms of the requirement for Council to ‘sign off on decisions’ and the principle that happiness should come before profit:

“I like to vote, its the happiness of the people that work here that counts most, and even though times are hard, the Constitution isn’t going anywhere, and they [the management] are meant to follow the values” (T17)

This sense of ‘symbolic’ democracy accorded with my observations of Branch Council and Forum meetings, and of the wider democratic bodies like Partnership Council. On several occasions, there were full and frank debates, where elected representatives appeared to strongly object to some aspect of a proposal. However, despite the rhetoric used in the debate itself, when it came to the vote, Partners frequently voted to accept the proposal, in apparent contradiction to the words of dissent expressed by them only moments before (FN01, FN07, FN14, FN17). A key reason for this will be explored in section two of this chapter, when I examine the paradox of being a Partner and an employee.

My observation of Communication Half Hours and Branch Forum meetings appeared to confirm the finding of other researchers that employees participate more in discussions about operational issues than strategic ones (Ng and Ng, 2009; Ramsay, 1977b). For example, in the case of ConSew, in one communication half hour there was a lively discussion about the price of food increases in the Partners’ dining room. One Partner shared their personal experience of an error being made at the till point and the price of various food items changing from one day to the next. This led to other Partners sharing their grievances about the standard of food, the cost of sandwiches, and the poor service from some of the Catering Partners (FN28). Almost all the Partners in the department contributed to the discussion, which lasted around twenty minutes. In

contrast, a discussion about changes to the Pension Scheme was much more subdued, only two Partners spoke, and one of them was the Forum representative who was outlining the proposal that was to be debated at the next Council meeting (FN24).

The limited participation in discussions on items of strategic interest could be due to a range of factors, including lack of confidence, understanding, apathy, or the restrictive bureaucratic meeting structure. However, I believe that disciplinary power was internalised by Partners through a normalizing judgement (Foucault, 1977a), which imposed acceptance of a limited scope for participation and made other possibilities unthinkable. Partners did not see the purpose of commenting on issues as important as pensions because they did not feel that their opinions would influence the outcome of any debate at Council level. Partners saw influencing trading hours as their right, and in fact, there was significant evidence from the Branch that the views of Partners were both solicited and acted upon in formulating the trading hour's proposals that were ultimately approved by the Council or Forum (FN14, 22, 23). However, my sense was that other strategic issues which theoretically at least were of equal importance to the Partners were somehow seen as outside of the democratic sphere. Partners were interested in the outcome of the discussion, but didn't feel able to participate in determining that outcome themselves. In effect, Partners had internalised a limited scope to their democratic consciousness and engagement and became "docile bodies" (Foucault, 1977a: 135; Gutting, 2005: 87). A combination of "bureaucratic and self-regulation meshed to produce a highly-controlled working environment" (McKinlay, 2002: 612). As I noted in the previous section, Foucault (1972: 28) has argued that discourse determines who is allowed to speak authoritatively and what things are appropriate to say. My analysis of discussions indicates that Partners had internalised a particular knowledge about democratic participation. A knowledge which allowed for dissent but only within strict limits, thus Partners voiced concern, but did not act upon it; they debated the standard of food within the canteen, but not changes to the pension scheme.

In summary, the Councils and Forum were potentially the most powerful expression of democracy in the Partnership, however, they were also the site of significant misunderstanding and power-play. Managers wanted Partners to engage 'more' with

their democratic bodies, but less with contentious subjects, they sought vibrant discussion and debate through a model of consultation rather than negotiation, and certainly not one that culminated in voting. Partners also wanted to engage more with their democratic bodies, largely by electing ‘true’ representatives chosen from the ranks of non-management Partners. They wanted early consultation on proposals and a clear voice in formulating decisions, but they also wanted the vote as both protection from dictatorial managers and as a symbol of their rights as co-owners of the business. However, the scope of their democratic engagement and the types of decision that they felt able to participate in were limited by a discourse which was inextricably connected to the construction of knowledge about what democratic participation might mean.

In-House Journalism

As outlined earlier, the Partnership published three internal magazines, *The Gazette*, the Partnership wide publication; *The John Lewis Focus*, the John Lewis divisional publication; and *The Chronicle*, a magazine produced weekly in each Branch. All three publications were issued free to Partners, and were widely read and discussed in Branches (FN03, FN08, FN23).

The Constitution safeguarded every Partner’s right to express their views in a letter to the journals “however ill-advised those views may seem” (John Lewis Constitution 2000: 25). In any given week, there could be up to 20 letters on subjects as diverse as pension schemes, age discrimination, the amount of money spent on consultants, branding, and dress-codes (*Gazette*, 03/12/05). Over half the letters written were published anonymously, usually under a pseudonym provided by the Partners. The journalism provided a third key expression of Partner voice; in fact I would argue that the pseudonyms themselves were often a clear indication of Partner dissent. The following pseudonyms were used in a single month: *Trying to warn you; Concerned Partner; Powerless; Sceptic; In the land of the blind; A very sad retired Partner; A once staunch supporter; Hidden agenda; Brick in the wall; Eco warrior; Non-believer; Bushed out* (*The Gazette*, November 2005).

During the data collection period, I regularly read the journals and often discussed their content with people in the Branches. From the beginning of the democracy project there was a small, but noteworthy stream of letters objecting to aspects of the trial and offering alternate interpretations of key 'findings' from surveys and focus groups (*Gazette*, 2005,2006). A recurring theme was concern about the loss of decision-making powers in the trial Branches (with the exception of Northern Branch). Writers accused the Partnership of turning "a perceived talking shop into an actual one" (*Gazette*, 10/12/05), and invoked the image of "turkeys voting for Christmas" (*Gazette*, 5/11/05) in exploring the decision by Branches to drop their ability to vote. Branch Forums were described as having "no power" (*Gazette*, 09/07/05; 03/12/05; 15/04/06) and the Partnership was accused of being a "benign-oligarchy rather than a democracy" (*John Lewis Focus*, 22/07/06).

Each letter was responded to by a senior figure within the Partnership, in the case of letters about the democracy trial this was usually the Divisional Registrar or the Partners' Counsellor. The responses were usually polite and detailed, reiterating the principles behind the trial and emphasising that no decisions were set in stone, and that the Partners themselves were creating the models (*Gazette*, 22/10/05; *Northern Branch Chronicle*, 22/07/06). In response to any letter implying that the loss of the vote was in any way imposed on Partners by management, the survey data (as discussed in the previous section) was used to counter the claim:

"The majority of Partners in the trial Branches made it clear that they wanted future arrangements to give them input and influence as opposed to actual decision-making" (*Gazette*, 05/11/05).

I frequently quoted from the journals when I interviewed members of the senior management team, and found that although letters were rarely seen either as a threat, or as a significant expression of Partner voice (T18, 24) they were read by everybody, and moreover, they often resulted in managers taking action, not least so that they would have a response if questioned by more senior managers:

"That manager will be held to account following the letter, it's just frustrating that they felt the *Gazette* was the only way they could deal with it" (T25)

The implication was that although the official response was to publicly reject the accusations made in a critical letter, behind the scenes managers would investigate further.

In summary, the three journals did provide a forum for Partner voice, as well as an outlet for humour and frustration. I believe that the value of a public arena for dissent and alternative perspectives should not be dismissed, however, as I have argued earlier, voice is not the same as power and it is clear that the journals held very limited sway over management decision-making. Moreover, the two or three pages devoted to letters often competed with 12 or 15 pages devoted to management's concerns or conceptions of key policy proposals. A recent study of Company Magazines produced by textile industrialists concluded that one of their key purposes was to:

“...ensure the transparency – through constant reminders - of the benevolence that workers enjoyed and that company officials relied upon for the continuation of their dominance” (Dredge, 2008:274).

Similarly, in the John Lewis Partnership, I contend that the journalism provided a small arena for Partner voice, while at the same time, providing a large arena which was used by management to emphasise their benevolence and direct the outcome of key debates.

The (not so) 'Critical Side'

As I outlined in chapter two, JSL created what he called a 'Critical Side' of the Partnership, consisting of the Partners' Counsellor, the Registrar, and the Divisional Registrars in each Branch. Their responsibilities were to ensure that the Partnership was true to its principles and the Constitution, and showed compassion to Partners (Constitution, 2000:27). The Registrars were funded centrally, so their salary did not come from the Branch, and they were accorded a status equal to the head of the Branch (T03). This independent position was intended to enable them to monitor management as well as look after the welfare of the Partners:

“Their responsibility was to continually look out for abuses of power, they should constantly be thinking, is it fair? They interject on the smallest issues and it does make a difference.” (T06)

As protectors of the Constitution, the Registrars were given a key role to play in the Branch level democracy trials; in addition, the Divisional Registrars actually led the democracy project and took responsibility for evaluating the trials (*Report on the PBOP Democracy Project- The John Lewis Proposal 2006*). Registrars were described as having an “independent critical function” (T19), which enabled them to “challenge management and ensure balanced debate” (*Report on the PBOP Democracy Project- The John Lewis Proposal 2006*). One Registrar told me:

“I am not part of the management team, you have to be independent...we are a guardian for the Partners” (T06)

The Registrar was seen as a last line of defence when consultation and EI did not work in giving a voice to Partners. There was an expectation that managers would communicate and listen to Partners in their Branches, but if that didn't happen, the Registrars would be the ones to intervene on behalf of the Partners. I asked a senior member of the 'Critical Side' what a Registrar was expected to do if they felt that the management of the Branch were not responding to the Partners' concerns:

“If a registrar has got any balls she'll be having a little chat with him [the manager] about whether this is really right and it will very quickly come to the notice of the Chief Registrar and we would expect to challenge the Managing Director and say, 'Are you listening and are you sure you're right? You may be right, but you clearly have not got your communication forum with your members working well if they are coming up with stuff that you're disregarding” (D19)

It was unclear to me exactly what form the independent voice of the Registrar took, and I struggled to distinguish the directives and opinions of the 'Critical Side' and those of the managers themselves. I could see that the Branch Registry carried out an important form of welfare work, providing a confidential advisory service for Partners, acting as advocates with management, and instigating support for Partners in financial hardship or other personal difficulties (T09, 22, 26). The Registrars themselves were all very personable women, and my impression was that they were kind, empathetic, and

concerned for the welfare of their Partners (T06, T22, T23). However, it was not so much their role within the Branch, but their role within the democracy that I believe was problematic.

The Branch Registrars were called upon to chair the Forum Meetings as part of the democracy trials. This was in recognition of their independence from management, and the fact that unlike management, they didn't have to prioritise the profit motive, but instead could say "This is a democracy. Is the decision in the interests of our Partners?" (T06). In Northern Branch the Registrar did not chair the Forum, but did work closely with the elected chair, often sitting near them in meetings and reminding them when to intervene in discussions (FN12, 15).

Like managers, the Registrars seemed unable to distinguish between the pursuit of happiness, and the pursuit of profit. One argued that:

"No Partner is going to encourage something that doesn't make commercial sense" (T19)

This statement effectively closes down the possibility that commercial interests and the happiness of the Partners could ever be contradictory aims. One member of the Registry team explained how she had refused to give in to a request by one of the Forum representatives to have a closed ballot on a contentious issue:

"I steered the meeting toward an open vote, I felt that we had good communication from management, and so the vote should be open" (T07)

This response, suggests that the construction of a 'truth' that Partners and management were equals and united by common interests was internalised by the Registry staff. In requiring elected representatives to reveal their votes, the Chair failed to acknowledge the concerns of non-management Partners whose loyalty could be called into question. Several Partners told me that they were very wary about publicly objecting to a management proposal (T05, FN01, 04) and it was inferred that there would be repercussions:

"We saw them note down the names" (T05)

In effect, the power relations appeared to render the Registrars incapable of representing a 'Critical Side' of the Partnership or acting in ways which would protect Partners from any potential abuses of power. Although the function of a 'Critical Side'

should have created a space where challenges might be made to the central myths which constituted the 'truth' about the Partnership (see Foucault, 1980a), in practice participation was both "perceptual and political" (Stohl and Cheney, 2001: 358) and its meaning controlled by the dominant managerialist discourse.

During the Forum trial at Northern Branch there was an attempt by the Registrar to 'manage' the democracy, by rehearsing key discussions at 'coffee meetings' in advance of the Forum meeting (FN11, 13, 15). The Branches were under some pressure for the democracy trials to be a success (T01) and Northern Branch was already labouring under the damning tag of being "old fashioned" and "traditional" (T15, 22). The trial was a chance to prove that the Branch could "embrace change" (T22), prove they were progressive (FN01) and that it had "got rid of the baggage" (FN02):

"We're not saying we don't want to deal with negative issues, but if we arrange a coffee before the Forum meeting, we can find out how things are going" (T22)

Forums were frequently observed by senior Partners from other Branches, or from head office (FN11, 14, 16) and it was important to the Branch that the meetings went smoothly, that debates were lively, and that the trial was seen as a success (T19, T22, FN11). Several of the elected representatives commented on the number of meetings that they were asked to attend:

"There are meetings on top of meetings, so the strong views are thrashed out...they are trying to sort it all out beforehand" (T17).

This was very apparent when I observed a Branch Forum discussion on a new sales training package called ABC. ABC was an initiative developed centrally in the Partnership, and was geared towards getting Partners to achieve more sales using a format of 'Acknowledge, Build and Close' (D61). Partners were given an ABC workbook and were required to complete it over a 6 week period so that they could "graduate from the ABC Academy" (*Northern Branch Chronicle*, 29/10/05). The initiative was poorly managed in the Branch, and the Partners saw the workbook as patronising, insulting, and time-consuming (FN10, 27, 29; T17, 22). At the Departmental Forum discussions, constituents were angry and determined that the programme should be challenged at the Branch Forum (FN27, 29). However, at the Forum itself, only two representatives spoke on the subject, and both simply said that their department had

been concerned about some aspects, but that it had been explained (FN14). I subsequently discovered that there had been 3 meetings of Forum representatives and managers in advance of the Forum Meeting (T22). The rationale for this ‘rehearsal’ of the Forum discussion was that it was a way of responding quickly to Forum members concerns and that the expectation was that they would then report back to their constituents immediately:

“You could leave it and think ‘well actually we are going to leave it to fester and cause momentum’, but then this is down to the credibility of Branch Forum members because in their feedback to their members they should be saying ‘we have had a really frank discussion with the Manager of ABC, it was really interesting, we have got an answer now, this is how its going to be, actually we should all be doing it right’” (T22)

The report of the Forum meeting showed a complete absence of debate, in stark contrast to the level of concern that was being voiced informally across the Branch. The assumption by the Registrar that the Forum representatives would be communicating regularly with their constituents contrasted with the evidence that indicated that representatives were struggling to find time for the scheduled ‘communication half hour’ on Forum issues (T17, 22, FN13).

Finally, the role of the Registrar as Chair of the Forum revealed a clear tendency to align with the management of the Branch as opposed to the Partners, the Constitution, or anything approximating to an independent or critical stance (FN11, 14, 16). In one Forum, the Registrar presented the latest opinion survey results, which confirmed that Partners were not satisfied with pay, and asked the Councillors:

‘Now what are you going to do to persuade your constituents that their pay is fair’ (FN12)

It was only when she was challenged by a representative, who asked *‘Is that our job? I thought we were meant to be neutral’*, that she clarified, *‘I meant present both sides’* (FN12). I felt that the Registrar and her team were confused about their role, the power they had used to protect and enforce the Constitution and their loyalties within the Branches where they worked. Above all, I believe that the ‘Critical Side’ was caught in a web of power, which privileged the managerial prerogative and which extended a

“regime of truth” about the potentiality of democratic engagement (Foucault, 1976: 132).

The ‘Critical Side’, as envisaged by JSL, did not provide (at least during the democracy trial) a protection for the principles of the Partnership or for the Partners that were participating in the trials. Rather, the Registry offered an illusion of independence while continuing to support the dominant managerial discourse, and a vision of democracy based not on democratic decision-making, but on consultative communication.

In summary, I have argued that the Partnership had three key mechanisms for Partner voice: the opinion surveys; the formal meetings; and the journalism. My claim is that all three mechanisms were sites of contention, as management (including the Registry) sought to use them to limit and direct participation rather than enhance it. This is not to suggest that managers wanted democracy to fail, but rather that the type of democratic engagement they sought was highly controlled and limited in its scope. The mechanisms did create space for resistance and dissenting voices, but these spaces were small, and when contrasted with the power given to managerial voice, rarely offered any real opportunity to challenge.

PARADOX AND CONTRADICTIONS

In this section I argue that a key feature of democracy, as enacted in the Partnership is the ambiguity of the term ‘participation’; that is, the paradox and contradictions that are usually ignored, unnoticed, or dismissed by Partners and management alike.

Paradox is understood as occurring when “the pursuit of an objective involves actions that are themselves antithetical to the desired end” (Stohl and Cheney 2001: 344). My submission is that in undertaking a democracy project, with the explicit objective of “rebuilding the effectiveness” of their democratic bodies (T18) and “engaging Partners” (*PBOP Democracy Project Proposal Memo, 2005*), the Partnership acted in ways that often diminished full democratic participation and undermined the engagement of Partners with the democratic bodies. Furthermore, a series of contradictions face the Partnership at both societal and organisational level, not least of which is its objective of competing in a mainstream industry (retail), using mainstream models (like the SEARS Employee, Customer, Profit Chain) (T10, 18, 21), but at the same time embracing the alternative organisational structure that constitutes co-ownership.

This section analyses how paradoxes and contradictions impinge upon the democratic functioning of the Partnership. The first part explores what Stohl and Cheney called “paradoxes of identity” (2001: 360) and concerns issues of commitment and representation. The second part explores paradoxes of power (Stohl and Cheney, 2001: 384) and focuses on drivers for control and drivers for homogeneity.

Paradoxes of Identity

As was argued in chapter four, one of the contradictions within the Partnership was its desire to constitute an alternative, and arguably radical, organisational form at the same time as instilling a market ethic in its members, and embracing capitalism as a means of achieving its objectives. As I described in chapter two, the Partnership’s model does not easily fit within frameworks of either mainstream organisational structure (public and private limited corporations) or within ‘alternatives’ such as

producer cooperatives. Instead, it sits uneasily between two ends of the spectrum, claiming to pursue the happiness of its members and democratic engagement at the same time as prioritising profit, efficiency, and hierarchical management structures. These contradictions are explored below.

Partner v Partnership

In any organisation there can be a tension between the requirement to work in a group with shared goals, and the challenge of protecting a sense of self as an individual (Varman and Chakrabarti, 2004). In the Partnership, I will argue, individual identity and needs were powerfully constrained by the organisation and its requirements. One of the paradoxes at the heart of the Partnership's model of democratic participation relates to the dual requirement for individuals to commit to difference at the same time as rejecting dissent. This was described by Stohl and Cheney (2001: 380) as a paradox of commitment. In the Partnership, Partners were required to commit by participating in debates through the democratic bodies. The aim of these discussions was to create better insights, to hold management accountable and to explore creative solutions to the challenges of competition. However, at the same time as emphasising the power of voice and open discussion, Partners were expected to demonstrate their commitment by accepting management's proposals. This effectively negated dissenting voices.

The expectation of commitment was presented as taking responsibility for the privileged role of co-owners (T02, 18, 19):

“Partnership Councillors should be saying to the Chairman, ‘ok what profit are we expecting to generate over the next five years? How are we going to do it? Is that enough? What is our strategy for dealing with increasingly low cost imports? What are we doing about Primark? What are we doing about Tesco selling computers? Are you doing enough to keep us and this business on top?’”
(T18)

In order to fulfil this role, Partners needed to openly express their opinions, to offer alternative points of view, and to be confident that they could express dissent. The

'advantage' of the Partnership structure, according to the managers was the relationship between Partner engagement, customer satisfaction, and performance (T10). I was told that management wanted the Partners to 'push' (FN03) and "challenge" (T18) through the democratic structures, to force management into achieving more and improving business performance. However, at the same time as espousing this commitment to open critique, the Partnership also required Partners to demonstrate their commitment by agreeing with key management proposals.

One of the main ways in which the organisation required evidence of commitment, was through the constant tension between personal interest, and the interests of the Partnership. Management rhetoric repeatedly called for Partners to put their individual preferences to one side, and instead, to act in ways which were in the best interests of the organisation. This was particularly evident in discussions on trading hours:

'This is a decision that one takes for the business, in the interest of co-ownership...Please decide on the basis of what is best for the business, not just you personally' (FN01)

'I personally don't like working until 5pm on Christmas Eve, I want to be with my kids too, but it's what the Branch needs' (FN02)

Following Foucault (1973; 1976) workers were constituted in the subjective positions of Partner and co-owner, and this contributed to the disciplinary effect of the rhetoric at Branch Council. Paradoxically, in order to demonstrate their commitment to the 'democratic' structure, Partners were expected to simply agree with managers that the single priority had to be the business interests and the generation of profit. On one occasion, a proposal considered by the Branch Forum on trading hours was approved with very little discussion, and no dissent. This was proclaimed to be a great success by the Managing Director, and evidence of the Forum representatives' commitment to the Partnership:

'Years gone by on Christmas Trading votes, I'd have done a massive long presentation, I'd have had to give a passionate speech, it would be a long struggle, and look, its just gone through with hardly a word' (FN14)

Partners were praised for their lack of critical engagement with the democratic process. If Partners did disagree with management proposals, their disagreement was often framed as resistance and “equated with ignorance and lack of commitment to participatory efforts” (Stohl and Cheney, 2001: 380). Thus, managers described occasions when Partners voted down proposals as “flexing of muscle” (T19); “negativity” (T22); “squawking about happiness” (T19) and *‘failing to take responsibility’* (FN02, 06). Partners themselves often colluded in the calls to prioritise the Partnership over the Partner, or give precedence to business goals rather than personal ones. A key way in which this was done was by distancing themselves from the opinions of their constituents in meetings (FN01, 12, 14). So for example, in discussions on trading hours, Partners would frequently emphasise the business case for their decision, even if that conflicted with their personal preference, or the preference of their constituents:

‘Even though my Partners would rather not work, they understand the rationale’
(FN10)

‘Most accept it, some aren’t happy, but they see the business case’ (FN10)

‘When we first told them about the stretch targets, a lot of people were like ‘god not another target’, but once we’d explained it to them they bought into it. We used the notice boards so they didn’t hear it second hand, so they saw that we were behind it, as well as management.’ (FN15)

In this way, conforming to management expectations and voting to support steering committee proposals became symbolic of commitment. The irony of the paradox of commitment, was that in manipulating democratic engagement to “rubber-stamp managerial prerogative” (Stohl and Cheney, 2001: 380), the advantages of participation as a form of mutual gains were often lost. Rather than Partners openly expressing dissent and challenging consensus in order to create better insights and solutions to problems they remained silent. Commitment could only be expressed through compliance with the dominant discourse.

Worker v Representative

It has been suggested that participation can have a paradoxical effect of making workers no longer think like workers. This is termed the representation paradox (Stohl and Cheney, 2001: 382) and closely relates to the section above where I have argued that techniques were used by elected representatives to distance themselves from the views of their constituents, as if to demonstrate how they, at least, understood the business rationale, even if the people they represented did not.

As was discussed in chapter seven, the majority of elected representatives were Section and Department managers (T17, T23, FN09). In addition and clearly connected to the previous point, 60% of Divisional Councillors were male, although less than 40% of all Partners were male (FN06, FN07, FN08). This meant that the very people 'chosen' to represent Partners' voices were often very unrepresentative of the Partners themselves. As I have argued in the previous chapter, being elected as a representative was often a way of demonstrating commitment to management and progressing in your career (T17, 23). Thus, the focus for many representatives in meetings was on compliance, rather than representation (FN15, 18, 28).

The democracy project led to significant changes in the elected representatives in Northern Branch, and for the first time, the representation was dominated by non-management Partners (FN13, T22). Elaborate participative structures were created, and there was pressure on the management and the Registry for the experiment in democracy to succeed. This pressure, coupled with the emergent model of democracy through the Forum, meant that special privileges were awarded to the Forum representatives, including an unprecedented amount of access to the management Steering Group members (T17, T22). This created a system where some of the representatives were over-awed by their capacity to engage with managers and their gratitude led to compliance (T07, T13). Others stopped identifying themselves as typical Partners, but instead used their privileged position to progress their own careers (T17, T23) or to reject their constituents concerns as naive (T22) or irrelevant (T05). I observed several discussions in departmental forums that were never raised by the representative at Branch Forum level (FN18, 22, 24, 29). In addition, and as was noted

in the last section, I also observed a number of occasions where issues were resolved outside of Forum meetings, by ‘informal’ meetings with the representatives and managers (FN12, FN22), and concerns were “nipped in the bud” (T20). The content of these discussions was rarely reported back to the constituents in the departmental forums, instead they were informed “*That isn’t an issue any more, we’ve addressed it*” (FN27).

During Forum meetings there seemed to be attempts by management to co-opt the representatives into ‘selling’ management proposals to their constituents. This was usually presented as a communication strategy, but I would argue that it was much more directed than that term implies:

‘We’re not saying here are the messages, go and deliver them, we will always have different views and that’s healthy, but people’s views must be based on an understanding and I don’t think that’s always true here, it’s your job to help people understand’ (FN12)

‘Tell me what you can do to influence Partners; I’m a great believer that it’s much easier for you to influence your peer group than me. You are very powerful.’ (FN14)

This example illustrates another tension at the heart of the Partnership. Not simply the tension of being elected representatives and a non-management Partner, but also the tension between being co-owned but not co-managed. This point was made by the Divisional Registrar in a letter to the *John Lewis Focus Magazine*:

“In terms of the balance of power in decision-making we are a co-owned rather than a co-managed business and have traditionally operated on the basis that we expect certain groups of Partners to make decisions for us - either managers, by reason of their specific responsibilities and skills or elected representatives (and they are representatives not delegates). Both groups are then accountable for their decision-making and while there is always a place for any Partner to express an opinion, a commercial enterprise must be able to reach decisions quickly and act on them swiftly.”

One important aspect of this paradox of representation was that while there were deliberate attempts by management to manipulate representatives, there were also senior managers who expressed their concerns that representatives were too distant from their own constituents:

“You may get a divergence between the Partners in the shop, and the Councillors who are representing them. And the gulf opens up, and there is just ‘this person is just not relevant to me, I have just joined, and they have been here 15 years, and on the Council for ten, and they know everything, and I am only a part timer and there is an enormous gulf between me and this person’.”
(T24)

The paradox of representation was that the elected Partners were called upon to limit their representation to issues that the management deemed appropriate, and further, by the very structures that supported their engagement, they were called upon to distance themselves from the people they represented. A further contradiction was that the actions taken by management seeking to control the elected representatives, led to concerns by management that these representatives were no longer speaking for their constituents.

Paradoxes of Power

I now move on to explore paradoxes of power (Stohl and Cheney, 2001: 384) and focus on forces of control and drivers for homogeneity in the organisation. The Partnership represents an interesting paradox; an organisation that purports to share power (T02, 24) but at the same time embraces managerial prerogative (T19, 24). In chapter three I explored how participative practices could be seen as insidious forms of control (Ramsay, 1977a; Ramsay *et al.*, 2000). Here, I argue that democratic participation in the Partnership helped to generate a form of control which often diminished freedom at the same time as purporting to widen it:

“The control system is no longer based on coercion but on the ideological construction of a meaning system in which it makes sense that individual

manoeuvrability and freedom are second to group demands” (Stohl and Cheney, 2001: 386)

I have already argued that the labelling of Partners as co-owners, and dissent as uncooperative were key ways in which control was exerted over the construction of democracy in the Partnership. Here, I suggest that the social construction of a meaning system also happened in two other ways; through the rhetoric of values which underpinned discussions in the democratic Forums; and through the invocation of John Spedan Lewis, the founder.

In Forum and Council meetings, there was recognition by managers that the members were in a position of power and that their approval was needed. There were limits to this power, and it was described by some managers as illusory (T24) and a case of “smoke and mirrors” (T19). Despite this, the need to gain acceptance of proposals was present, and there was a constant threat that members may choose to rebel. One senior manager described his fear during key debates:

‘You stand in front of 25 Councillors and you have no steer over them whatsoever, only an appeal to their conscience, I tell you it can be scary.’ (FN03)

The appeal to conscience is inextricably connected to the controlling nature of group definition, and the construction of ‘Partner’ and ‘Representative’. Partners were implored to put the business first (FN04, FN12), to put aside their personal preferences (FN02) and to *‘give that little bit extra’* (FN04) in recognition of their status as ‘owners’ and the moral relationship (Ackers, 2001: 376) between the paternalistic employer and employee. The concept of ‘business rationale’ dominated debates, and was invoked frequently and rarely questioned (FN02, 12, 15).

Partners and managers frequently referred to the Powered by our Principles (PBOP) behaviours which were introduced in 2005 (honesty, respect, recognition, enterprise, team work and achievement (D03):

“We are saying look, we’re not really saying this is for debate. These are our values, these are the behaviours we expect to see in people” (T24)

Partners were expected to internalise the values, and use them to determine their behaviour at the democratic Forums (FN03). In addition, the term ‘business case’ was

used to invoke a sense of undeniable logic, which once used was privileged over all other arguments. So for example, when Partners expressed their unhappiness about a management initiative to make all Partners complete a *'selling academy workbook'* (FN24, FN25) they were told *'ABC means profit'* (FN13) as if that in itself negated all the criticisms. On another occasion, a senior manager explained how he wasn't happy about the long hours culture and the level of sickness, but that *'it was a tough environment'* and the Branch had to *"go for it"* (FN04).

Essentially, the dominant discourse produced a domain (Foucault, 1980a: 230) wherein the profit rationale was constructed as the only true way of understanding the Partnership and was used to justify and rationalise the decisions made by management. This was privileged over all other interests and created a discourse which itself perpetuated this version of 'truth'. The Partnership was constructed as a benign and caring organisation with the Partners' best interests at heart, even though some of the decisions made by the managers appeared to conflict with that conception. Managers were placed in positions of authority and presented as experts who simply spoke an incontestable truth. Conversely, the Partners' opinions were excluded or characterised as false, so even though they occasionally indicated dissent this were dismissed (often by the Partners themselves) as irrelevant to the decision-making process. As was outlined in the previous section, representatives frequently responded to debates by noting that there were 'personal objections' but that they understood the business case. It was rare for challenges to this to occur, and when they did they were usually isolated or weak. So as I mentioned earlier, at a Divisional Council debate on trading hours, one Councillor confirmed that his constituents accepted the business case, but requested that at some point in the future there should be a discussion as to what would constitute *'sufficient'* profit (FN07). That is, at what point could the business case no longer be used to justify decisions that impacted negatively on the welfare of Partners? His question was received with nods of agreement from management and Councillors, but no discussion was scheduled on the subject (FN07). Foucault suggested that discourse could not only transmit power, but could also undermine it (see for example Foucault, 1980a), thus providing a mechanism for resistance as well as oppression. It is certainly true to say that on occasions in debates dissenting opinions were heard and challenges to orthodoxy were made. However these challenges lacked

strength and support; the individualising effects of managerial power and discipline often left Partners divided and seemingly indifferent.

A further paradox was that despite its claims to offer an alternative humanistic structure and philosophy which empowered Partners and treated them as equals, many of the people that worked in the Partnership described a sense of fear which would appear to be in conflict with the benevolent claims. Managers' claimed to be frightened about the power of the vote to undermine their proposals (FN03); frightened that the business would lose its position in the market (FN02) and frightened that the Partners would put their own interests before the Partnerships' (FN01). One Department manager invoked a palpable sense of fear with his comment that the "*sleeping giant of non-management Partners*" may wake and "*roar*" at the unfairness of a particular proposal (FN17). Partners also claimed to be frightened. Their fears were that there would be repercussions if they openly showed dissent (T05), that they were being used as a 'tool' for management (FN12), that no-one was listening to them (T04, T17), and that the Partnership was becoming just like any other store (FN07).

As I outlined in chapter two, the founder of the Partnership developed powerful structures, including a Constitution as a framework through which his vision might be realised. To give an indication of the level of detail, the 1928 version of the Constitution was 268 pages long (John Lewis Constitution, 1928). Here, I argue that the words or values of the founder were often used by management to add weight and support to their positions, to limit critique, and to present arguments as incontestable. In this way, by appropriating the words of JSL, managers were making a claim for power and attempting to control discourse (Mills, 2003: 62). In addition, some of the most successful challenges that were made to management's proposals were challenges that were supported by careful readings of the Constitution, or quotations from one of John Spedan Lewis's books or pamphlets (FN40, *John Lewis Focus*, 22/07/06; *Gazette*, 30/03/07). In effect, Partners sought to produce their own knowledge about the views of the founder and in doing so challenged the interpretations put forward by the management.

A significant proportion of the Partners had worked for the Partnership for over twenty years (T05, 23) and over 50% had worked there for at least five years (FN17). JSL died in 1963 and had retired as Chairman of the Partnership in 1955 (BBC Modern Times, 1995). This meant that it was unlikely that any of the Partners or managers that I encountered during my study had ever met the founder, or even worked for the company while he was Chairman. That made it all the more surprising that his name was used frequently in Council meetings and interviews (T02, 17, 18, 19, 24; FN01, 02, 12, 15). I believe that through invoking the words or spirit of the founder, Partners and managers sought to do two things, firstly, link discussions to the value framework laid down by JSL, and secondly, use the power associated with the founder to add weight to their positions and credibility to their beliefs.

Senior managers talked admiringly about JSL, and appeared to have a detailed knowledge of his history and beliefs (T02, 18, 24; FN12). The admiration was for his “intellectual foresight” (T24), his “legacy” (T19), his ‘uniqueness in developing the business model’ (FN29) and his “humanism” (T18). One manager talked about his belief that the values of the founder were inextricably connected to the structures in place within the business:

“He recognised the importance of sharing, and not just sharing profit, but sharing knowledge, power and profit...he created an entire organisation which reflected those values so thoroughly, and those values were reflected in the way the profits were shared, but also in governance, the checks and balances, the democracy and critical side of the business, as well as the trading side.”
(T24)

This admiration for the paternalistic founder and acceptance of his values was evident in the way managers publicly talked about him, and in particular, in the way he was invoked during Council meetings. So for example, during a debate on achieving new targets, the Managing Director of Northern Branch used JSL as an arbiter of best practice:

‘People tend to overcomplicate shop-keeping, it’s all about the things that Spedan Lewis talked about - the right assortment, the right people, and strong selling’ (FN15)

On another occasion, the Forum was discussing whether to continue with the existing model of appraisals, one of the senior managers argued that he felt the '5 year reviews' were important, for the reason given by JSL when he introduced them 75 years previously:

'My view is as the founders, we want to encourage staff to stay for the long term. I like the 5 year review. As a discipline it helps me get to know the Partners' (FN02)

This idea of the Managing Director having a personal relationship with each of the 850 Partners that worked in the store was a way of emphasising the parental relationship between the employer and employee (Wray, 1996: 707) and demonstrating the link between contemporary practice and the benevolent intentions of the paternalistic founder. The Partnership had undergone a period of great change over the last ten years, and as I discussed earlier, the democracy project was presented by management as a way of modernising the democracy so it could keep pace with the business. Management repeatedly talked about what JSL might have thought of the business if he were alive, and frequently made statements which purported to express his position:

"If Spedan Lewis returned he would see little change in the Partnership Council, but he would hardly recognise the Peter Jones store after its £100m refit. Why have we undertaken such commercial development but so little democratic structural change?" (T02)

'It is a business that still has all the things that Spedan Lewis brought to it, but one that recognises that if we are not progressive we are extinct' (FN01)

"Spedan established a unique business in which Partners had rights and responsibilities. This is about taking the inheritance and describing what it means today" (Gazette, 2006)

Non-management Partners referred to the founder much less than the managers, but it was not uncommon for his ideas and values to be invoked in meetings and informal discussions (FN03, 04, 19, 26). One example of this was in a meeting where Partners

were expressing their disgust at what was perceived to be an over-generous refund policy:

'Partner A: Are we unique or are we stupid? We're giving away our bonus there.

Partner B: Spedan Lewis would be spinning in his grave!

(FN23)

Following Foucault (1975), my contention is that management recognised the power that was associated with claiming to speak for the founder, and they made use of it frequently by selectively quoting or implying his tacit approval for their proposals. Thus, "Far from preventing knowledge, power produces it." (Foucault, 1975: 59). This claim of 'truth' made it more difficult for Partners to disagree, after all JSL had created the Partnership and deserved respect and gratitude (FN02, 12). Significantly, the 'power' of the founder was also invoked by elected Councillors during key debates, when they used readings from the Constitution to challenge management (FN07, 09, 17). Usually this was done in a fairly vague way by emphasising JSL's concern for employee welfare (FN07, 09) but occasionally there were more concerted attacks, such as the one outlined in the previous chapter when Councillors successfully challenged proposed revisions to the Constitution. In this way Partners were attempting use power to challenge the production of 'truth' about the founder's intentions (Foucault, 1977a: 194).

In summary, I have argued that the management and Registrars in the Partnership often acted in ways that diminished full democratic participation and undermined the engagement of Partners with the democratic bodies. Furthermore, democracy was often a site for confusion and contradiction as management and non-management Partners struggled to make sense of paradoxical practices and structures. One important struggle was the one for the production of 'truth' in the Partnership and in particular the construction of knowledge about the original aims of the founder. However, I have also argued that the structures and discourse, including the Constitution itself, created both a relationship of power and a space for democratic voice within the Partnership which opened up "a whole field of responses, reactions, results and possible invention" (Foucault, 1982: 241).

DIFFERENCE AND CONFORMITY

This section analyses the way in which the Partnership differentiated itself within the market place by emphasising the value system and the uniqueness of its business model. It examines the tension between the claims to be different at the same time as asserting that the market requires businesses to all be the same.

What Kind of Business?

A key form of control within the Partnership was to emphasise the difference of the organisational form, and the position of privilege that Partners' held, by virtue of being co-owners of the business. This 'difference' was referred to constantly and was a theme in discussions at Branch, divisional and Partnership levels. Power operated by constructing as 'truth' the idea that Partners should be grateful for their membership of the Partnership and should demonstrate their gratitude through compliance with managerially determined decisions.

One phrase that I heard repeatedly in interviews and observations was 'What kind of business would do that?' (T04, 12, 24; FN02, 07, 23). The question was always rhetorical, and was usually posed after someone had outlined benevolent actions such as offering work-experience to disabled children (T12); the generous refund policy (FN23); or the compassionate way in which a redundancy process was managed (T24). Partners were frequently reminded by management that the Partnership had their happiness as its ultimate objective (FN07, T18, 25). Managers emphasised that the Partnership did not simply pursue the profit motive at the expense of everything else, but rather that profit was pursued in balance with concerns for employee wellbeing. I was repeatedly told that the welfare of the workers was a significant consideration:

“The democratic structure in the business is not what drives corporate social responsibility as a discipline, what that does is engenders a view and it engenders a way of thinking around our Partners which is that profit is not the

only priority, there are other important things to consider when you work”
(T21)

‘If we lose your hearts and minds then as a business we are no different to any other business, but we are different because we care.’ (FN30)

‘Competitors have zero-hour contracts, but that isn't the way in a co-owned business,’ (FN12)

Managers emphasised that this caring attitude, not only made the Partnership a better place to work (T20, 25, 27), but also meant that it was a better place to shop:

‘What is it about us that makes us different? It is that we care, we actively demonstrate it and it is what our customers say and see about us’ (FN07)

Partners were taught that the compassion at the heart of the Partnership was its source of difference in the market place, and a key contributor to its competitive advantage. They were frequently reminded of the benefits associated with working there, and of the ways in which welfare considerations drove the decisions that management made. In addition, they were reminded that other organisations, in contrast, were far tougher, more demanding, and autocratic in their practices.

An important part of emphasising the privileges given to staff, and the benevolent attitude of the Partnership, was to generate a sense of responsibility in the Partners and a moral relationship between employer and employee (Ackers, 2001: 376). There was an expectation from management that Partners would show their gratitude for the privileges that they were awarded (T14, 25,):

“This is a gold standard offer and it comes with strings attached” (T19)

‘The Partnerships Pension Contribution is £71m but our Partners don't realise what a huge benefit this is... how can we make Partners aware of the value?’
(FN09)

‘You have taken on the privileges and you must take on the responsibility’
(FN02)

The Partnership used the structure of 'co-ownership' to legitimise an emphasis on profit above all else, and to stress that although decisions may not be in the interest of individuals, they were in the interests of owners, and as owners of the business, Partners needed to concur. It was this disciplinary power which individualised Partners and constituted them as materially self-interested subjects (Foucault, 1977a: 170). In constructing the subjective position of 'Partner' as prioritising economic rewards above everything else, the potential for resistance was weakened. Ironically, Partners were individualised through their continuous engagement in the illusion of freedom that the construction of collective-ownership entailed. Further, Partners were told that they themselves wanted to show their uniqueness and commitment by working harder and pursuing higher targets and more demanding objectives:

'The difference with a Partnership model, Partners really do care, they want to keep on challenging themselves' (FN07)

Rather than seeing the model of co-ownership as the freedom to determine priorities or challenge dominant business orthodoxy, co-ownership was used instead to constrain and limit democratic engagement. Partners were asked to demonstrate their commitment by privileging the financial success of the organisation over their own personal beliefs and desires.

Market Forces

At the same time as emphasising the uniqueness and 'difference' of the Partnership there was an emphasis on the need to respond to market pressures and drive the business forward. I was frequently told that the Partnership used to be more formal and bureaucratic (T25, 27), in fact one manager explained that he had returned to the Partnership in 2000, because it had become more modern, and less "stuck in the past" (T25). Non-management Partners often commented on the pace of change, and the sense that the Partnership had moved forward (T03, 17). Many of these changes were presented as market driven:

"If we had continued the way we were going...if you look at the graph we were going down and down, theoretically at some stage in the future we wouldn't

have a business. If we were going to have happy Partners we had got to turn the tables and make this business profitable.” (T22)

‘Change makes us all feel uneasy. The bottom line is we can't afford to stand still; it was long overdue in the business’ (FN01)

Partners who rejected change were described as *‘dinosaurs’* (FN02) but embracing change was a way of demonstrating that they were progressive and committed. In meetings, managers frequently referred to competitors and the ways they were driving through efficiencies by closing pension schemes (FN09), creating zero-hour contracts (FN12), reducing staffing numbers (FN07) or using unscrupulous practices in dealing with suppliers (T10). These comments induced gratitude for the standards and ethical values that were embraced by the Partnership. They reminded Partners that the grass was not always greener on the other side, and they created a form of pressure which encouraged them to concur with decisions that emphasised the need to compete with the lean, mean businesses that constituted the competition.

Partners were congratulated for embracing change, for moving to 7 day trading, for accepting store name changes, for tolerating reduced staffing levels, longer working lives, redundancies, restructuring, and of course democratic *‘renewal’*:

‘We can see on paper the new structures and systems but what I get a feel for today is the biggest single change for the Partnership, the transformation of culture, you are embarking on a transformation of our democracy. It is a pillar of our organisation. It was in danger of getting less and less relevant and you are succeeding in re-igniting that democracy and making it more relevant’
(FN16)

In emphasising the actions of competitors, and the increasing demands of the market, the management were reinforcing the idea of external pressure to modernise, develop and grow. Further, they were using normalizing judgement (see for example Foucault, 1977a: 183) as a pervasive means of control which constantly placed pressure on Partners to *‘do better’* because the market did not stand still. In chapter three I outlined Foucault’s argument (1982) that in disciplinary society, control is normalized

by the use of techniques and practices which subjugate people by objectifying them. Here I am suggesting that workers were individualised through the disciplinary practices of power-knowledge regimes and constituted as materially self-interested subjects. Through constant reference to league tables and rhetorical questions which emphasised the Partnership's difference, management used the power of the norm to rank, differentiate and classify individual Branches performance. Within individual stores, a disciplinary gaze (Foucault, 1977a: 171) was internalised by Partners and permeated their ways of thinking and behaving. Thus the power of normalization "imposes homogeneity" (Foucault, 1977a: 184) at the same time as individualizing Partners and making it possible to measure gaps in behaviour. By contrasting the Partnership's uniqueness, against the 'mass' of the competition, managers were able to both forge their identity and induce a sense of compliance, as if to say 'this is not ideal, but at least it is not as bad as them'.

CONCLUSION

In this chapter I have argued that democratic participation in the John Lewis Partnership was rife with contradictions, paradoxes and tensions. However, I do not see democracy as a simple power struggle between management and workers; it is far more complicated and far messier than that. Instead (following Foucault, 1973; 1976; 1977a) power is diffused through all social relations and that managers and workers have fluctuating visions of the purpose of democracy and the best way of achieving that purpose.

It would not be fair to say that management sought to close down democratic practices in the Partnership. In fact, I would argue that the decision to engage in a hugely expensive and time consuming democracy project was driven by a desire to construct a particular knowledge about democratic participation. Unfortunately the management's vision for meaningful democratic participation was enacted in a constraining way which sought to constitute the subjectivities of Partners, involving relations of power that were driven by a particular regime of managerial knowledge. One senior manager explained this desire for democratic renewal as follows:

“Suppose we just let it just carry on, what would happen actually is that gradually it would become, instead of being something which enhanced our culture and our distinction, it would probably become either, just a backwater, and something that was a bit irrelevant that you went and did when you had to, because somebody said you had to. Or maybe it would become a sort of something that got hijacked for unrest, you know. But neither would be adding what I think it is there to do, which is, it's there to add to the business, not to subtract from it.” (T24).

This summarises the confusion that surrounded democratic engagement in the Partnership. Managers wanted the democratic bodies to engage Partners and they wanted democracy to be at the heart of the business, not a periphery. However, they viewed 'unrest' as a threat to the Partnership, and this fear resulted in very conflicting messages about what constituted democratic engagement:

“There has been a bit of a culture of politeness, compliance, and deference, and status. But one of the really exciting things that’s happening is that I think we are becoming far less hierarchical, far less hierarchical, far less status oriented, and actually much more democratic with a small ‘d’ and that’s a good thing.”
(T24)

Managers welcomed “robust exchanges of views” (T24) and condemned “compliance” and “deference” (T24). However, as I have argued above, they also demanded “loyalty” (T03) and support for the management’s decisions (T19, 24). Non-management Partners wanted meaningful voice and a vote on key decisions (T03, 09, 13), but they also indicated their faith in their management (T15, 23), and a preference for seeking participation on operational rather than strategic concerns (FN24, 28).

Foucault claimed that “there is no power without potential refusal or revolt” (Foucault, 1979: 324). It is certainly true that say that Partners did not entirely comply with the controls placed upon them and that there were attempts to resist and challenge dominant rhetoric. However, the possibility that the “*sleeping giant of non-management Partners*” would wake and “*roar*” (FN17) remained nothing more than a possibility, and an unlikely one given the individualisation of Partners through the disciplinary practices of managerial power which the Partners also internalised as power over themselves.

In short, participation was often contradictory and confusing. Management and non-management talked of the importance of democracy, but their understanding and commitment to democratic engagement varied tremendously. There was agreement that democracy mattered, and that democratic engagement was at the very heart of the Partnership’s structure, but the methods through which that might take place remained contested. Sadly, the directing of democracy echoed the concerns of the founder:

“...once you admit the idea that it may be sometimes necessary or at all events right to diminish the degree of democracy...you will have no good foothold against folly or cunning. Bit by bit you will be pushed and wangled back into unnecessary inequality, privilege, selfishness...” (Lewis, 1948: 214).

In the next chapter I summarise my research findings, the limitations of my thesis, and the implications for the Partnership. In addition I explore the wider implications of my understanding of OD.

CHAPTER 9: CONCLUSIONS AND REFLECTIONS

INTRODUCTION

This final chapter will review the central arguments made in my thesis and consider their theoretical and practical implications. Section one summarises the key contributions and explores the relationship between my own work and previous work. Section two explores the limitations of my work and reflects on what might have been done differently. Finally, I end the thesis with an update on the democracy trials and summarise my answer to the primary research question ‘What is meant by Organisational Democracy in the John Lewis Partnership?’

KEY CONTRIBUTIONS

My thesis makes three main contributions. Firstly, the production of a contemporary exploration of democratic participation in the John Lewis Partnership – the largest co-owned business in the UK, which has been contextualised in terms of its historical development. Secondly, an analysis of power relations in the organisation and an examination of the ways in which disciplinary power and regimes of truth both constrain the practice of democratic participation and offer the potential for resistance and hope for the future. Thirdly, I have challenged those who have dismissed the Partnership, and argued that they have failed to consider its value in examining the possibilities for OD. I believe that my study represents an important contribution to the research on alternative forms of organising work and that my analysis reflects the potential for mutual gains through democratic participation at work.

Democracy in the John Lewis Partnership: History and Context

I will begin by summarising the key concepts that I have used in the thesis and explain how they framed the subsequent analysis. In chapter two I reviewed the literature on OD, participation and voice, and concluded that the conceptual confusion makes reflecting on the role of power relations particularly problematic. In this thesis, and following Marchington *et al.* (1992), participation was used as an umbrella term to incorporate a spectrum of concepts from EI to ID. I concluded my literature review by outlining my interest in the concept of OD. I chose to focus on this concept for two main reasons, firstly because it was *democracy* that was the term used by John Spedan Lewis in describing his experiment with Partnership (Lewis, 1948). Secondly, in contrast to the unitarist concepts of EI and voice, OD requires a transformation of authority structures (Pateman, 1970: 71), and is a deep form of participation based on principles of equality, solidarity and workers' rights to exercise control over their work.

I situated my analysis in terms of the development of both the Partnership and the conceptual framework of participation. This was a deliberate strategy to enable me to

be more precise in evaluating the claims of OD and the politics inherent in different conceptions of Partnership (Ramsay, 1991; 1993).

I explored the values and objectives implicit in different theoretical positions using the framework constructed by Dachler and Wilpert (1978) (Chapter 2). I argued that John Spedan Lewis's conception of ID would be broadly located within the 'human growth and development' grouping (*ibid.*). He envisaged Partnership as a way in which employees would benefit from a motivated workforce, through productivity gains and enhanced legitimacy (Mintzberg, 1983; Cloke and Goldsmith, 2002).

I argued that the Partnership needed to be understood within its historical framework of traditional family paternalism (Chapter 4 and 8). The apparent benevolence of the founder and his focus on pursuing "democracy and equality" (Lewis, 1948: 214) created a moral employment relationship (Ackers, 2001: 376) based on the expectation that the employer/employee relationship went beyond an economic transaction.

JSL refused to be explicit about his politics, but I have demonstrated that he had a broadly pluralist understanding of conflict (Fox, 1973), and viewed the Partnership as a coalition of individuals and groups with divergent interests, but with the potential to collaborate on the basis of mutual gains. Furthermore, although he was a firm believer in managerial prerogative and hierarchical control, I have argued in chapter two that he also believed that contemporary forms of organising were repressive and divisive and that checks and balances were needed to constrain the excesses and "distortion" of capitalism (Lewis, 1948: 128).

Stohl and Cheney (2001: 358) claimed that participation is both "perceptual and political", its meaning may be controlled by a dominant group, understood differently by different sections of the organisation, and its interpretation can change over time. In the Partnership I have demonstrated that democracy needs to be understood as a contested terrain and that the understanding of OD that I have attributed to the founder is only one of several competing readings within the organisation.

In summary, I have argued that in creating the Partnership, JSL's intent was moral and political, and that his paternalistic management style has "informed the worldview" of the current workforce (Greene *et al.*, 2001: 231). This is not to privilege the role of the founder in creating culture within the organisation, but rather to state that the founder's retrospective histories of the Partnership play an important role in the construction of 'truth'. In the next section I summarise how my analysis exposed alternative beliefs about OD and how power relations influenced the dominant discourse of participation within the organisation.

Power in the John Lewis Partnership

I used Foucault to problematise my understanding of OD in the John Lewis Partnership (Chapter 8). Three of Foucault's concepts were particularly relevant to my analysis of power relations in the Partnership: disciplinary power (Foucault, 1977a; 1982); regimes of truth (Foucault, 1973; 1976); and resistance (Foucault, 1979; 1982). I outline my key conclusions about each of these below.

Firstly, I argued that Partners were individualised through the disciplinary practices of power-knowledge (Foucault, 1973) and that they were positioned subjectively as co-owners of the business. The Partner opinion survey, the journalism, and the Democratic Forums were used to construct knowledge about the meaning of democratic participation and create a discourse which privileged 'the business case'. Discourse produced a domain wherein the profit rationale was seen as the only way of understanding Partnership and this was used to justify the decisions made by the management (Foucault, 1980a: 230).

The central myth was that the Partnership was a benign and caring organisation, created in the image of its founder, and that the management would always operate in the Partners' best interests. This myth contrasted with the pluralist and often contradictory beliefs of JSL (Lewis, 1948; 1954) and with some of the decisions taken by management (including: redundancy, shift patterns, staffing levels). The managers assumed positions of authority and presented themselves as experts who spoke

incontestable truths. The discourse and ritual of co-ownership legitimised an emphasis on profit and stressed that although decisions may not be in the interest of individuals, they were in the interest of owners. This disciplinary power individualised Partners and constituted them as self-interested subjects (Foucault, 1977a: 170). The individualising effects of managerial power and discipline often left Partners divided and feeling impotent.

The Partnership shaped the identity of Partners, but also provided a discourse which fuelled resistance and enabled challenges to be made to the central myths which constituted the 'truth' about the Partnership. This happened through the unintended dynamics of democratic participation, the discourse of co-ownership and the possibility of dissent from the 'Critical Side'. I summarise each of these below.

I described the ways in which management sought to exert control and limit the scope of democratic participation (Chapter 7). However, although they may have controlled the voice agenda, they did not control "the dynamics of how such processes are mediated and translated into actual practice" (Dundon *et al.* 2005: 318). So for example, I explored how management used the 'power' of the founder's retrospective accounts to produce knowledge which served their interests, but that Partners also used this discourse to challenge the production of truth (Foucault, 1977a: 194) about the founder's intentions (Chapter 8).

Secondly, the discourse of co-ownership individualised Partners and constituted them as self-interested subjects (Foucault, 1977a), and at the same time gave them the authority of ownership. This authority legitimised their right to 'voice' and 'challenge' the management. In this way the discourse of co-ownership "fuelled resistance to the pressures towards conformity" (Covaleski *et al.* 1998: 293) and enabled Partners to challenge management.

Thirdly, as I outlined in chapter four, the Partnership had a 'Critical Side' built into its structure. I analysed the ways in which this critical side had become increasingly co-opted by management (Chapter 7 and 8). However, in line with the concept of paradoxes of participation I demonstrated that despite the weak stance of the Registry

team, its very existence provided the potential for dissent. Stohl and Cheney (2001: 380) suggested that:

“The role of an ombudsman or even a jester can help safeguard the democratic practices of an organisation by granting authority to own who can speak truth to power and challenge the prevailing orthodoxy”

I noted that although in principle the Registrar’s department could have played this role in the Partnership, I saw little evidence of Registry staff challenging management (Chapter 8). However, I have argued that the fact that Partners’ understood the Registry in this way reinforced the pluralist idea of contrasting interests and meant that they felt justified in challenging some of the demands placed upon the democratic representatives by management. In the next section I summarise the implications of my analysis for both the Partnership and the wider community.

Implications of democracy in the John Lewis Partnership

A key implication of my analysis of democracy in the Partnership is that there is a need for democratic vigilance in order to avoid the dilution of core principles, degeneration, and the monopolistic use of expertise (Rothschild-Whitt and Lindenfeld, 1982: 12). In chapter two I explored the degeneration thesis and the oligarchical tendencies of democracy (Michels, 1915: 393). I concluded that there was a need for regular reviews of performance in terms of the ethical-political goals of democratic or co-operative forms of organising (Cornforth, 1995: 520).

In chapters six and seven I described how Branch and Divisional Councils were dominated by Section and Department managers rather than the non-management Partners who made up the majority of the workforce. This finding supported conclusions made by Obradovic (1975: 43) who noted that participation in Workers’ Councils was dominated by managers and professional staff. However, although oligarchical tendencies can be identified in the John Lewis Partnership, this does not foreclose (following Foucault, 1979; 1982) on the possibilities for reform or resistance.

In chapter eight I suggested that the very fact that the Partnership decided to review its democratic practices is hopeful. The democracy project could be conceived of as indicative of a commitment to democratic practice or a desire to further constrain it. As Cheney (1999: xiii) noted “How we conceive of and discuss democracy is just as important as any particular institution we create to express it or put it into action”. I have argued that the very practice of instigating a democracy review created a space for dissenting voices and challenges to the managerial discourse about the nature of democracy. Dundon *et al.* (2004: 1168) noted that organisations rarely evaluate the impact of voice initiatives, and if they do, it was unlikely to be because of a desire to give employees more say. In the Partnership I have argued that the democracy project was full of contradictions and that management sought to make democracy more meaningful at the same time as limiting its impact. In effect, managers at JLP tried to minimise the risk of democracy (Carey, 1995) and in doing so risked destroying the democracy itself.

In moving towards a normative analysis of OD in the Partnership I believe that insufficient space was given to “collective self-reflection and engagement in discussion about the value consensus” (Cheney, 1995: 178). The democracy project attempted to make Partners more engaged in the democratic structures, and to make the democratic structures more efficient and effective. However, little public debate took place about the meaning of democracy itself, and the relationship between democratic participation and the wider principles of sharing gain, knowledge and power. OD requires education (Pateman, 1975) and the development of democratic consciousness (Bernstein, 1976; Johnson, 2006). A clear link has been made between democratic participation and a context which educates people in democratic processes (Varman and Chakrabarti, 2004). This is not to say that there is a single way of thinking about democracy and removing barriers to democratic engagement, but rather to acknowledge that barriers exist and a starting point is to make these explicit. One tension in the Partnership was the way in which managers sought to construct a particular knowledge about democratic participation which privileged hierarchical control and managerial prerogative. There were of course other ‘truths’ to be constructed, as my analysis showed.

My thesis was stimulated by what other researchers had concluded about the JLP, in particular Harvie Ramsay, and would not be complete without some attempt to reflect back on how my analysis differs from theirs. In addition, as I outlined in my introduction, I believe that one of the key contributions of my thesis is the story of the John Lewis Partnership itself and my analysis of the organisation's contemporary struggle with its "experiment in democracy" (Lewis, 1948). In chapter two I briefly outlined what other commentators have said about the Partnership and noted that much of this literature was dated and focused on the 'business-case' for Organisational Democracy. Here, I summarise the influence of Harvie Ramsay's work on my own study and outline how my own analysis differed from his.

Harvie Ramsay and the possibility of mutual gains

Ramsay influenced my approach to this thesis in three main ways. Firstly, he insisted that concepts needed to be situated firmly in terms of their historical development and that precision was needed in order to fully evaluate claims. I followed this advice by paying careful attention to the history of the Partnership and the development of different terms used by management and theorists to locate their practice. This helped me to become clear about the differences between EI and democratic participation and to recognise the importance of such clarity when examining claims.

Secondly, Ramsay was always explicit about his own politics and therefore the radical intent behind his analysis of participation and models of worker control. Similarly, I have tried to be open about my own politics and belief in the intrinsic value of OD and acknowledge that this position colours my thesis. Finally, as I explored in chapter three, Ramsay was quite disgusted by the Partnership which he described as "suffocatingly paternalistic in its apparent benevolence" and concluded that the only outcomes of participation were "apathy and triviality" (Ramsay, 1980: 51, 52). It was this utter dismissal of the possibility of any gains for employees from participation that I found problematic, particularly in the context of my visits to the Partnership and discussions with employees about their involvement in the democracy. In many ways my empirical work and subsequent analysis implicitly compared Ramsay's understanding of the Partnership with my observations in the company.

I admire Ramsay's vision of a fairer world in which democratic participation would be the norm, and I share his concern that in many organisations there is huge gap between what is claimed in the name of participation (equality, solidarity, happiness, and empowerment) and the reality of workers' experience on the 'shop-floor'. However, whereas Ramsay's politics enabled him to carry out a radical critique while pursuing revolutionary change throughout society, my own politics led to a different analysis. As I noted earlier in the thesis, I have been unable to accept his dismissal of the JLP and following Ackers *et al.* (1992: 274) reject a Marxist theory of power which suggests that the prospect of management and employees simultaneously benefitting from participation is not worthy of consideration. As Ackers (2001: 382) has noted:

"Accepting that the relationship between employer and employee is asymmetrical, and likely to remain so, is not the same as accepting that trade unions and participatory structures make no difference"

Rather, and as I have argued in chapter eight, I believe that democratic participation in the JLP is an important step towards a more just form of organising society which protects the rights and interests of workers. My contribution is not only the construction of a contemporary narrative about the Partnership, its background and its present practice, but also an analysis of democratic participation which takes as its starting point the belief that this is something to be valued for its own sake. My interest in exploring democracy was not driven by a desire to create a 'business case' for democratic participation (Bradley *et al.*, 1990), or to examine whether democratic participation might lead to revolutionary change (Ramsay, 1980). Instead I have assessed the experiment against "its alternative values and aspiration" (Rothschild and Whitt, 1986: 190) and as such created an account which emphasises that democracy is "an evolving reality which manifests through the interaction of contradictions over time" (Varman and Chakrabarti, 2004: 187).

JSL may well have been paternalistic in his approach to Partnership, and arguably the social welfare priorities of the current management (holiday centres, hardship loans, subsidised 'culture' etc.) indicate an ongoing paternalistic intent. However, rather than view this as "sickening" (Ramsay, 1980: 51), I think it is entirely possible to imagine a scenario, exemplified by JLP, whereby, following Ackers (1998: 192), workers might

welcome such paternalism while remaining alert to the “authoritarian ambitions that go with it”.

I have argued that democracy as enacted in the Partnership is a site of tensions and contradictions which I have presented as a series of paradoxes. The dominant discourse privileges an instrumental purpose for democratic participation which neglects the idea of democracy being of intrinsic value and fundamental concern to ideals of equality and solidarity. However, the same discourse which shapes the identity of Partners also fuels resistance. OD is more than meaningless voice and despite the subjective positioning of Partners and attempts to “fragment the community and close off individual and critical thought” (Cheney, 1995: 134) there is still evidence of small but important gains. In the John Lewis Partnership, Partners feel that they have a say in the way that the business is operated, a right to information about their organisation, and a share in the profits generated by their efforts.

In the next section I outline the limitations of my thesis and reflect on the implications of my analysis for wider research.

LIMITATIONS AND REFLECTIONS

The limitations of my thesis fall into two main categories: methodological and theoretical. I summarise each of these below.

Methodological Limitations

In chapter five I outlined a number of methodological limitations and regrets including my lack of confidence in exposing my own emerging analysis of the Partnership and sharing it through some form of participatory action research. In producing a thesis on democratic participation I was not able to demonstrate my own commitment to democracy, solidarity and equality by asking Partners to participate more fully in determining the objectives and examining the conclusions of my research. Instead I remained separate, observing the Partnership's struggle with various democratic models and reading, with disappointment, about some of the decisions that were made concerning the future of their democracy. The absence of a period of reflexive engagement and discussion of the ways in which my own analysis differed from the Partnership's emerging understanding of its own democratic practice is a significant regret. As I outlined in chapter seven, some of the conclusions the Partnership made about the shape and purpose of democratic engagement were deeply problematic to me. Although my understanding of the dynamics of power relations suggest that little attention would have been paid to my views as an outsider, I believe that failing to even share my analysis at that key time in the Partnership's history when the democracy was being debated and revised was a serious limitation.

My formal interview programme focused on interviewing Partners who were actively engaged in the democracy as Forum representatives and Councillors. A limitation of this approach was that I only explored the views of Partners who were not officially engaged in the democratic structures through my observation of meetings and 'communication half hours'. Given additional time, I would have liked to interview some of these Partners to get a clearer impression of their opinions and to dig deeper

into particular aspects of democratic engagement (and the absence of democratic engagement).

As I noted in chapter four, most of the existing research on the history of the Partnership was deeply uncritical and as such privileged a founder-centred narrative which has become an 'official' source of knowledge within the organisation. I have emphasised the problems of these sources and examined the way in which the Partnership used them to construct a single 'truth' about the founder and his role. Although I sought to use the founder's books as "cultural artifacts" (Rowlinson and Hassard, 1993: 305), the restrictions of the sources, and the poor access to alternative historical material are a limitation.

Theoretical Limitations

My literature review and my empirical work focused on direct participation and indirect representative participation, but little has been said about trade union representative structures. This is a limitation, but I felt that the scope of my thesis should be restricted for three main reasons. Firstly, because indirect participation and specifically trade union representation have declined while direct participation has become more extensive in the UK (Kersley *et al.* 2005; Lansbury, 1995; Marchington, 1988; Marchington and Wilkinson, 2004). Secondly, and in line with this trend, the John Lewis Partnership has very low union membership and a model of direct-participation based upon democratically elected representation. Thirdly, despite the decline of trade union membership there is still limited case-study research on non-union voice (Bacon, 2006; Dundon and Gollan, 2007; Towers, 1997), in particular, non-union voice in large organisations.

My analysis drew upon a number of accounts of OD and co-operative forms of work, the vast majority of these were based in the UK. The ethnocentric focus of my work is a clear limitation and I acknowledge the diverse range of organisational forms and practices in other countries and cultures which due to the constraints of my thesis I was unable to explore.

My empirical research was founded on an essentially interpretive epistemological position from which OD was investigated as a construct that was used to make sense of social action. My aim was not simply to understand “the world of lived experience from the point of view of those that live in it” (Locke, 2001: 8) but also to subject it to critique, and expose the relations of power. I recognised the subjectivity of the research process and accept that my understanding is mediated by my own position (Ahern, 1998). In seeing society as socially constructed, my emphasis was on exploring the meaning of democracy within the Partnership and emphasising the fluidity of concepts like democracy and participation. As I outlined in chapter three, my methodology sought to tell a good story about the Partnership and use the data to “speak to larger issues” (Kunda, 1992: 23). In analysing and formulating my conclusions I have been careful not to “speak beyond the data” (Thomas, 1993: 66) by recognising that my methodological approach implies certain limitations about the generalizability of the analysis. So for example, in chapter eight I illustrated how management sought to direct democracy by constructing a discourse which privileged the business case and an instrumental purpose for democratic engagement. This interpretation cannot of course be generalised to all organisations which implement models of democratic participation, but it does represent an important insight into both the practices within the JLP and the implications of those practices for other organisations that claim to operate democratically.

In summary, there were a number of methodological and theoretical limitations to my work, but that does not prevent me from cautiously making conjectures about broader issues and directions for subsequent research. These are outlined below.

Reflections on the implications for practice and other research

My analysis has a number of implications for practice and other research. Firstly, by embracing the concept of OD rather than voice or EI I have acknowledged the conceptual confusion, and emphasised that OD is fundamentally different to voice and should, I think, be valued intrinsically. OD goes beyond the right to speech, but instead is conceived as requiring a transformation of power relations so that employees can

participate, equally, in decision-making. OD is clearly far less common than the softer, more unitarist conceptions of EI and voice. However, its value framework means that researchers with an interest in exploring the potential for work based on principles of equality, solidarity and democracy might wish to focus on OD rather than the vaguer concepts of voice, involvement and so on.

Secondly, in exposing the contradictions and paradoxes of democratic engagement in the JLP I hope to alert Partners and managers to an alternative reading of the democracy project and the Partner opinion surveys. My reading emphasises the precarious position of democracy within the Partnership and suggests that (intentionally or not) several of the practices associated with democratic engagement have effectively undermined the very principle they purported to support. Specifically, my research points to a systemic failure within the 'Critical Side' of the Partnership and indicates a fundamental review of the role of the Registry team is necessary.

The third implication of my research has relevance for the wider community of researchers and practitioners who are interested in exploring alternative forms of organising work. My thesis offers an in depth insight into one of the largest co-owned businesses in Europe, and a company which has been experimenting in OD for over eighty years. I hope that my insights into the Partnership and its struggles with principles of democracy, solidarity and equality will be a compelling story for interested parties, and will alert other researchers to the importance of an organisation which manages to lead its sector in UK retail and continue to strive for democratic engagement using many of the methods laid down by its founder in 1929.

As I outlined in chapter four, the Partnership's structure is an unusual one which contains elements of co-operativism and elements from more traditional models including private limited companies, employee stock ownership plans and charitable trusts. It is this hybrid structure which has led to the Partnership being overlooked by so many researchers, despite its explicit commit to co-ownership and democratic forms of participation. As I have argued above, the difficulty in classifying the John Lewis Partnership within existing frameworks of alternative forms of organising work, does

not preclude the possibility that we have a great deal to learn from this “experiment in industrial democracy” (Lewis, 1948).

Finally, in the next section I provide a brief update on the John Lewis Partnership’s own review of the democracy trial and conclude that democracy continues to represent a site for struggle within the organisation.

POSTSCRIPT: AN UPDATE ON THE DEMOCRACY TRIAL

I have chosen to update my material on the meaning of democracy in the John Lewis Partnership by outlining two important decisions that were made by the Partnership Council in 2009. The first relates to a proposal to remove Partners' voting rights on trading hours; the second relates to a proposal to move from direct to indirect elections of Councillors. Both issues had the potential to fundamentally alter the meaning of democracy in the Partnership.

In April 2009, the John Lewis Divisional Council refused to approve a new proposal which would have cemented the practise of 'consulting with Partners in Branches' rather than allowing Partners to make decisions through democratic structures (*John Lewis Focus*, 03/04/09). The Business Committee had put forward a proposal that the decision on trading hours should rest with the head of Branch, with the local 'trading hours' group formulating the proposal after input and influence from the Branch Forum. Had this been accepted it would have indicated a clear victory for the managerially driven 'truth' about the democracy project, namely that Partners did not seek democratic participation, but simply required consultation and voice.

At the meeting in April 2009 Councillors from the eight Branches that had chosen to retain their decision-making power during the democracy trial objected to the proposal on the grounds that it meant that the Branch Forum would lose the vote. After a long discussion, Councillors voted against the proposal (27 votes to 22). A successful challenge was made to the "seemingly incontrovertible truth" (Alvesson and Willmott, 1992: 435) that Partners did not want democracy.

The second key decision took place at the Partnership Council on 24 June 2009. A proposal went forward to change from direct to indirect election of the Partnership Councillors. Instead of all 69,000 Partners participating in the vote, the proposal was that voting would be restricted to Branch Forum Counsellors (approximately 500 Partners across the organisation). After a long debate, the proposal was defeated when it failed to gain support from two-thirds of the whole Council (60 out of 89). 57

Councillors voted in favour, but the 22 that voted against were sufficient to prevent the proposal being successful. All 69,000 members of the Partnership continue to directly participate in elections.

The two examples illustrate that democracy continues to be a contested terrain in the John Lewis Partnership. The definition and purpose of democratic participation is the subject of ongoing debate and conflict. I have demonstrated through my analysis that the management have tried to construct a specific form of democracy which seeks Partner engagement, but only in so far as that engagement is instrumental in achieving economic objectives. John Spedan Lewis stated that his objectives in creating the Partnership were the pursuit of democracy and equality (Lewis, 1948: 214). These important aims are undermined by managerialist attempts at directing democracy towards prioritising commercial ends rather than valuing it for intrinsic reasons.

Despite the attempts by management to constrain OD, the Partners have been able to resist in small but important ways. The dominant discourse privileges the business case for decision-making and constructs Partners as co-owners who need to act responsibly in the interests of the business. However, this very construct enables Partners to challenge managerial decisions using the Constitution and by suggesting different readings of the founder's intentions. The democratic discourse creates a space in which challenges can be made to the central myths which constitute the Partnership as radically different to other organisations and which suggest that economic drivers are in the interests of all Partners. Partners have used this space to challenge the inequity of pension reforms; to open debates on key values and principles; and to resist the definition of democracy put forward by management.

CONCLUSION

In conclusion, I have presented an in depth study of Organisational Democracy in the John Lewis Partnership and emphasised that the meaning of democracy is heavily contested and fraught with contradictions and paradoxes. Despite the clear evidence of managerial attempts to direct and constrain democracy I have rejected the view that the Partnership should be dismissed or that participation is simply the latest in a long line of management fads.

Furthermore, I have argued that despite the constant threat of degeneration and dilution of the value framework laid down by the founder, the Partnership's continued commitment to democratic participation provides an important contribution to our understanding of co-ownership and democratically organised forms of work.

Management within the Partnership have attempted to define democracy in a highly constrained and limited way, assigning it an instrumental purpose, and privileging the 'business case' for democratic engagement. However, that does not mean that this definition is irresistible or final, but that "at the heart of the power relationship and constantly provoking it are the recalcitrance of the will and the intransigence of freedom" (Foucault, 1982: 342). Following Pateman (1975: 23), I believe that democracy in work should be viewed as something which is intrinsically valuable because of its inextricable connection to furthering justice, equality, freedom and the rights and interests of all workers.

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APPENDIX A: CODING KEYS

KEY TO TRANSCRIPTS OF TAPED INTERVIEWS

Code	Pseudonym	Job Category
T01	Peter Straw	Senior Manager (Regions)
T02	John Church	Registry (Head Office)
T03		Department Manager
T04		Non-management Partner
T05		Non-management Partner
T06		Registry (Regions)
T07		Non-management Partner
T08		Department Manager
T09		Registry (Regions)
T10		Senior Manager (Head Office)
T11		Non-management Partner
T12		Non-management Partner
T13	Simon	Non-management Partner
T14		Non-management Partner
T15	Doris	Non-management Partner
T16	Hattie	Non-management Partner
T17	Christine	Non-management Partner
T18	John Church	Registry (Head Office)
T19		Registry (Head Office)
T20	Kathy	Department Manager
T21		Senior Manager (Head Office)
T22	Ruby	Registry (Regions)
T23		Registry (Regions)
T24		Senior Manager (Head Office)
T25		Department Manager
T26		Non-management Partner
T27	Ruby	Registry (Regions)
T28		Non-management Partner
T29		Non-management Partner
T30		Non-management Partner

KEY TO FIELD-NOTES

FN01	Northern Branch Council, June 2004
FN02	Northern Branch Council, March 2004
FN03	Northern Branch Annual General Meeting, September 2005
FN04	Northern Branch Committee for Communication, September 2005
FN05	John Lewis Divisional Council, September 2005
FN06	John Lewis Divisional Council, February 2006
FN07	John Lewis Divisional Council, May 2006
FN08	John Lewis Divisional Council, September 2006
FN09	John Lewis Partnership Council, June 2004
FN10	Scottish Branch Forum, June 2005
FN11	Northern Branch Forum, November 2005
FN12	Northern Branch Forum, January 2006
FN13	Northern Branch Forum, May 2006
FN14	Northern Branch Forum, July 2006
FN15	Northern Branch Forum, September 2006
FN16	Northern Branch Forum, November 2006
FN17	John Lewis Partnership Council, March 2006
FN18	ConSew Communication Half-hour, January 2006
FN19	ConSew Communication Half-hour, February 2006
FN20	ConSew Communication Half-hour, March 2006
FN21	ConSew Communication Half-hour, April 2006
FN22	ConTech Communication Half-hour, January 2006
FN23	ConTech Communication Half-hour, February 2006
FN24	ConTech Communication Half-hour, March 2006
FN25	ConTech Communication Half-hour, April 2006
FN26	ConSew Communication Half-hour, May 2006
FN27	ConSew Communication Half-hour, July 2006
FN28	ConSew Communication Half-hour, September 2006
FN29	Partnership Council, October 2006
FN30	Northern Branch Council, September 2005
FN31	ConTech Communication Half-hour, May 2006
FN32	Visit to Northern Branch, April 2004
FN33	Visit to Northern Branch, March 2005
FN34	Visit to Northern Branch, August 2006
FN35	Visit to Northern Branch, May 2005

KEY TO OFFICIAL PARTNERSHIP DOCUMENTS

D2	Agenda for Northern Branch Council Meeting, 2004
D3	Leaflet on PBOP Philosophy, Northern Branch, 2005
D4	Poster on 'One Step Beyond', Northern Branch, 2006
D5	List of Partnership Councillors, 2005-06
D6	Partner Opinion Survey Results 2007
D11	Partner Opinion Survey Results 2005
D12	Partner Opinion Survey 2006
D13	Partner Opinion Survey Results 2003-2006 (part 1)
D14	Partner Opinion Survey Results 2003-2006 (part 2)
D15	PBOP Democracy Project Proposal – Memo to Chairman from Divisional Registrar outlining trial, 2 August 2005
D16	PBOP Democracy Project Presentation to Northern Branch by Divisional Registrar, October 2005
D17	PBOP Democracy Survey 2005
D18	PBOP Democracy Survey Results 2005 (All Branches, part 1)
D19	PBOP Democracy Survey Results 2005 (Northern Branch)
D20	PBOP Democracy Survey Results 2005 (All Branches, part 2)
D21	PBOP Democracy Survey Results 2005 (All Branches, part 3)
D22	PBOP Democracy Project Proposal - Memo to Chairman from Divisional Registrar, Proposal for Northern Branch trial, 2 August 2005
D23	PBOP Democracy Project Proposal - Memo to Chairman from Divisional Registrar, Proposal for Southern Branch trial, 2 August 2005
D24	PBOP Democracy Project Proposal - Memo to Chairman from Divisional Registrar, Proposal for Scottish Branch trial, 2 August 2005
D25	PBOP Democracy Survey Results 2006 (All branches)
D26	PBOP Democracy Survey Results 2006 (Northern Branch) part 1
D27	PBOP Democracy Survey Results 2006 (Northern Branch) part 2
D28	PBOP Democracy Project Evaluation 2006 (All Branch Findings)
D29	Agenda and Briefing Notes, Partnership Council, March 2006
D30	Report on the PBOP Democracy Project Proposal, November 2006