HUMANIZATION OF THE WORKPLACE
THE SWEDISH EXPERIENCE

Proceedings of a Seminar on the Quality of Working Life
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Institute of Industrial Relations • University of California • Los Angeles

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WELCOME AND INTRODUCTIONS

Good morning, Ladies and Gentlemen:

On behalf of UCLA and the Institute of Industrial Relations, I welcome you to this conference on Humanization of the Workplace: The Swedish Experience.

The subject of our conference--which is also known by a number of other names, such as improving the quality of working life, worker participation in industry, or simply industrial democracy--is a matter of considerable interest in many countries of the world. Those evincing such an interest, however, do so from a variety of motives. For many employers, the predominant concern is for increased productive efficiency. Christian trade unions see in these developments the possibility of achieving an entirely new relationship between employers and employees, in which the spirit of what Elton Mayo called "spontaneous collaboration" will prevail, and the customary conflicts between the two groups will gradually disappear. Socialist and Communist trade unions, on the other hand, view any means by which workers are given a greater voice in the conduct of the enterprise as merely another step in the progress toward the ultimate goal of either state ownership of the means of production or the dictatorship of the proletariat. Nor should we overlook the keen interest in these developments by groups in various parts of the world who regard them as a means of forestalling unionism and perpetuating, through use of manipulative devices, the continuing control of the enterprise by employers.

Whatever the underlying motives may be, the fact remains that the humanization of the workplace is a subject close to the core of contemporary industrial relations theory. Here at UCLA, a single group of scholars in the Graduate School of Management, led by Professor Louis E. Davis, have been producing both theoretical and empirical studies on improving the quality of working life. The Institute of Industrial Relations looks forward to working more closely with this group in the future. Nor is our interest limited solely to the United States. The Davis group has ties with persons with similar interests in Europe as well. And Professor Ichak Adizes, a member of the faculty of the Graduate School of Management and a Research Associate of the Institute, has published a book on worker self-management mechanisms in Yugoslavia.

Similar work is proceeding in other American universities, and the Congress of the United States has shown an interest in some aspects of the problem. The Occupational Safety and Health Act is perhaps

the most outstanding example of that interest. Another, less conspicuous example is the bill recently introduced by Senator Kennedy "to provide for research for solutions to the problem of alienation among American workers and to provide for pilot projects and... technical assistance to find ways to deal with that problem." In this connection I should mention that Professor Melvin Seeman, of the UCLA Department of Sociology, has engaged in important research on worker alienation.

But we are here today primarily to learn from our distinguished Swedish visitors about what has been accomplished in their country in respect of the humanization of the workplace. Sweden is not only a recognized pioneer of social and economic reforms; it has now also become, in the language of a recent article in the *Monthly Labor Review* on improving working life, "one of the world's foremost laboratories for the humanization of the workplace." The evidence to support that characterization will be given by the speakers themselves. I shall add only that the Swedish experience has a special meaning and credibility for American scholars, employers, and union leaders because it is based on a mature system of industrial relations in which, as in our own, management and organized labor play an equal part, and for the continuing success of which they accept an equal responsibility. We must remember that the national labor policy of the United States rests upon the assumption that good labor-management relations can best be promoted through a system of collective bargaining. Therefore, despite the success of isolated experiments by unorganized firms to improve the quality of working life, major innovations are likely to take hold in our country only if they are accomplished through the mechanism of collective bargaining.

Before introducing our first speaker, I want to acknowledge the cooperation of the Graduate School of Management in arranging this program and in making these facilities available to us.

Benjamin Aaron
Director
Institute of Industrial Relations

THE SWEDISH INDUSTRIAL RELATIONS SYSTEM

Stig Gustafsson

Labor Legislation

In Sweden the laws that govern labor-management relations are the Collective Contracts Act, the Labor Court Act, the Act Governing the Rights of Association and Collective Bargaining, the Mediation Act, and the Acts on Employment Security.

The Collective Contracts Act

The Act contains no specific provisions about the content of collective agreements. Nor are the latter defined directly, but rather by a clause (Section 1) setting out the manner in which such agreements are to be drawn up. "Agreements between employers or associations of employers and trade unions or other similar associations of workers about the conditions that are to be observed in employing workers, or otherwise deal with the relations between employers and workers, shall be drawn up in writing."

There is no legal definition of the criteria by which the competence of an association to conclude a collective agreement is to be determined. On the employer's side an individual employer can conclude a collective agreement, but an individual worker or group of unorganized workers cannot conclude a collective agreement with the employer. The individual worker is normally covered by a contract of service *(arbetsavtal)*, into which he enters--frequently verbally--with an employer on taking up employment, but the individual employment is generally related to and indeed based on a collective agreement.

The collective agreement establishes norms about job content, and a framework of rights and obligations which the parties consider binding when they enter into agreement with one another. It provides at least minimum (though sometimes standard) conditions for the employer to observe, although he is not always barred from being more generous than the terms of a collective contract provide. Collective agreements can be national, district, local, or plantwide in scope, though the national agreement is the most important form.

Although a collective contract does not bind specifically named persons, contracts concluded for a trade association or an area are also binding on the members of the association, whether they join the association before or after the agreement is concluded. However, they are not bound by the agreement if they are already bound by another collective contract; nor do members cease to be bound by a collective agreement merely upon leaving an association.

The position of unorganized workers under the Act is not defined. In theory an employer bound by a collective agreement might be tempted to conclude an individual employment contract with unorganized workers that deviates from the collective agreement. This has not been a major issue in Sweden because of the high percentage of organization (and hence its omission from the Act); the Labor Court has primarily stressed the supremacy of the principle of collective norms by ruling that collective agreements also apply to unorganized workers unless specific provisions to the contrary are made in the collective agreement. The employer is generally under an obligation to the union, not to the unorganized workers, to apply the terms of the agreement to non-union labor in order to prevent undercutting of wages.

The collective contract as a peace agreement

The provisions of the Act here follow closely the view expressed by the parties to the employment relationship as formulated in 1928. There is no complete ban on direct action, no general prohibition of sanctions during the life of the contracts. But the intention is to promote peace, and where the Act allows direct action it imposes far-reaching limitations on this freedom, as noted below. During the life of the contract employers or workers bound by the collective agreement are prohibited from resorting to stoppages of work (lockouts or strikes, blockades, boycotts, or other comparable measures) in the following situations:

(1) on the grounds of a dispute about the validity, existence, or correct meaning of an agreement, or on the grounds of whether a particular action violates the agreement or the provisions of the Act. Thus the parties may not resort to direct action merely because they disagree about the provisions set out in the contract;

(2) in order to bring about alterations in the terms of the agreement;

(3) in order to enforce provisions designed to become effective after the contract has expired;

(4) in order to assist others in cases in which they are not themselves entitled to resort to direct action. This prohibits sympathetic action on behalf of someone who has himself repudiated his obligations under a collective agreement or the Act; otherwide, purely sympathetic action is allowed.

Direct action in connection with unresolved conflicts of interests (non-actionable disputes) is not banned by the Act. In principle, economic sanctions can be used over a matter not regulated in a collective contract while the contract is in force covering other subjects. But the Labor Court interprets the liberties of the parties with regard to unresolved disputes in a very narrow way. It has ruled

that direct action may not be taken in an unresolved dispute by one party if the other asserts in good faith that the dispute relates to a matter regulated in the contract, until the Labor Court has decided whether the dispute is an unresolved non-actionable matter. This in practice clarifies the peace obligation. The Labor Court has followed the basic rule that its function is to promote industrial peace.

Sympathetic action

The right to sympathetic action is not limited by this Act to certain kinds of primary conflict or to certain kinds of sympathetic measures. The only requirement under the Act is that the side being supported, i.e., involved in the primary dispute, is itself entitled to resort to economic sanctions. This means in practice that sympathetic action usually occurs when the primary conflict is a non-actionable dispute, for in most cases a party is free from the peace obligation of the Act only when it is not bound by a collective contract. The sympathetic lockout and secondary boycott are permissible.

The intention of the sympathetic action clause in the Collective Contracts Act is to allow a party to aid others without aiming to gain anything itself, but the Labor Court has had occasion to take account of the nature and intent of the sympathetic action. Although such action may appear to be an expression of sympathy, difficulties of interpretation can arise if the sympathetic action is really intended to serve another purpose, e.g., influencing the terms of employment for one's own area of contract application.

The enforcement of the peace

The Act contains obligations for both associations and their members. Strong pressure is put on organizations to avoid the use of the illegal sanctions described by imposing two obligations, one indirect and the other direct. If an association or a member (a local union or individuals) is bound by a collective contract, the association may not arrange or otherwise contrive the use of economic sanctions which are prohibited, nor may it lend support or aid to illegal direct action to which a member has resorted. Secondly, an organization (national union or branch) which is a direct party to a contract is also obliged to endeavor to prevent its members from resorting to illegal direct action or, if such action has already begun, to endeavor to have it discontinued.

The Labor Court Act

The Labor Court was established at the same time as the Collective Contracts Act, in 1928, for the purpose of administering the Act and interpreting the provisions of collective contracts. The Labor Court is a judicial body, concerned primarily with determining the rights and obligations of parties to a collective contract when disputes about it arise. It does not have complete jurisdiction over justiciable disputes, since the parties are free to arrive at alternative peaceful methods of settling disputes about collective agreements; it can be by-passed by writing private arbitration clauses into collective agreements with the consent of both sides. Collective contracts usually provide that if disputes arise there shall first be negotiations between the parties and their organizations. Only thereafter can the Labor Court accept jurisdiction. The Labor Court is a final court of judgement; its decisions cannot be appealed.

The Labor Court is the only instance of its kind in the country. The majority of its members are lay judges, drawn from the parties to labor-management relations.

The Labor Court has its seat in Stockholm, and its main task is to settle disputes of the following kind relating to collective contracts:

(1) the validity, existence, or correct meaning of a contract;

(2) whether certain procedures conflict with collective contracts or with the Collective Contracts Act;

(3) questions relating to the consequences of such procedures, e.g. whether economic sanctions taken were illegal or in violation of contracts.

The competence of the Court includes cases relating to individual employment agreements that are covered by provisions in a collective contract, though it is not empowered to deal with disputes that arise over individual contracts of service which are not based on collective contracts, with one exception: dismissal of unorganized employees. Disputes over dismissal of unorganized employees as well as disputes that arise over individual contracts of service not based on collective contracts are taken before the ordinary courts.

The Right of Association

The Act governing the rights of association and collective bargaining was passed in 1936 after considerable misgivings and amendments. It applies to relations between employers and employees. Under the

Act, the right of association covers the rights for employers and employees (1) to belong to associations; (2) to enjoy membership; (3) to work on behalf of the association; and (4) to work for the formation of an association.

Thus the Act only regulates the positive right of combination. No legal protection is provided for the negative right of association, the right to be unorganized, e.g., by prohibiting compulsion to organize. Three reasons were given for this restriction: (a) that legislation on such a far-reaching issue could not be confined to the labor market; (b) that compulsion to organize is an internal matter for workers and for employers, (the Act does not intend to prescribe conditions about the government of the internal affairs of trade unions or employers' associations, but provides that each side can exercise the right of combination with regard to the other); and (c) the right to combine is only in fact regulated to the extent necessary to guarantee the right of negotiation. The primary objective was to aid organizations of salaried employees to obtain this right.

The positive right of association is "to be inviolate." Violation is not directly defined, but is deemed to have occurred if certain purposive action is taken. When, either from the side of employers or employees, measures are taken against anyone on the other side for the purpose of persuading him not to join an association, to leave an association, not to make use of his membership of an association or not to work on behalf of the association or for the formation of an association, violation has occurred; and, likewise, if from one side measures that injure a party on the other side are taken because this second party is a member of an association, makes use of his membership, or is active on behalf of or for the formation of such an association. The sanction is damages.

Cases arising out of this statutory right of association are taken before the Labor Court. The sanction for breach of the right of association is civil damages, but there is no limitation (in contrast to the maximum damages of 200 crowns against an individual member under the Collective Contracts Act) on the amount of damages that may be awarded by the Labor Court.

The Right to Bargain Collectively

Although the right of association is more fundamental than the right of negotiation as a principle of individual liberty, the Swedish legislation of 1936 aims to regulate the right of association only to the extent necessary to ensure the right to bargain collectively. The right of negotiation can be exercised

by an individual employer or an association of employers, and by associations of employees. These various persons or associations are entitled to call for negotiations in respect of conditions of employment and of other relations between employer and employee. This right involves the other side in an obligation to enter into negotiations either in person or through representatives. But there is no obligation to arrive at agreement, since this would imply, in the case of non-justiciable disputes, some measure of compulsory arbitration as an ultimate solution.

The only matter on which the parties may depart from the rules of this Act is by agreeing to some other arrangement about negotiation procedure in a collective contract. The Act thus sets out the principle of the right and the obligation to negotiate, but the parties may agree on procedure in their collective contracts.

Workers Organizations and Employers Associations

The economic conditions and the rapidly growing industrialization of Sweden toward the end of the nineteenth century provided a natural background for the creation of labor unions. Even as early as the 1870s, a few collective agreements were made. In 1898 the Confederation of Swedish Trade Unions (LO) was formed; 25 national unions are today affiliated to the LO.

In 1902, the employers formed the Swedish Employers' Confederation (Svenska Arbetsgivareföreningen, SAF). The structure of the SAF organization along industrial lines was no doubt one important practical reason for the LO to emphasize the principle of industrial unionism, meaning that all workers of different kinds occupied in one industry should belong to the same union. This, again, seems to have been a necessary condition for the successful organization of the workers in industry up to about 95%, and salaried employees to about 75%.

The Central Organization of Salaried Employees (TCO) was founded in 1944. Many national unions are older. Almost all groups of salaried employees have organized themselves into trade unions. Engineers and technicians, foremen and supervisors, bank and insurance officials, teachers, members of the police and armed forces, as well as civil servants including clergymen and local government staff are all organized. A number of professional categories have formed their unions on an occupational or craft basis, but the majority have cooperated with other professional categories in building up industrial unions. The large-scale membership of the organizations (at present about 75%) clearly indicates that the majority of salaried employees join trade unions.

Ever since the beginning of this century, collective bargaining in Sweden has followed very broad principles inasmuch as industry-wide collective bargaining predominates. Thus there is (with some exceptions) for each industry one employers' association, one national union and one collective agreement. 39 employers' associations are affiliated to the SAF, 25 national unions are affiliated to the main organization on the workers' side, and 22 unions to the TCO. During recent years the two more important organizations, the SAF and the LO, have increasingly centralized the negotiation system through recommendations to the affiliated associations and unions to follow certain principles in wage questions. These recommendations do not, however, make collective bargaining in other respects superfluous, and the system of collective agreements within each industry between the employers' association and the corresponding trade union is as fully maintained as previously.

During the last two decades the organizations of salaried employees have grown in importance. These include both industrial workers and foremen, and their organizations cover both the private and the public sector. The TCO is the confederation organizing the majority of them.

Government Mediation Authority

It is sometimes believed that the peaceful development of Swedish industrial relations has to a considerable degree been the result of the activities of the government mediation authority. As a matter of fact, the parties to negotiations are very anxious to be entirely free both to negotiate and - if necessary - to fight out their differences without government interference. There is no such thing as compulsory arbitration in Sweden.

The government mediation authority acts under certain conditions. However, the government mediators or mediation committees have no right to force either side into accepting their proposals. In the end the opponents are entirely free to decide as they see fit.

Central Negotiations

The system of centralized wage negotiations which has been practiced in Sweden since the mid-fifties is rather unique among industrialized countries. The essential prerequisite is the existence of strong organizations representing labor and management, who can act with confidence, power and authority. The most characteristic feature of the Swedish negotiation system is that the two parties are solely responsible for labor peace, as noted before. The role of the government is in the wider economic field, and more specifically to plan a strong budget.

The problem which above all others has been discussed during recent wage negotiations has concerned low wages. The trade unions have tried to improve the position of those who are at the bottom of the wage ladder, who are found not only in certain industries but in nearly all fields. After many years of attempts at wage policy solidarity, it is evident that the inequalities have not been eliminated; they have been neutralized in large part by the effects of the industrial boom. Even if different union officials have different views on central negotiations as they have been carried on so far, some form of centralization is likely to be the rule rather than the exception in the future.

There is no legislation on wages in Sweden, no minimum wage law, no legislative provisions regarding overtime pay. There is a law guaranteeing four weeks vacation with pay for everyone who is employed. And there is a law stipulating a maximum 40-hour workweek for everyone employed--including those in commerce and agriculture--but normal hours may be set at any length by agreement between the parties.

There is no registration requirement for trade organizations on the labor as well as management side. There is no need for it as unions are universally accepted by management. The right to bargain collectively is recognized by legislation, and there are laws which protect the contracts concluded.

The Basic Agreement

In December 1938, the LO and the SAF signed an agreement, the Basic Agreement, which made government intervention in industrial relations and special legislation unnecessary. A quote from the agreement illustrates the principles upon which the trade unions have based their stand:

> The central organizations of the Swedish labor market fully realize how important it is to have their disputes settled as far as possible without resort to open conflict.
>
> Although the organizations are consciously aiming at a peaceful solution of labor market problems, disagreement between the parties cannot always be avoided. The economic losses resulting from a dispute in such a situation are in themselves regrettable, but they cannot be regarded as sufficiently important to justify the replacement of the present system of free collective bargaining by compulsory State regulation of differences of interest in the labor market. Nor from other points of view can the State be justified - apart from the sphere of social welfare legislation proper - in forcing upon Swedish employers and workers a regulation of working conditions, either in general or in specific instances. So long as the organizations in the labor market are also prepared to take note of the general public interest involved in their

> activities, the measures reasonably called for in the interest of labor peace should most naturally and appropriately rest with the organizations themselves.

The underlying principle upon which the whole Basic Agreement rests is that labor and management should be free to settle between themselves all conflicts of interest other than those which are expressly subject to special regulatory measures laid down by law. The Agreement itself amounts to a recognition by both parties that the exercise of this freedom implies certain obligations and responsibilities toward the community at large. This means, then, that the parties should seek, as far as possible, to regulate conflicts of interest by peaceful settlement. And in this respect, particular attention was directed toward making the bargaining machinery more rational and effective by providing a uniform procedure for negotiations on both economic and legal disputes.

Today the Basic Agreement is under discussion. Some are of the opinion that it is not necessary any longer to have an agreement of that kind; others feel that it is still needed. There will probably be no decision in this matter until the Government Commission reviewing labor legislation has presented its result in 1975.

The Government Commission Reviewing Labor Legislation

In the spring of 1971 the Swedish Parliament called for a review of labor legislation, noting that the greater influence of the individual in society today and the social changes that have been achieved in the community at large have not been accompanied by corresponding changes at the workplace. Calling for a better balance between the parties in the labor market, the motion raised questions as to the substance of the right to negotiate, and asserted that the principle whereby employers have the free right to hire and fire as well as to manage manpower should be replaced by an arrangement whereby the parties come to a joint decision concerning conditions of employment in the widest sense. In short, the time has come for a general review of the laws governing labor relations, in particular the Collective Agreement Act, the Labor Court Act, the Right of Association and Collective Bargaining Act and the Labor Disputes (Mediation) Act.

Legislation should be introduced, giving employee organizations the support required to render working life more democratic. The employees' right of codetermination at different levels in an enterprise should admittedly be secured in the first place through agreements, using forms that do not encroach on the free and independent status of trade union organizations. For negotiations

to be fruitful, however, it is necessary to extend the right to negotiate and to modify the legislation on collective agreements so that employees and their organizations are placed on a more equal footing with employers. Consequently a Commission was appointed to undertake a general review of labor legislation.

The right to negotiate

The review of legislation involving procedures for negotiating and reaching agreement should concentrate, in the first place, on enabling employees to exert a real influence in matters that closely and daily affect the individual worker. But the frame of reference should be wider than this. In principle, the right of negotiation under new legislation should be so comprehensive as to embrace all questions--at various levels of decision-making--in which it is desirable that employees have a voice.

At present there are few collective agreements which give employees a voice in formulating personnel management. The traditional attitude among employers is that such questions should not be dealt with in negotiations. The statutes of the Swedish Employers' Confederation contain a paragraph making it incumbent on members to ensure that every collective agreement include a regulation to the effect that the employer has the right of managing and allocating personnel. And even if a collective agreement does not include such a clause, it is the practice of the Labor Court to accord the employer this unlimited right unless there is an agreement to the contrary or the law states otherwise. Furthermore, the existence of a collective agreement between the parties means that the managerial rights of the employer are protected automatically by the obligation to maintain industrial peace. Even if questions of personnel management are not mentioned in the collective agreement or during the course of negotiations between the parties concerned, employees are bound in principle to respect the powers of the employer in this area for the duration of the agreement.

In new legislation, questions involving prerogatives of personnel management should fall within the framework of collective agreements. The Commission ought to consider the possibility that the Collective Agreement Act stipulates the matters which must be regulated explicitly in collective agreements before they can be said to be covered by such an agreement, and hence by the peace obligation.

Interpretive advantage

The principle that an employer has the power of decision-making in an enterprise as well as over its activities has been

considered to give him the interpretative advantage during disputes concerning the content and implementation of collective agreements. As a result, during a dispute involving job duties, the employee is bound, as a rule, to perform the task in question until such time as the dispute has been settled by negotiation or the courts. If personnel management is made the subject of real negotiations and is regulated in more detail in collective agreements, this will affect the question of interpretative advantage. Presumably the parties to an agreement will then regulate the manner in which disputes are to be settled while the agreement is in force.

The Commission should carefully investigate to what extent and in which matters the employer's interpretative advantage might be limited or abolished. The question of a prior obligation to negotiate should also be considered in this context. A primary rule may provide that employers may not change prevailing conditions without first negotiating with the employee's side. It may also prove appropriate to provide still further scope for the system of a prior obligation to negotiate. It will be the task of the Commission to investigate these questions.

The peace obligation

As already mentioned, the parties to a collective agreement are under an obligation not to engage in coercive action (a strike or a lockout) over matters regulated by the agreement. The Collective Agreement Act provides that employers or employees who are bound by a collective agreement may not, while the agreement is in force, take coercive action on account of disputes concerning the validity, existence, or true content of the agreement, or on account of disputes as to whether a certain procedure constitutes a breach of the agreement or of the Collective Agreement Act.

Nor may coercive action be taken for the purpose of modifying the agreement, or introducing regulations that are intended to come into force after the agreement has expired, or to assist another party who is not in a position to take coercive action. The peace obligation applies to the organizations concluding the agreement as well as to the members of such organizations.

This foundation for the peace obligation should not be disturbed in principle; it is of great importance not only for the parties concerned, but also for society in general. At the same time, it should be emphasized that in certain situations the obligation can prove particularly exacting for employees, and that employers are responsible for preventing such strain to threaten industrial peace.

Liability to damages

The legal approach to unofficial strikes of this type is closely linked to the wider question of the responsibility of organizations and individuals when collective agreements are violated. The Collective Agreement Act provides that employers and employees are liable for damages if they violate a collective agreement or the Collective Agreement Act. The same applies to associations. This liability may be reduced or waived completely in certain cases. An employee may not be fined more than 200 Swedish crowns. If several persons are responsible, the damages are to be divided among them in proportion to their responsibility.

The Commission should thoroughly investigate the relationship between the nature and extent of unofficial conflicts and the liability incurred by violating labor peace, as well as the extent to which it is reasonable to exempt individual employees from such liability.

Coercive action with an international background

Another question concerning the peace obligation should also be considered by the Commission. The Collective Agreement Act provides that coercive action in support of another party is prohibited if the primary conflict is illegal. Current legislation does not contain special provisions, however, for cases in which the primary conflict is located abroad. The question has arisen in the work of the Labor Court, but the legal situation still appears to be unclear in certain respects. The whole complex of problems connected with coercive action against an international background has still to be dealt with.

Employment Security in Sweden

In the reform efforts of labor law now taking place at the central level, one question that has especially come into the foreground is the employment security of workers--both manual and white-collar. This emphasis originates in the structural changes that are taking place in the labor market, to the effect that large groups of employees, particularly older workers and those who are partially disabled, are being put in an increasingly critical position. However, the situation for other workers is also unsatisfactory.

In December 1969, the Swedish Minister of Labor and Housing appointed a committee of inquiry to look into the question of employment security from all angles. This committee, also called the "Åmanska" after its chairman, Walter Åman, has submitted three

reports. The first report, called "Security of Employment," appeared in January 1973. It put forward proposals for two laws or Acts of Parliament, one about job protection and the other about measures to promote employment.

In December 1973, the committee published its second report, called "Security of Employment II." It proposed, for example, legislation concerning the position of a trade-union representative at the workplace.

The committee's final report dealing with the adjudication of labor disputes came out in January 1974. It dealt with the court organization and the judicial process to apply to industrial conflict. The committee recommended the enactment of a special law on these points to supersede the Labor Court Act of 1928.

In December 1973, the *Riksdag*, or Swedish Parliament, passed laws to strengthen job protection. This legislation followed two main lines: first, improving the job security of employees, e.g., by prohibiting unjustified dismissal; and second, conferring influence on trade unions and the public employment service in the shaping of corporate personnel policy. The legislation became effective on July 1, 1974.

In May 1974, laws were passed dealing with the position of trade-union representatives at the workplace and with the adjudication of labor disputes. This legislation, likewise, became effective on July 1, 1974.

Act Concerning Employment Security

In principle, the Employment Security Act applies to all workers in public and private employment. However, an exception is made for various categories, among them company managers and members of the employer's family. Further, derogations may be allowed especially for national and local government employees. Certain passages in the law permit the parties to the employment relationship to supersede or augment its provisions with regulations adapted to particular industries. But in all essential aspects the Act has been given wide application.

A basic provision sets forth that notice of dismissal given by the employer must be for cause. In the event of dispute as to validity of the dismissal, the question may be referred to a court of law. As a rule, the worker is entitled to stay on his job until the dispute is finally settled. In effect, the Act abolishes the longstanding principle whereby the employer is entitled to dismiss workers at will.

Under the Employment Security Act, a mutual term of notice of at least one month holds for both the employer and the worker. A worker who has served his employer for a specified minimum period is entitled to a longer term of notice if he has reached the age of 25. In principle, during the term of notice the worker is entitled to full wages. However, the employer is permitted to make deductions from terminal pay for what the worker has earned or evidently could have earned elsewhere while the term of notice is in effect. In case of layoffs, full wages are payable to the extent that the layoff has been effective for more than two consecutive weeks or for a total of more than 30 days during one and the same calendar year.

Of particular importance is the Act's language about seniority, that is, the order to be followed by an employer when he determines layoffs or dismissals because work is in short supply. In principle, such seniority is based on length of service with the company. A worker who has been given notice because work is short has a priority right to a new job with the employer for a period of one year after termination of his original employment.

The Act's provisions on advance notice and negotiations give worker organizations insight into corporate personnel policy as well as a tool to bring influence to bear upon the employer. Thus advance notice must be furnished if the employer wants to effect dismissals or layoffs, or if he wants to reach agreement about recruitment when a previously employed person has priority right. Employers found in violation of the Act's provisions will become liable to pay damages.

As to the term, "dismissal for cause," the lawmakers did not deem it feasible to spell out a definition which could hold true across the board. However, as in the past, production cutbacks will continue to be regarded as substantive cause for dismissal. The Act incorporates rules requiring the employer to notify the trade union of an intended production cutback, and also to enter into negotiations with the union.

When notice of termination of employment is served by the employer, it shall be in writing. This is a major innovation. The employer must also, if the worker so requests, state the reasons for dismissal.

Act Concerning Employment-Promoting Measures

Under this law, an employer is required to notify a County Employment Board in advance of any intention to cut back production. Should the cutback lead to dismissals, the period of advance notice runs anywhere from two to six months depending on how many workers

will be affected. In addition, the Act contains certain rules which seek to provide older workers and partially disabled workers (i.e., those with reduced capacity for work) with better opportunities to keep or obtain employment in the open labor market. These rules build upon the idea that the labor market authorities, when confering with the industrial relations parties, shall discuss which measures may need to be taken for this purpose in a spirit of cooperation.

Act Concerning the Position of a Trade-Union Representative at the Workplace

The job security of trade-union representatives or shop stewards was one of the questions taken up in connection with the legislation on security of employment. The Act has not only treated that question from this aspect, but has examined it in the broader context represented by the general status of the trade unions at the workplace. The Act seeks to support union endeavor, providing that an employer must not prevent a shop steward from carrying out his assignment.

As the law enunciates in principle, employers shall make it easier in various ways for the shop stewards to carry on union activity, mainly by giving them needed time off from work to perform their steward duties, but also by such practical measures as making rooms available for meetings. The shop steward must not be made to suffer poorer working conditions or terms of employment because of his office; the employer should strive to place the shop steward at a work station that will make it easier for him to pursue his assignment; should an occasion arise where a shop steward is to be transferred or his terms of employment changed in any way, the change shall be preceded by notification and negotiation; in the event of a production cutback, a shop steward will enjoy priority of reinstatement provided his union activities are of special importance at the workplace.

The most important privilege is the right to take time off from work to do work for the union. Further, if the union tasks pertain to his own workplace, the shop steward is entitled to wages and other employment benefits during his time off. Also, provision for time off shall be negotiated in advance between the parties.

The Act is applicable to workers designated by a local workers' organization which is or will normally be bound by collective agreements reached on behalf of those affected by the shop steward's activity. This linkage to collective bargaining embodies a principle that is equally applicable to the ongoing work of reforming labor law: it has been considered natural that organizations which bear the general responsibility for collective agreements should also

be made to shoulder the new tasks added by the legislation. The demand that an organization shall be normally bound by a collective agreement constitutes a guarantee in this respect. In addition, the legislation is meant to be extended by collective agreements which spell out the terms governing union activities at the workplaces.

The Act Concerning the Position of Trade-Union Representatives at the Workplace became effective on July 1, 1974.

DEMOCRATIZATION AND REORGANIZATION AT THE WORKPLACE

Erik Karlsson

The debate on conditions in the world of work and on the situation of employees at the workplace is being waged in ever widening circles and with mounting intensity. In this debate, the main focus is on work structuring and job design. Several investigations have clearly shown that the present state of production technology, with its tightly controlled machine-paced processes, highly fragmented tasks and virtually no opportunities for the employees to take initiatives, generates big problems for the people concerned and thus for the employing enterprises as well.

As a matter of course, the trade union movement in Sweden also thinks a better work structure is needed. We therefore welcome the intensified debate, and regarding the experiments that are being conducted in Sweden and in other countries, we are both direct participants and interested observers. But we also feel that an altered work structure is not enough; the question must not be limited to creating another design of the work process and then trying to prevail on the employees to accept it. As we see it, it is most important that the employees themselves or their elected representatives participate as equals in shaping the means of production. The prevailing structure of power must be changed.

Industrial Democracy

Congress adopted far-reaching programs

The philosophy of Industrial Democracy was emphasized in the discussions that were conducted at the 1971 Congress of the Swedish Confederation of Trade Unions (LO). Programs were adopted under various headings which spelled out far-reaching demands for measures to improve the situation of LO members at the workplace. Running like a red thread through these programs was the demand to make changes in laws and contracts that would put the industrial relations parties on an equal footing in influencing decision-making. Among the demands made were the following:

A new and better law on occupational safety with added powers for the safety stewards.

Better security of employment and, flowing from this, removing the unilateral right of employers to fire workers.

Casting labor law in a new mold entitling the employees to bargain collectively on all issues through their organizations.

Better support and protection of union activity at the workplace.

Doing away with the concept of "constructive precedence" for the employer, which in all disputes puts the burden of proof on the union. ("Constructive precedence" determines which side is to get the benefit of the doubt in interpreting the clauses in collective agreements.)

Much has been accomplished

Since the 1971 Congress, several of these demands have materialized, in whole or in part. This has been made possible by the political collaboration between the Swedish trade union movement and the ruling Social Democratic party. Especially during 1973 and the first half of 1974, several important laws were passed by the Riksdag (Swedish Parliament) upon motion by the government. A brief survey of the "track record" is presented below:

New Occupational Safety Act. The government committee inquiring into the major issue of accident prevention and the working environment started out by drafting proposals on how industrial relations ought to work. It came up with the draft of a law conferring much greater authority on the elected safety stewards and the safety committees. After some modifications, the draft became law, effective on January 1, 1974.

The Occupational Safety Act as amended essentially meets the demands made by the LO Congress. The committee is now going ahead with other matters, such as preparing standards of different kinds, setting thresholds for exposure to hazardous substances, and so on.

Better job security. The employee's right to his job is laid down in principle by a law that became effective on July 1, 1974 (Act concerning Employment Security in Sweden.) It sharply circumscribes the employer's prerogative to fire: no employer can discharge a worker unless he shows cause. The trade union is given the right to negotiate: unless agreement is reached or a court of law makes a decision, the employee is entitled to stay on his job. In case of dismissal, the term of notice has been prolonged so as to give the employee more time to look for a new job. Further, the employee being dismissed can do his searching during paid working time.

If dismissals must be made because of a shortage of work, the Act prescribes the steps to be followed. This is based on straight seniority or length of service, in other words, "last hired, first fired." Persons who are older than 45 are entitled to have their length of service accounted in a more favorable way.

Measures to promote employment. Another law, the Act concerning Certain Employment-Promoting Measures in Sweden, also became effective on July 1, 1974. It lays down rules intended to make jobs more accessible to persons suffering from a disability, whether due to age or handicap. The Act imposes a tripartite obligation upon the employer;

that is, he must cooperate with the labor exchange and the trade union to devise ways and means adapting work stations to the special requirements of disadvantaged manpower.

This law can be invoked to arrest the trend toward two labor markets--one for physically strong, young, well-trained men who are much sought after by the private employers, and the other for persons who are not considered highly productive and therefore have to be assigned to sheltered workshops or the like. Changing this trend meets the labor movement's demand that everyone has a right to a meaningful job. Work shall be adapted to the human being, not the other way around.

Law on shop or union stewards. If the interests of employees are to be properly looked after at the workplace, the trade union must be given greater scope for its activities. A vast improvement in this respect became reality on July 1, 1974, the effective date of a new law, officially called the "Act concerning the Position of a Trade-Union Representative at the Work Place." It improves the situation of the elected stewards. We can say that, because of this Act, the trade union's important role at the workplace will be definitely acknowledged.

Under the Act the employer must not prevent union activity and, indeed, shall take positive action to facilitate that activity. The shop stewards are largely permitted to carry out union duties on the employer's time.

Representatives on boards of directors. Since April 1, 1973, the organization of manual and non-manual workers represented in companies with more than 100 employees is entitled to designate two persons to sit on the board of directors. These representatives take part in boardroom proceedings under the same terms and with the same responsibilities as the directors.

Naturally, this minority representation does not confer any greater influence over decision-making by itself. But in combination with other methods designed to exert influence, the board representation can have its value.

Much remains to be done

On balance, these pieces of legislation have done fairly well to meet many union demands. But there still remains perhaps the most important demand of all. Existing contracts and case law continue to empower the employer to decide on matters of work structure and supervision without any prior negotiation. In effect, this excludes extremely significant areas from union influence. New labor legislation will have to be enacted to change all this.

These issues are now being considered by a government committee, consisting of members representing the political parties in addition to

the employers' and workers' organizations, which was constituted shortly after the 1971 LO Congress. The committee leans strongly upon the motions that were introduced before the Congress. Among other things, the committee was called upon to draft proposals for enlarging the right of worker organizations to negotiate. A final report from the committee is expected on or about January 1, 1975.

What the trade union movement expects

The trade union movement looks forward to the committee's results with great anticipation. Taking the committee's report as a foundation on which to build, we assume that Parliament will enact a law which radically alters the prevailing power positions in the world of work. After all, it is untenable in the long run to have the march of democracy, otherwise taken as being axiomatic in the life of the nation, brought to a halt at the plant gates or company doors.

However, we do not expect legislation that would regulate conditions at the workplaces down to the last nut and bolt. Such legislation is probably impracticable and certainly undesirable. Contemporary working life in a developed industrial country like Sweden is much too complicated and multi-facetted to lend itself to detailed legislative regulation. There must be room for flexibility, and that flexibility will be hard to realize if a law is going to be administered. Besides, provision must be made for adaptability to changing circumstances, which the complexities inevitably accompanying a legal amendment is not calculated to achieve.

Negotiations have led to success

The successes that trade unions have achieved in looking after the interests of their members are due to strength in negotiations. Basic agreements have been reached at the central level which have been improved time and again through negotiations. These basic agreements have then been followed up in negotiations at the local plant level. In that way both the centrally amassed power and the local adjustment have been pressed into service.

As we see it, this successful use of the collective bargaining system can also be deployed for purposes of changing the power structure, for, as mentioned earlier, that which used to give the employer the upper hand was his prerogative to exclude important areas as being non-negotiable.

The law shall create opportunities

So what we would like the revised legislation to establish is the right of worker organizations to negotiate as equals on all those areas of interest to their members, in other words, all areas in the world of work. That would create opportunities for the same kind of successful collective bargaining in all areas.

Constructive precedence shall be abolished

In order to make the industrial relations parties equals at the bargaining table, yet another surgical operation must be performed on the prerogatives of employers. The right they now have in disputes to make their interpretation of laws and contracts prevail throughout the negotiating period, a right known as "constructive precedence," must be abolished. In the future, the nature of an issue in dispute should decide in view of either party's need of constructive precedence and, if so, who shall have it.

This principle is already laid down in the laws mentioned earlier, which have become Acts of Parliament in the course of 1974. We now expect the coming legislation to establish that principle once and for all right across the board.

Contracts to follow the law

Now that the legislation outlined has become a reality, it will have to be applied in several areas by contracts or written agreements. These agreements shall then be reached at the central level and be established in basic or framework form. They shall lay down general principles and, if possible, stipulate certain minimum criteria to be met. Otherwise the agreements shall, in the new areas as well, leave fairly broad scope for solutions achieved through negotiations at the local plant level.

As noted earlier, the local negotiations make for a more flexible adjustment to every company's special circumstances. But they confer another big advantage as well. If the collective bargaining is completed locally, it becomes easier for the individual, acting through the constitutional channels in his organization, to influence the formulation of those rules under which he works.

It is still impossible to form a total picture as to which areas will need contractual regulation of this kind. Even so, two areas of vital importance already are high on the priority list: personnel policy, and work structuring and supervision.

Agreement on personnel policy

It goes without saying that a company's personnel policy has crucial bearing upon the employees. Thus a contract must be drawn up which spells out, first, certain fundamental principles, and second, the distribution of decision-making influence between the parties.

In the opinion of the trade union movement, such a contract ought to spell out the following principles, among others:

Personnel work in the company shall be the responsibility of a group with majority membership from among the employees.

Manpower requirements are to be planned for the long term, 3 to 5 years ahead.

All recruitment is to be done first internally.

External recruitment must always be done in consultation with the labor market authorities (the labor exchange).

All transfers of personnel shall be planned and executed only in consultation with the employee. No employee shall lose benefits in any way on account of the transfer.

The company shall invest heavily in the education and training of its employees. Above all, the workers, manual and non-manual alike, should be helped to upgrade their vocational skills. Further, in-house training programs should actively contribute to the self-development of workers, facilitating intra-company mobility.

The new employee is to be fully inducted into his job, such induction to recur at regular intervals. The union will then be enabled to justify terms of contract and the union activity.

Agreement on work structuring and supervision

"Work will have to be reorganized somehow." On that point the industrial relations parties see very much eye to eye, even though their motivations differ. As to the direction in which changes ought to move, the many experiments being conducted have given rise to some pretty clear hints. However, according to the Swedish trade union movement, this is not merely a matter of whether work structures ought to be changed and, if so, how. Of even greater importance, indeed of the utmost importance, is this question: Who shall have the right to make the crucial decisions about and in the change process?

The enlarged right to negotiate must also extend to the structuring and supervision of work, i.e., the line management. The employees must be given through their organizations a decisive instrument for bringing influence to bear on shaping the job world in which they spend so much of their time. Negotiations for this purpose shall build upon a centrally established contractual framework, in which certain minimum criteria are to be specified. It follows that the contract must afford broad scope for local application to permit adjustment to varying circumstances.

Reorganization

As we mentioned by way of introduction, the problems of work structure have come in for intensified debate and lively experimentation both in Sweden and other countries. The findings of investigations to date show that today's dominant production technology is riddled

with major flaws and is also the source of grave problems. It has also been found that the flaws are caused by allowing the technical function of work predominance while the social function of work has received far too little attention.

It is quite clear that these two functions of work have long been out of balance. But the solution cannot lie in now creating a similar imbalance, though with the pivotal weight shifted in the opposite direction. It is scarcely realistic to imagine abandoning modern technology to return to old-fashioned production methods. What we must find is an approach that will let us keep the benefits of production technology intact while attenuating its drawbacks.

What we want to change

Many factors can be shown to have negative consequences, some more than others. One and the same factor may also be negative in varying degree depending on the form of business organization. It is scarcely feasible or necessary to add up all the factors, but let us begin with an enumeration that looks like this:

The corporate hierarchy.

Highly fragmented, individually bound work tasks.

Tightly controlled production flow.

The hierarchy. Most types of private enterprise are structured with an hierarchical pyramid divided into command levels. Communications between the levels are limited, especially in the upward direction, but also, though to a lesser degree, downward. Those who occupy the higher rungs of the ladder are perceived by their subordinates to be players in the power game, rather than fellow workers in the enterprise which is what they ought to be like.

To be able to draw on the experiences of all employees and get them to feel like participants in all the affairs of the enterprise, it is necessary to dismantle the hierarchy to some extent; while abolishing it altogether is surely impracticable, it should be feasible to reduce the number of levels and improve relations between the levels in both directions.

The work tasks. The most conspicuous element of modern production technology is the breaking down of processes into small, compartmented work tasks. When the technology was first applied, it was seen to offer prospects for speeding up the individual work pace by making tasks simple and highly repetitive. We see the result today: monotony, cramped working postures, physical and mental strain. Another result has been to isolate the individual. On top of that, the potentials inherent in human capital have been largely neglected, which makes for widespread job dissatisfaction.

The production flow. Hear the phrase, "controlled production flow," and the first image that comes to mind is the assembly line. This technique seeks to standardize the work pace and, wherever possible, to prevent variations from one person to another. The assembly line in combination with short work cycles has routinized the job even more.

Adapting work to Man

It is not very difficult to point to these and even more serious shortcomings. The really hard part will come when one is called upon to present alternative solutions. In saying these words, I don't want it to be inferred that any solution sought is supposed to provide a universal fit for all time to come. Far from it: the idea is to enlist codetermination from all groups of employees to promote a development that aims at adapting work to Man.

The experiments so far completed have found that certain conditions must be met in order to achieve job satisfaction. These conditions are:

The job should contain variety.

The job should contain elements which enable the worker to learn. That is, he should be able to gain more knowledge about materials, products, and technical equipment of which he is directly in charge. He should also be enabled to know more about tasks performed at adjoining work stations.

The job should afford the worker room to take initiatives on his own.

It should enable him to participate in planning, problem-solving, decision-making and assumption of responsibility.

The worker should be enabled to understand how his job and the adjacent jobs fit into the whole picture.

The worker should be able to see a future in what he does.

The worker should be enabled to influence those changes which his job is constantly undergoing.

The road to success

Now, how is one to go about restructuring work? In our opinion, the best way is to proceed from a group which has several work tasks and operations. That offers the biggest prospect of a successful outcome.

One of the patterns that could be followed is the concept of "partly self-governing groups." The group can be given assignments of a kind that only such a group can cope with, due to the fact that it is

partly autonomous. Taken together, the tasks assigned to the group provide scope for planning and variation, accommodating the length of the work periods. The group shall--through delegation of authority--be enabled to make decisions within certain given limits. As a result it will be in a position to take initiatives. It is important that the group has a number of tasks which will still form an aggregate work effort even though they vary in character.

The remuneration system in a new work structure

It is important to design remuneration systems that can be adapted to a new work structure. Presently remuneration systems are used as an instrument of managerial control, built up on the work structure we have today. The most common system is the individually set piece rate, which is definitely unsuited to a structure that builds upon group activity. After all, the individual piece rate is supposed to stimulate the individual worker's performance. But in a production group the cardinal emphasis is on the group's performance. It follows that the individual piece rate will have to be abandoned because it does not fit into the new and coming work structure.

The trade unions view the remuneration system as extremely important. Indeed, it may well be the most important question of all for purposes of creating a new work structure. All remuneration systems shall therefore be designed in mutual agreement with the union.

Summary

We know that a great deal has gone wrong in the world of work. Technology has given us a material standard of living at a high level, but in too many cases the price paid for that "blessing" has also been much too high. Work is supposed to be a vital ingredient of the human condition, but it has become transformed into a mere instrumentality--the pay envelope that provides the necessary income. Soulless, monotonous jobs in a destructive environment degrade the human being. We know pretty much about the causes of this development and we are beginning to learn what is needed to turn it right again.

The changes are having an impact on more and more enterprises, but one concept is extremely important in this development. We must not repeat the mistake of fashioning a production method which is then merely applied to members of the human race. Instead, we must let everybody working for the enterprises "get into the act," make each and everyone a coworker in the true sense of the word. Without that kind of worker participation, the job will remain alien to everyone who is called upon to perform it.

The democracy that all of us otherwise consider indispensable cannot be ordered to stop outside the plant or office. Open the doors and let it come in!

CODETERMINATION FOR GOVERNMENT EMPLOYEES IN SWEDEN

Fingal Ström

My task will be to talk about current tendencies in personnel policy in the public sector of the Swedish labor market. The public sector as we define it in Sweden consists of the national government (the "state") and local government (made up of the "municipalities"). These two sectors are very much alike in their personnel policy. But as regards the matter that I shall specifically analyze here, namely codetermination or participatory management for the employees, the underlying conditions are different. The rules which apply to state activities permit--at least up to now--the employees greater participation than do those rules which apply to local activities. This is due to the relatively independent status which the government agencies enjoy in relation to the political authorities by virtue of our Constitution.

I shall concentrate in the following on the central public administration, or civil service, which I represent on this occasion.

The civil service consists of about 100 government agencies, all of which are formally organized under the ministries. Included are not only the railways, telecommunications, mail services, roadbuilding, power generation, education, defense, and police, but also social welfare boards, internal revenue offices, and courts of law. Today, the national government employees make up nearly one-fifth of the Swedish labor force.

Sweden has two branches of government to deal with questions of nationwide import: the legislative or Parliament, and the executive or Cabinet--the latter usually called the Government with a big "G." For purposes of handling central problems at the local level, Sweden is divided into county administrations, each under a governor, which are responsible for regional planning and development. The regional civil service is a fairly substantial operation. Some of the government agencies are large even by Swedish standards; for example, the railways, the post offices and the telecommunications administration together employ 150,000 people. The regional arms of the central government are usually small units, with only 300 to 500 employees.

Where the duties and roles of government employees are concerned, the historical development in Sweden resembles that of most other industrialized countries: the civil service started out as an instrument of protection and internal order, but has evolved into an instrument which promotes the aims of social security, progress and the distribution of "fair shares." As society has developed, so has the civil service constantly grown and taken on new, differentiated tasks. One of its political goals is to serve as a model of what working conditions should be like.

Formerly the public official was a person chiefly engaged in the exercise of power. That aspect has given way in contemporary Sweden to the performance of service functions. Today, there is no big difference between private and public activity. However, job security is greater in the public sector, and medical care and pensions are also better in some respects.

Among those features of government personnel policy which I think might interest other countries, I should like to count the various opportunities that are already open to employees to make their aspirations felt. These opportunities have undergone different lines of development from one sector of the labor market to another. As far back as 1906, manual workers in the private sector were given the right to bargain over wages and certain other terms of employment. The employees also got the rights to organize themselves freely, to reach agreements, and to strike. In return, the employers received worker approval of the principle that the employer is entitled to direct and allot work, to hire and dismiss workers at will, and to employ workers whether they are organized or not. This principle is still in force, even though it has become more liberailzed in practice. New models which modify this pattern are now beginning to take shape. (Since Stig Gustaffson deals with this theme at greater length, I shall not discuss it further in my report.)

Not until 60 years later, in 1966, were the government employees formally accorded the right to strike in addition to an enlarged right to bargain over certain issues. Actually, this tendency for the public sector to lag behind amounts to a formality. According to the formerly ruling doctrine, society's own servants were not allowed to strike for better working conditions; they had a responsibility that was regulated by law; society was their employer and must not be paralyzed. To make good that disability, the government employees were given maximum job security, better pensions and free medical treatment. In any event, the public sector employees have acquired this right--and they have used it, too. It was the result of slowly changing opinion, not least among farsighted politicians. The reform was implemented without too much fuss and bother. And the machinery of Swedish government is still working.

In the years since 1966, the government employees have been whetting their appetite for participation. The Social Democratic Cabinet has lent a sensitive ear to the new demands. In 1974, the Cabinet granted the civil servants more room to negotiate on such matters as general principles of personnel policy, education and training, transfers, and employee welfare. As to what the resulting contracts are going to look like, I'll be ready to answer that question in another year or so.

Up to this point, my description has not come up with anything that is new to the American labor market or to civil service. You have all these things in the United States. But what you do not have

in the United States - if I am correctly informed - is an altogether new line of development in the field of participatory management, and I now propose to elaborate on this subject. It represents a new ideology and a new organization of the civil service, assuming that it will be implemented as planned. At the moment it is in the experimental stage.

The new fundamental philosophy (developed by a government committee on which I sit as secretary-general) grants the employee a right to take personal part in determining personnel policy as a whole, not only rates of pay, vacations, hours of work and the like. Even if the sphere of collective bargaining is broadened, there must be guarantees to ensure the enforcement of contracts under employee influence. Experiments have therefore been mounted whereby special units have been set up inside the government agencies for making decisions of this kind. The employees are members of these units. No personnel problems can be settled by the employer alone as is being done in the present system. In other words, the employees are entitled to participate directly in the decision-making process on virtually all personnel matters in which the employer used to have the total responsibility. Codetermination is meant to guarantee the employees the same influence as the employer over personnel policy. The right of codetermination is exercised by special decision-making units in which the employees appoint half the number of members, and the employer appoints the remainder. The trade unions appoint those who represent the employees, the employer appoints his representatives.

It follows that the new decision-making units replace the top man or boss who used to make these decisions by himself. In the new system that is being tried out, the boss will become one member of a collective that will make those decisions he used to make alone. The once unrestricted decision-making power of the employer, and of the boss to whom that power was delegated, is abolished in the experiments and is democratically parcelled out to a group in which the employee representatives wield the same power as the executive staff of the government agency.

The special units are called upon to make all important decisions of personnel policy. These will have the same force of law as other decisions by the government agency in question. The decision-making units will become regular line organizations with legal status in the administrative hierarchy. It should be emphasized that there is no question here of entering into collective contracts, but rather of reaching day-to-day decisions in particular cases, for instance, about promotion, transfer or dismissal of an individual. As a rule, the decisions made by these units cannot be changed except at Cabinet level.

The philosophy behind these experiments in some ten government agencies is this: the employee must not be solely regarded as a cog

in a machine whose running he is powerless to control, or as a pawn in an economic or political game with no chance to make his voice heard. The employees are adults who are just as responsible for their actions as everyone else in society, and they have the same right to make demands. The rules which hold for a democratic society must also be implantable into the places where people work, with due regard for the circumstances governing in specific cases. In a democratic society, no one person must stand above the other, no one must be permitted to lord it over somebody else. Each and every man and woman can earn the trust of others by becoming politically involved in the society. This capacity must not be vitiated in the world of work merely because a person is hired to perform a simpler function than another, as along an assembly line. That is the philosophy behind the experiments with codetermination in the Swedish civil service.

The world of work must no longer be the place where the individual's initiative, his willingness to assume responsibility, does not count; the employee must be enabled to shoulder a heavy burden of responsibility in his work as well. This approach will not only permit the individual to become involved with a sense of responsibility, but also confer on him real as well as formal power. To meet this goal it will be necessary to enact legislation.

This philosophy does not originate in sociological or psychological notions. Its chief justification is ethical and, if you prefer, political; what it all comes down to essentially is changing the individual's rights, not to psychological or social influences. Naturally, empirical data from psychology and sociology should also lend themselves to the codetermination system we are trying out in the Swedish civil service. But their use will have to be predicated on the consent of ordinary working men and women who want to cooperate in such efforts. Here we can see some big vistas opening up for new research.

An entrenched power system cannot be radically changed overnight. We may now ask: What sort of problems does this form of codetermination generate? Let us look first at the top management in private enterprise. The big policy decisions are made by boards of directors, whose composition can be controlled only to 50 percent by the managing director or, as you call him in America, the "president." So right here you have the total influence and responsibility "from the top" cut down by half. The employee representatives in the decision-making unit are elected without any interference from top management. The principle that every delegation of the right to decide shall be vested in the "right" person, where that person is to be elected from the upper echelons, is put out of action. Whenever the president cannot control such delegation, his responsibility will be partially diminished. This is one of the new situations that we must study carefully in the ongoing experiments.

Scope is provided in the decision-making units for the free interplay of value judgments, both those held by management and by the employees. The monolithic decision model is superseded by a pluralistic model. This reduces management influence and alters the power relationships in favor of the employees. Because of the way decision-making units are composed, important decisions of personnel policy may not be quite what top management has in mind. In the decision-making units--where the chief executive officer may be sitting alongside the cleaning woman or the man with a routine job--the duty to obey which normally marks the vertical chain of command in a work organization does not apply. All normal power relations cease for the moment. Obviously, that can produce strong unforeseen psychological effects. Once codetermination is build into the power system, the hierarchic structure will never be the same again.

Many other problems are likely to arise. For instance, when it comes to carrying out decisions made against the will of an agency's executive staff, those managers who have become hidebound will find it that much harder to adjust to change. But problems may also arise for the new decision-makers who find themselves in positions of power after having been at the bottom of the pyramid. How will they react in the long run to pressure "from the top"? Will they become the loyal tools of the top man? Or critical and independent opponents who exploit their participation potential to the utmost? In the long run, how are they going to establish rapport with those fellow workers on the "shop floor" they are supposed to represent? Will they loyally uphold the shop floor's interests or pledge more of their allegiance to the boss? In that case, what would happen to their status as spokesmen for the employees?

It will be up to our committee to answer these and many other questions. Although we haven't yet discovered all the problems, we already know that a very interesting period of evaluation and analysis in the Swedish civil service lies ahead. We are performing surgery on the fabric of industrial relations. The hierarchic model has not been discarded, but it has incorporated new elements: greater influence shall be exercised by those who normally come under the command of others.

In spite of all these questions, we believe that this model will renew the world of work, that we are laying the cornerstone for a new attitude toward work, and that we are providing the capabilities for an active and real working partnership--where the foundation is a bilateral system with real division of power, increased responsibility and an incentive--built into the power structure itself--for attaining genuine cooperation at the workplace with new organizational and human dimensions.

Codetermination in the Swedish civil service--preliminary experiences

It is fascinating to come to another continent and to discover there that people are working on a subject that is of direct and vital concern to oneself. If the term, "multicontinental relevance," is not already listed in the dictionary of labor relations, I suggest we insert it for today's topic.

It is with great interest that I bring my special concept of the quality of life before this forum: the individual's relation to his job. I am strongly aware of the competence among those in attendance here; I should also like to stress that I have personally been most stimulated by the American experiences in this field which I have been privileged to read about.

My topic has to do with preliminary experiences of a new project--so new that it is not included in "Work in America," which may be taken as a sign of its dynamic: In addition to the government commissions and the private committees and bodies which are mentioned in "Work in America," there exists a committee that is called upon to try out new methods of increasing employee influence within the civil service. This influence has taken the form of codetermination, which is new not only in Sweden but also, if I am correctly informed, in the whole world. (Here, of course, I make an exception for West Germany, which has its own word for it: Mitbestimmung.) I shall now concentrate on this theme after a few words about its background.

The question of codetermination for employees in the job world generally--over and above the influence that lies in the right to bargain collectively--took on special urgency in Sweden towards the end of the 1960s. At that time, the government appointed several committees which were mandated to try out new forms of codetermination. Two of these committees were concerned with areas that came under the government's management: one committee was to initiate experiments with codetermination at state-owned industrial enterprises--for instance, shipyards, mines, wood products, and tobacco manufacturing--all of which are mentioned in "Work in America." The other committee was to initiate similar experiments within the public administration or civil service.

With the aid of experts--sociologists, economists, and management consultants--different models have been developed. As regards the industrial program, efforts to put the models into practice have met with certain obstacles: corporate managements have sometimes reacted negatively to excessively far-reaching changes which might impair competitiveness and efficiency. Lively debates have been waged on these matters. The experiments have now reached the point where certain lessons can be drawn, but these must be regarded as highly tentative. Yet this much is clear: the results are positive both in the industrial and administrative sectors.

The most interesting results of codetermination on the industrial side originate in the factories run by the Swedish tobacco monopoly. In one of these factories, located in Arvika, direct influence was introduced by letting the employees form their own autonomous or self-governing groups, but without changing the hierarchical structure. Results: the employees became more deeply involved, trade union activity increased, and so did productivity. In spite of certain problems, mainly in respect of the role to be played by the supervisor or foreman, the experiments show a positive outcome as seen from various perspectives: human, organizational, and probably also economic.

At the other site of experimentation, the tobacco factory located in Harnosand, personnel influence was introduced into certain management units, but without changing the work structure. Here again the results were good. As no analyses in depth have been made as yet, it is still too early to draw far-reaching conclusions.

The situation is somewhat different in the administrative or civil service sector. There are more experiments and they probe to greater depths. Real or supposed risks of weakened competitiveness do not carry the same weight as in the industrial sector. The civil service is directly subordinate to the government, which means that the government can direct the experiments more forcefully, and hence a fairly sophisticated touch could be imparted to the experiments. Since I am serving on this development committee as secretary-general, I can go into more detail in reporting on the experiences gained from the experiments.

The experiments amount to conferring codetermination on the employees in matters of importance to them, that is, personnel policy and personnel administration. In practice, the approach used is to transfer decision-making power from the head man in the hierarchy who normally makes personnel-policy decisions to a special decision-making unit, composed of equal numbers of representatives of top management and of the employees. The classical function of the boss (whatever his official title)--to lead, to instruct, to control, and to delegate power to that individual he deems to be the most suitable--stops short of selecting persons. Consequently, the decision-making units are made up of persons for whose qualifications only the employees bear responsibility. That changes not only the hierarchy, but also all the boss roles to some extent. The change takes place primarily in the decision-making units, where the regular boss becomes but one colleague in a group of (say) six or four decision-makers, half of whom the employees will have appointed without interference. The new system has some secondary effects on personnel policy which cannot be entirely comprehended as yet. But this much is sure: the classical boss role will never be the same again.

Experiments are going on in some ten agencies of the national government, and they are of varying dimensions. The only experiences that can be discussed today are of an unsystematic and off-the-cuff

nature. Even so, it stands to reason that codetermination of this type will have several interesting consequences. To note an example: I have discussed such consequences with a woman who works for a state-owned factory making telecommunications equipment which employs 700 people. She is actively engaged on behalf of her trade union, and in that capacity she sits on the personnel committee together with the general manager, the personnel manager and some fellow workers from the "shop floor." This woman casts her vote on all major decisions of personnel policy, thus even when the decisions are agonizingly difficult as in connection with reductions of the work force, or "redundancies" as the British so nicely put it. One experience she has had is that her fellow workers have come to regard her as a member of the management camp. She says: "After an important decision I just can't walk across the shop floor without having my buddies on top of me." The principal duties for her now are to provide information in advance about what is going to be decided and to "take the blows" after the decisions are made.

The personnel manager regards the shared responsibility as positive. Complaints and grievances that used to be aimed at him and his staff are now channelled to other decision-makers, mainly to those speaking for the aggrieved in the decision-making process. The greater time he has to spend on preparing work for the decision-making unit, and on carrying out the meetings that are required, is offset by the shorter time he spends on settling and answering complaints.

In regard to the decisional content itself, the new decision-making units have expressed the wish to make personnel policy more humane and considerate. A sharp cleavage of opinion has arisen on one occasion where different ideologies were pitted against one another. The tendency to "cast out" older employees does not invite much support from these units. This is what we have hoped for on the committee. We also think codetermination will be conducive to greater job promotion opportunities for women workers, in any case at the rate sought by the union organizations. We say this because we expect to get more women to take part in decision-making.

In my opinion, these changes are going to put the boss role into special focus; so, what sort of "scenario" can we write for that role? As yet there are inputs for speculations only. The boss role seems sure to lose its attributes of high drama: the glamour of "one-man authority" which, despite all exertions of psychological strategy and the sensitivity training of group dynamics, etc., remains beneath the surface. The compulsion to act as an equal member of a collectively responsible group--in some cases as primus inter pares, but in other cases as an outvoted exruler bound to implement loyally even decisions from which he has dissented--is going to have its effects. These changes will become no less interesting for those union representatives who are called upon to speak for the employees in employer functions that control the lives of these employees as ordinary men and women.

Is this inviting a person to wear two hats? Or is this notion of organizational philosophy a passe obsession that is definitely headed for the scrap heap?

I do not know the answer to that question, but at least we have formulated the question. It must be answered, and the answer can be very important for the future. As a matter of course, we are following up the experiments with sociological, organizational theory and administrative analyses. In another two years or so we expect to feel pretty certain about the experimental outcomes. For the time being we hope the experiments, which the Swedish government has backed wholeheartedly, will lead to the aspired results in the form of a stronger status for the employee in respect of his working conditions, and in that way render a contribution toward improving the quality of life.

The U.S. Employment Act of 1946-- Its Relevance to Swedish Practice

The Swedish Nobel laureate in literature, Selma Lagerlöf, once wrote in a novel: "The untalented are always deserving of pity, and especially so if they live in Varmland." Varmland is a very scenic part of Sweden. I should like to paraphrase this witticism at Nobel prize level by saying that it is always hard to arouse interest in a new thing, and especially so in the United States since almost everything has already been tried out there.

My subject has to do with the individual's role in the job world, his role as a producer of goods and services in a modern industrial society of constantly increasing demands, and his role as a human being in that context.

While in the process of preparing this lecture, I discovered that the United States has developed an advanced philosophy which seems to square with my message. It is embodied in the Employment Act of 1946, according to which both the private and public sectors should share in the responsibility for the quality of life. The passage of the Employment Act not only committed your nation to a policy of full employment, but also declared that labor--the human element in the production process--should not be considered as merely another element of production like capital, land, and raw materials. Rather, the human element was to be set apart and above these other elements of production. Partly because of this national stand and most importantly because of behavioral science findings during the past four decades, there has been a widespread recognition of the value of human resources. So much for the Employment Act. My subject could not be better summarized.

In Sweden, just as in every industrialized country in the world, human relations in the job world have been determined by the system of

social classes that already took shape in the Middle Ages. Every kind of large-scale activity has its hierarchical system, so with us you will also find superiors and subordinates, people with great influence and other people with little or no influence over conditions at the workplace. In other countries, industrial relations are characterized by more or less total submission, slavery representing the extreme.

Both in Sweden and the United States, our conception of the human being, and not least the accomplishments of strong trade unions, have taken us pretty far on the road away from total submission in the job world. This has been a gradually moving process. At the beginning of this century, as I noted above, the workers employed in Swedish private enterprise were given the right to bargain collectively for wages. Since then the employees in the public sector have also been given the same privileges, which include the right to strike.

But developments have not stopped there. For a person to realize his full potential--or, in the words of the Employment Act, putting "the human element apart and above other elements of production"--we shall have to strike out on new paths. The path we in Sweden have considered natural in the national government sector is called codetermination, that is, employee participation in managerial decision-making. For the moment, practical experiments in this field are confined to the public sector, and there only at certain government agencies. It is these experiments with codetermination that I shall be talking about from now on.

The object of the experiments is to find out how a system of administered codetermination works in practice. Under such a system, decisions are taken over by a decision-making unit consisting of management and employee representatives in equal number. Generally speaking, the unit contains no more than four or six persons. Its chairman is a management nominee, and this person casts the decisive vote in case of a tie. The unit makes the final decision which the boss concerned formerly made by himself. As a rule, the boss who used to make the decisions will preside over the unit. Its decisions carry the same legal force as though they were made in the traditional manner.

The scope of codetermination is limited to personnel policy in the widest sense. It is in this area that the individual's interest as a human element is strongest. At the same time it is the area which has the least direct relevance for the third party--the general public. The boundary line has been drawn here in deference to the public, who naturally do not want government employees to exercise stronger influence over public affairs than other citizens of the community. No one shall be allowed to cast two votes on public issues. The fear of corporatism, therefore, that has occasionally manifested itself may be dismissed as irrelevant.

The experiments under way in the Swedish civil service were initiated by the Cabinet and were placed in the charge of a special committee, on which I sit as secretary-general. Codetermination is being tried out at some ten government agencies, among them the National Telecommunications Administration, the Post Office Administration, the police, and certain administrative departments. Since the experiments entail important changes in the normal administrative hierarchy, the Cabinet must give its consent to each effort. The committee members and Cabinet Ministers are keeping close watch on the experiments.

Today, virtually every organized activity of any respectable size has embraced the hierarchical system. What effects does codetermination have on this system? Because the hierarchical structure presupposes that all decision-makers constitute the top management's extended arm, it is necessary to appoint all decision-makers "from the top"--how can they otherwise be considered as such an extended arm? The experiments with codetermination break the hierarchy, since it is the employees who appoint these decision-makers, or at least half of them. The extended arm has become in part that of the employees. As a result, the hierarchical structure is modified, and with that the centralized power function is weakened. The responsibility for personnel policy is shared between top management and the employees.

The decisional content is obviously affected because many of the individuals taking part in the decision-making process will hold other value judgments. The unilateral shaping of values is replaced by a bilateral system for decision-making. We already have results of certain consequences. In one case, a more socially oriented value pattern came through than the one which would have been applied in the traditional decision-making system. But the effects will be many more than these. Since the decision-making units have taken over some power from the bosses who formerly decided alone, new interpersonal relations are bound to arise. The boss who used to make important decisions by himself, and who must now yield in a decision-making unit to a majority opinion that conflicts with his own opinion, will not be the same man he was before. That sort of situation will certainly confront him when he is called upon to implement the unit's decision.

Another very important psychological effect arises where promotions are concerned. Since half the members of the decision-making units are appointed by the employees--without interference from top management--persons from the bottom of the hierarchy may enter into such a unit even at summit level. A typist, a cleaning woman or a janitor may join a decision-making body at the top manager's level. (This is actually the case in several of our experiments.) In other words, promotion to a high post may occur with the participation of a person who in the normal organization is subordinate to--and perhaps directly serves under--the applicants for a high post.

This would seem to pose a fascinating dilemma. I myself have had such situations described to me by the individuals directly affected. To speak of radically new roles is an understatement in this context. As a matter of course, corresponding phenomena appear in other relations too. The spokesman for the employees who takes part in a decision which affects them very negatively--for instance, the dismissal or punishment of a coworker--will get to feel first-hand the strains imposed by the new role. To a great extent, tasks that in the normal organization are concentrated on the personnel manager will be divided among several individuals. This is also new, of course. The personnel manager's functions will be among the most interesting to study in the future.

The examples of new situations I have just described are by no means exhaustive. The experimental models contain a great many other aspects which so far we have been able to define and observe only partially. Developments are being followed with methods taken from various disciplines: sociology, administrative law, constitutional law, and organization theory. The Cabinet has expressed considerable interest.

What result may be expected from these experiments? It stands to reason that we who are directly responsible for their progress look forward to a successful outcome. What we have been able to observe to date gives cause for optimism. Managers who have already acquired experience of collective decisions on a bilateral basis confirm--often with enthusiasm--that the system has great advantages. More often than not, employee participation improves the data base for decision-making, and this is not least important in a field as delicate as personnel policy. The information released after decisions are made will also be more detailed, not least because of the employee representatives. The decisions come psychologically closer to those who are affected by them; the employees get to feel that they are directly involved in management--and that feeling rests on a basis of facts and not on a psychologically manipulated attitude.

This last factor is perhaps the most important of all. In a modern society, where the aspirations of individuals keep rising constantly, the assumption of responsibility and the exercise of responsibility must be extended to the job world. This is a growing need, which I believe to be universal and bound up with both the individual's social development and the nation's technological advance. But it can become destructive if it is not harnessed to the ends of commitment, creativeness, and responsibility. The efficiency of working life need not be strangled or impeded because an individual is being invested with human dignity, as within the meaning of the Employment Act. I am not convinced that <u>radically</u> changed organizational models--for instance, different forms of collective management, autonomy, or the like--offer the only passable road. My belief is that we can

retain a large part of today's efficient forms for the organization of work, provided other arrangements are made for the division of power within these traditional forms.

Every employee must become a coworker, and this not only in a psychological sense but also in a real one. He must be assured of the power to control his personal situation. The only means toward that end is codetermination: This is my conclusion based on the experiments we are now making in Sweden's civil service. Not until every employee--whether directly or indirectly--shares in the actual exercise of power over every aspect of industrial relations can he be called a coworker in the true sense of this word. And when that happens, industrial democracy will become a reality. My belief is that this will also become a guiding model for the coming century.

OCCUPATIONAL SAFETY AND HEALTH IN SWEDEN

Sven Kvarnström

Sweden, with an area roughly the size of California and slightly more than eight million inhabitants, has an industry which greatly resembles that of the United States. Quite contrary to the notion one sometimes encounters in the United States, nationalization of Swedish industry is negligible; more than 90 percent of it is privately owned.

Occupational safety is regulated by an Act of 1974, which, for the most part, builds upon a statute of 1949. For purposes of implementing occupational safety at the local plant level, a very important role is played by a detailed agreement reached in 1967 between the Swedish Employers' Confederation (SAF) and the Swedish Confederation of Trade Unions (LO). One of the provisions of this document may be quoted as follows:

"The possibilities of rendering local safety more effective by means of legislation are limited. Some of the related questions are of a nature which are more suitably regulated by contract than by law. The voluntary agreement must be held to confer advantages when it comes to putting the rules into practice, and, above all, it is calculated to generate new interest in safety among the parties which will promote their own initiative and sense of responsibility. Efforts made voluntarily are ethically binding to a higher degree precisely where tasks of the kind in question here are concerned. Without the support of active cooperation between employers and workers, not even the best labor welfare law will lead to the desired result."

This long quotation sheds much light on how the central industrial relations parties and the majority of enterprises (and all well-managed companies) have regarded occupational safety as a shared interest, which has seldom involved differences of opinion worth mentioning. Diverging views may have been expressed in writing the agreement and in interpreting the implications of its clauses. But as regards the day-to-day process of solving practical problems of the working environment in the field, there have seldom been dissensions.

Moreover, long passages of the 1974 Occupational Safety Act merely amount to legalization of the circumstances that prevailed much earlier in well-managed companies throughout the country.

A few excerpts from the Act cited might be of interest to the American audience.

Workplaces employing more than five persons are supposed to have safety stewards, who are elected by the local trade union. Although the

number of persons designated for this work will vary depending on various factors, the average metalworking plant, for example, will probably have one safety steward per 25 to 50 manual workers. According to the Act, the safety steward is called upon to promote satisfactory safety conditions, watch over the hygienic and accident-controlling aspects of the work, take part in the planning of new premises or those to be remodeled, devise working methods, and try to get his fellow workers to assist in the safety effort. To be able to perform this assignment, the safety steward is entitled to the necessary time off and to be given access to all records of importance to his work.

Safety stewards are authorized to stop any kind of work which is considered to pose an immediate danger to the worker's life or health. This clause in the Act touched off widespread controversy prior to its effective date. However, it has been invoked only sporadically and on each such occasion the safety stewards involved showed good judgment.

According to articles in the American press, the safety stewards are supposed to be responsible for occupational safety matters at the workplace. Naturally, the true facts of the matter are different. There are an estimated 85,000 safety stewards in Sweden, but their educational attainments are still very low. A relatively small proportion of them--a few thousand--have taken three weeks' training in occupational safety under the auspices of LO. Acting on their own initiative, the big companies have given their safety stewards training carried out by safety engineers and industrial physicians that is often of very high quality. In fact, in the fall of 1974 the industrial relations parties have jointly sponsored a very large project to train all 85,000 safety stewards on the basis of standardized time-and-motion study materials produced by the parties together. The objective is to provide all safety stewards and a roughly equivalent number of supervisors with 20 to 40 hours of basic training in occupational safety.

But even this course of training, offered as it is to a group of selected representatives who have no previous theoretical foundation and whose studies in most cases were done years ago, cannot possibly impart a body of knowledge sufficient to justify making them responsible for the local safety effort.

The new legal provisions concerning safety stewards do not relieve the employer of the basic responsibility, to do everything that can reasonably be asked of him to prevent an employee from contracting disease or sustaining accidental injury. The application of this clause establishes line responsibility for occupational safety at the level of the supervisor or foreman.

The function of the safety steward will be to act as spokesman for and representative of his fellow workers in occupational safety matters. In the event of a complaint, the normal procedure to follow will be for the employee to turn to his foreman first. If no agreement can be reached at that level, the employee then turns to the safety steward, who will discuss the complaint with the foreman. After that, if the employee thinks it justified, he can carry his complaint to the safety committee and the factory inspector.

The Act stipulates that a safety committee shall be formed at every establishment having at least 50 employees. This committee is called upon to plan and monitor the safety program. It shall deal with matters of occupational health and take part in the planning of new premises, working methods, etc. The composition of a safety committee is not laid down in detail. Big companies provide for a number of safety committees, one for each geographically identified plant site. The safety stewards, for whom the company shall provide clearly spelled-out channels of communication as to where they shall turn in safety matters, are also enabled to turn directly to the safety committee.

As mentioned earlier, the Act does not lay down the composition of a safety committee. It goes into detail on the following points: the safety steward must not be prevented from carrying out his work tasks; he has the right to consult all the records he needs to attend to his tasks; and he is bound not to divulge confidential information in the course of his work.

The Swedish Occupational Safety Act establishes certain standards and guidelines for the task of creating safe and sound conditions in the working environment. Two agencies of the national government monitor compliance with the rules: the National Board of Occupational Safety and Health, and the Industrial Safety Inspection. The National Board of Occupational Safety and Health plans and investigates the occupational safety efforts and prepares supplementary regulations and directives. It examines model specifications for different operating devices and carries on research, training, and information dissemination in the field of industrial medicine. It also functions as the authority in charge of the Industrial Safety Inspection, which is organized into nineteen districts and is responsible for ensuring compliance with the Act. The Industrial Safety Inspection functions essentially as a consulting and advisory agency to companies with problems in their working environment. If a company's safety committee is unable to agree on a problem at issue, a member of that committee can ask to have the dispute referred to the Inspection. The agency has far-reaching powers to enjoin employers to take specified measures. In practice, however, these powers are invoked only in exceptional cases; scarcely, if ever, have the employees shown signs of diminished confidence in the public regulatory agencies.

At the work site, the role to be played by the factory inspector may be likened to that of a colleague with whom the safety engineers will confer in doubtful cases. As for those companies which have not established a regular occupational health program, he will act as a substitute for that program to the extent of his resources.

The Act imposes minimum criteria on companies in respect of what they do about their working environments. The Act stipulates that the members of safety committees shall deal with matters pertaining to occupational health. This may be regarded as a further extension to the task of improving the working environment, which is a purely voluntary effort by the companies and which, in practice, goes far beyond the provisions of official statutes.

These questions are discussed in greater detail in the 1967 SAF-LO agreement referred to earlier. The agreement lays down guidelines for cooperation in expanding occupational health programs and points out the road along which such expansion should proceed. We quote the following passage:

> The parties' interests coincide in all essentials as regards the aims of occupational health, where endeavors to adapt man, work task, and working environment to one another contribute to increased job satisfaction, health, and efficiency, as well as a higher degree of security for the workers. This will result in reduced labor turnover, reduced accident and sick-absence rates, and increased productivity.

In Sweden, occupational health programs are built up as a function of technical and medical expertise, which is integrated into the company structure in various ways depending on the size and character of a given company.

> The technical part is very deeply integrated most of the time, with responsibility strongly delegated to engineers in the company. A fairly reliable rule of thumb for the larger companies is to engage the specialized services of a full-time safety engineer for every 2,000 employees. However, companies which run more than ordinary risks or have problems of the work environment may well have fewer employees per engineer. Although small companies do not employ specially trained safety engineers, the Act stipulates the employer's obligation to delegate the responsibility for occupational safety to the safety steward.

The technical part of a company's occupational health program is an expert function concerned with implementing directives relating to safety engineering, industrial hygiene or biotechnology. A safety engineer participates in this function in connection with new installations, planning new production methods, buying new machinery, etc. He also engages in outreaching activity, for example, detecting and analyzing health risks, and proposing remedial action. His objectivity is guaranteed in that the safety stewards and the safety committee are fully informed of his work by virtue of their right of access to all reports and records involving their work. The safety engineers cooperate with the safety stewards in each case in which practical aspects arising at the shop level aid in explaining the problems. All completed investigations, assessments and evaluations must be reported before the safety committee and to those employees who are affected.

So far as the technical part of the occupational health effort is concerned, it seems that developments in Sweden have largely followed those in the United States. On the other hand, the medical part has evolved in Sweden along lines quite different from your country. In Sweden, the first "company doctor" was employed by the STORA Copper Mines as early as 1545! The tradition of assigning physicians to larger mines and to the enterprises we call bruk (which combine extractive industry with manufacturing) persisted well into the twentieth century, and out of this tradition has developed the modern Swedish system of medically based occupational health programs. Sweden now has 500 doctors enrolled in such programs, most of them employed full-time and the absolute majority spending 50 percent of their time on sick-care and 50 percent on preventive medicine. This means that 3.5 percent of all doctors in Sweden are full-time company doctors.

Many American corporations seem to have medical officers working full- or part-time, but the two countries differ in the company doctor's duties which, in Sweden, are laid down in the agreement between SAF and LO that was mentioned earlier. These duties are applicable, with necessary modifications, to the technical as well as the medical aspect of occupational health, both of which must be coordinated closely in the companies:

> The occupational health program shall assist in planning and implementing changes in the working environment regarding matters of biotechnology, industrial hygiene, measures to prevent industrial injuries, and personal safety equipment.

While the safety engineer has an established role in this work, the knowledge a doctor can contribute is unique and cannot be replaced by technological skills. Armed with the empirical data provided by his patients, the company doctor is usually best able to identify the problem-causing aspects of earlier production methods, regardless

of whether the problems have to do with physical strain or psychological adjustment.

> The occupational health program shall carry out or assist in technical analyses of chemical and physical factors which may cause industrial injuries. Requisite measurements shall be made of, for example, noise and air pollution, as well as analyses of work stations with reference to biotechnological and other adjustment aspects.

Although this task belongs mainly to the technical part of the health program, the participation of doctors is indispensable for evaluation purposes. Many times, too, observations in the practical work of health care will spur the doctor to request analyses from the engineer. Not only that, but cooperation between technology and medicine in this matter may also manifest itself in specially targeted health check-ups, which are made simultaneously with technical analyses of the environment. This work is one of the most important fields for the technically based occupational health program: measurements of noise levels, suggestions for lowering them, measurements of other contaminants such as dust and solvent particles and evaluating these, and, not least important, keeping the employees informed about the results. Doctors also take part in mapping out the various environments in the course of their regular contacts with the shop floor, when they make observations and call attention to suspected health risks.

> The occupational health program shall contribute to the company's personnel policy by providing for, among other things, physical examinations of new employees and such groups of employees who have special need thereof....

Preemployment examinations have met with lively debate, and companies have been criticized for using medical examinations to disqualify recruits who are handicapped in one way or another. On the other hand, the employer is bound by law to ensure that no worker is assigned to duties of the kind that might jeopardize his health. It stands to reason that an employer will not put a one-eyed person in a visually hazardous job, for example; similarly, an epileptic should not be permitted to work at great heights. Such examples could be multiplied many times; what is at issue is that preemployment examinations involve a self-evident and vital mission of the company doctors. The results in respect of restricted work capacity (but not in respect of sickness found) are communicated to the applicant, who in turn will transmit the results to the person in charge of the company's recruitment function. As a rule, the company doctor very seldom advises against employment, though on occasion he will spell out some concrete restrictions, for instance: "Don't put him on heavy work," "Only work that can be partly done sitting down," "No noisy work," or the like.

For the past 25 years Swedish companies have been trying out systems which enlist medical expertise as far as possible toward putting the right man in the right place. The basic ideas originally came from the United States and were built upon profiling the capacity for work with reference to a series of different factors, which would then be compared with a corresponding profile of job requirements on the same factors. In spite of many commendable experiments with company-tailored variants of this system, it does not seem to have survived more than a few years at any company. An experienced foreman is probably a better judge of many of these problems than a doctor, but as regards special work restrictions the doctor can apparently contribute by advising against assigning people to jobs where he feels they might develop illness. However, if the doctor is going to make relevant assessments for this purpose, he will have to be conversant with the work situations and do active sick-care work among the employees.

Health check-ups are conducted regularly, especially of the "targeted" type. The Occupational Safety Act lays down certain minimum standards that must be met. Here is an example: Any worker who risks being exposed to benzine, lead, cadmium, quartziferous dust and radioactivity shall be examined. The individual doctor can start from there to form an opinion of the additional needs in his company. Perhaps he will find it necessary to examine truck drivers, painters, polishers, welders, foremen or managers with a heavy overtime burden. Regular hearing check-ups of those who are exposed to noise above the 85 decibel level also are part of the occupational health program. Another method of targeting the health check-ups, and a frequently used one, is known as "outreach," which amounts to tracking down evidence of any special disease--hypertension for example. A great many examinations can then be made with a minimal work effort to screen out a group of persons suffering from a treatable and serious illness. Until a few years ago, similar examinations were made using mass x-rays to detect pulmonary tuberculosis, but that disease is so rare in Sweden nowadays that the examinations are no longer meaningful.

Whenever signs of maladjustment appear, cooperation between the company doctor and the line supervision will often be successful. A long history of short-time absenteeism may be evidence of underlying problems which need to be investigated and cleared up by a doctor. If the doctor can be brought into the picture at an early stage, a great deal stands to be gained. Alcoholism is one example of a problem where such cooperation can be especially meaningful. Invariably, however, the prospects for success hinge upon an open and trusting relationship between the parties. The foreman must feel sure that he will not be labelled an informer if he confers with the doctor, and the employee with problems must feel that any contact with the medical

department is always quite voluntary and everything that transpires will be kept in the strictest confidence.

The occupational health program shall be consulted in connection with job transfers.

Whenever it becomes necessary to transfer an employee because of some handicap, the company doctor is in an exceptionally good position to recommend better tasks. A doctor unfamiliar with the work situation is in no position to sort out those factors in the original job which impeded work from those factors which will be conducive to doing work on the new job. A job that looks easy because it involves handling parts that weigh only a few grams actually may impose a heavy and bothersome load on groups of muscles that have to be kept fixed in the course of longer or constantly repeated operating cycles. On the other hand, a job that looks much heavier may permit alternating and dynamic muscular effort which is much less arduous. When there is a well-functioning system of collaboration between the medical and technical parts of the occupational health program, even the arduous operations can sometimes be eliminated from the original job so as to obviate the need for transfer.

The occupational health program shall promote the adoption of suitable rehabilitation measures.

This function has become increasingly more central as the number of man-days lost by Swedish industry due to illness has been going up these past ten years, and has now stabilized at a level just above 10 percent. A closer analysis of the absence rate shows that most of the increase stems from the long sick periods. Although the causes of this increase are so complex as to defy investigation, it is a fact that the increase is closely related to the payment of higher financial benefits for illness. The rule now in force is that anyone who is prevented by illness from doing his work will receive compensation from the national government amounting to 90-93 percent of his ordinary income. As a result, the financial motivation to take active part in rehabilitation will often be nonexistent. And with that a cardinal factor which used to impel the patients to return to work as quickly as possible after a sick period has disappeared.

This is particularly true in cases where both the husband and wife are gainfully employed, perhaps after having made great sacrifices when it comes to caring for their children. The last few years in Sweden have witnessed the putting of heavy pressure on the women to join the labor force. Newspaper articles as well as radio and television programs emphasize getting women to work outside the home, and the tax laws, too, favor families in which both spouses work. Married women have indeed joined the labor force in greater numbers, but the combined homemaking-occupational burden has often proved too much for them, leading to various psychosomatic illnesses and partial

disabilities. It has also been found that the women have a much higher rate than the men (by a factor of two) of absences due to illness. On the other hand, detailed analyses of large companies indicate that absence rates do not soar in occupations where the working environment is especially harsh. Nor, apparently, do particularly monotonous tasks make for higher absence rates than other tasks.

The rehabilitation work basically proceeds along two main lines: (1) Manual training is provided in a real environment in which the employee is ordered to work a few hours each day which does not affect the compensation he receives from the local social insurance office. In the course of sustained contacts with doctors and nurses, the training period is then gradually lengthened until the trainee has completely recovered. (2) Companies run special small workshops in which the trainees first learn certain skills before being assigned to regular production. The first alternative is considered to be the best psychologically; however, the second route is easier to administer and can offer medical advantages when manned by specially trained supervisors.

> The occupational health program shall assist in the organization of first aid.

This is done as a rule by training a suitable number of persons. Most of the big companies probably have special training programs and nurses, who make sure that a suitable selection and number of employees receive training in resuscitation and first aid.

> The occupational health program shall assist in the organization of safety work and in the work of the safety committee.

The procedure here calls for in-plant safety and that health personnel make sure that meetings take place, attend meetings as recognized experts of medicine and technology, and examine the minutes to ascertain that nothing was transacted by inappropriate methods.

> The occupational health program shall watch over the health effort within the company by recording absences and maintaining statistics on sickness and industrial injuries.

The problem of absenteeism was discussed above in connection with rehabilitation. Some companies try to keep diagnostic records in order to form a clear picture as to which types of diseases dominate, as well as to get ideas for measures to adapt the working environments towards reducing morbidity. However, this work has entailed major difficulties. The diagnoses are of relatively limited reliability since they are usually based on the individual's own information about his illness, which may be both misconstrued and more or less consciously misrepresented. Nor, for that matter, are diagnoses collected from the medical department especially illuminating as to the company's

overall health effort, since the company doctor who treats an average patient population inside a business organization is likely to treat a highly selective population due to his specialized educational background and professional interest.

Although the industrial injuries statistics show a constant rate for most branches of manufacturing from year to year, they do not readily lend themselves to international comparisons; industrial injuries are defined in Sweden as the number of cases which have caused days off from work beyond the date of the accident. To the best of my knowledge, corresponding data are not recorded in the United States. The statistics can offer guidelines to the ordering of priorities for accident preventing activities. The absence rate because of accidents has held constant in recent years and is now around 0.5 percent. This must be seen in light of the fact that absence due to illness as a whole has just about doubled in the past ten years.

One index that may be of interest is the mortality resulting from on-the-job accidents: as of 1970, the rate in Sweden was one death per 13,000 manual workers, and in the United States one death per 6,000 manual workers. A separate clause in the new Act makes it mandatory for all doctors to notify the factory inspector of any illness which may conceivably relate to work. The exact interpretation of this clause has touched off a great deal of discussion between the doctors and the authorities, and a suitable adjudicating procedure has yet to be devised. Naturally, the basic idea behind the written formulation is to obtain indications as to whether any one type of illness is associated with any special health risks, and not to enumerate some kind of total inventory of all minor complaints which are more or less loosely connected.

> The occupational health program shall assist the education and training of the in-plant medical personnel.

The big companies have for many years sponsored substantial educational and training activity. In addition to safety stewards and foremen, the target groups have consisted of managers at all levels and representatives sitting on safety committees as well as other councils and committees.

> The occupational health program provides medical treatment which, according to universally accepted practice, accounts for 50 percent of the effort in terms of the estimated hours of work put in by doctors.

In this respect, the Swedish program seems to live up to the "Middle Way" that is often represented abroad as being typical of the Swedish scene. As a rule, company doctors in the United States spend all their working time on care of the sick. Many are specialists who move their practice to the company for part of the day, which makes for fast and efficient delivery of treatment to the employees. The reverse is true in most European countries, where the doctors work exclusively on preventive medicine and are actually forbidden to

engage in any medical treatment other than actual first aid. The company doctors in Sweden are convinced that the tradition which has evolved in their country is superior to the traditions elsewhere. This form of treatment stimulates continuous and sustained contact between health care and factories and offices. It provides a trusted channel of direct information and knowledge about where it is in the working environments that physical or psychological problems accumulate. It provides a constant feedback of information about which strains may prove to be too much for certain kinds of persons and which kinds of working situations give the greatest satisfaction to others. Without such continous contact, the Swedish company doctors feel they would soon turn into ivory-tower theorists with strongly limited competence for passing judgment on the working environments. This observation holds with even greater force in view of the course that events are taking, namely, that the really big problems will no longer involve so much the highly tangible occupational hazards as the more subtle questions of psychological adjustment. The complex of problems concerned here is seldom solved by sophisticated studies or detailed questionnaires, but rather by practical knowledge of human beings of the kind one learns and upholds in treating the sick.

Until now company doctors and safety engineers in Sweden have had roughly the same amount of training--8 periods of one week each spread out over one year; in intervening periods the trainee engages in practical occupational health work and private studies. However, a vigorous expansion of this training program is now under way. At the moment a course for assistant safety engineers is in progress, with provision for 800 hours of studies.

In principle, the organization of occupational health at the plant level is governed by three basic approaches: (1) Companies big enough to have their own doctors and engineers will add such people to their staffs; that is, usually a company employing nearly 2,000 manual workers will need to put one safety engineer and one doctor on its payroll. (2) All Swedish companies with more than 1,000 employees have doctors permanently in residence. (3) Smaller companies have joined into groups with a total work force approaching 2,000 persons and together have set up occupational health centers; so far, however, this system has often had the effect of neglecting the technical aspect of occupational health, because the component small firms feel they have enough integrated knowledge of the risks in their working environments. On occasion, these centers have grown large enough to engage more doctors.

The building industry has organized its own health program, with mobile units which reach out to the construction sites. Here the industry has done a pretty good job of keeping the technical aspect at a high standard, but has found it harder to live up to all the

other detailed objectives of the occupational health program. Instead, the health checkups have become the central feature of this activity.

Assessments and evaluations of the working environments comprise one of the most important tasks of occupational health. For practical purposes one often speaks of working environments as being in the risk zone, the comfort zone, or the luxury zone, all considered in relation to selected factors. This line of reasoning can lead to oversimplifications. A case in point is noise: in Sweden, a level of 85 decibels lasting more than five hours per day is considered to verge on the risk zone for the unprotected ear. But since allowance must also be made for other factors, the limits may be extremely hard to fix. The most important task of occupational health must be to guarantee against undue exposure to risks, with a wide margin to spare.

Up to that point occupational health performs a controlling function. When one then wants to discuss how far to go to satisfy the comfort criteria of working environments, the occupational health experts can contribute their professional advice on the most appropriate method of attaining the best result consistent with a defined cost constraint. To name a few examples, say, one wants to lower the noise levels for comfort reasons even though they already lie substantially below the threshold of potential hearing injury; or employees say they would like to have living plants put in the work-rooms; or they would like to have a sauna installed next to the locker rooms. Should a doctor lend his authoritative weight to matters which are far removed from the risk zone? Conflicts are only too likely to erupt--that at least is our experience.

Another experience is that the need for information about health risks and problems of the working environment will often exceed our original estimates. We often see in our patients a dread and anxiety about supposed risks that have no basis in the real world; not a little of the anxiety is caused by biased information relayed through the mass media. The working environment is a subject that has been very much debated in Sweden these past few years, and a dispassionate debate on the issues involved has been greatly welcomed by occupational health personnel. On the other hand, we have found our work severely obstructed whenever this debate steps out of line--as will happen every time blazoning headlines proclaim that this or that chemical substance may induce cancer. This has forced us to foregoe what we deem to be more urgent matters in favor of investigations and measures that are really not strictly justified on medical grounds.

More often than not, the people who staff the occupational health program will be in a position to champion the cause of the worker vis-a-vis top management. It must be borne in mind that the safety stewards are trade union representatives, and even if virtually all our manual workers are members of the union only a very small proportion of them work actively in its behalf. The old, the weak,

and the silent do not make their voices heard in union councils; they may prefer instead to communicate their views in confidence to the doctor or the nurse.

As to all the modern artifices of industrial psychology that are used to enrich jobs, the medical departments of companies have naturally been involved to a certain extent in their application, and they have largely been able to observe the results among the employees. Obviously, the positive aspects of this effort have been praised in so many different contexts that we need not mention them here. Even so, there are some dark areas which we think need commenting from our point of view. A certain group of people in our midst is weaker than others and, far from being able to cope with job rotation or job enrichment, will become frustrated if their simple jobs are taken from them--jobs which strike the more intellectually schooled as rather meaningless and empty. The same observation holds more or less true for working in groups or teams. Many a group can act brutally and expel its weaker members. We have many years of experience of this phenomenon in Sweden, the construction sites in particular.

It is our conviction as occupational health experts that tomorrow's production engineers must be familiar with the basics of industrial psychology. An engineer will have to understand Blauner's degree of freedom, since this is a practical and useful philosophy to explain the high rate of labor turnover associated with the strongly regimented jobs. He must understand the theories involving Maslow's hierarchy of needs, to be clear in his mind about how aspirations keep escalating all along and about how we in our good working environments have seen employees putting every bit as much pressure on us in these matters as they have done in other countries. He must be clear about the basic concepts in Hertzberg's philosophies, since these are so practically useful toward understanding why people--notwithstanding satisfactory rates of pay, interpersonal relations and physical surroundings--still elect sometimes not to evince any interest whatsoever in their tasks. Moreover, all those who are enthusiastically tackling different types of advanced work structuring must be clear in their minds that in our midst there will always be a percentage of people who cannot cope with more than a short-cycled job that may strike us as monotonous.

Although a figure of 500 plant physicians for a small country like Sweden looks impressive, the rate of expansion has been greatly inhibited because of various reasons: In principle, more than 90 percent of the Swedish medical services are socialized; a relatively small and shrinking number of doctors continue in private practice. Moreover, the medical services are heavily subsidized so that hospitalization costs nothing while seeing a doctor in outpatient care costs 12 kronor regardless of whether the visit is made to a highly qualified specialist and includes extensive laboratory tests

and x-ray analyses. All this, together with intensive mass-media exposure about diseases and disease symptoms, has triggered a sharply increased consumption of medical services in Sweden with the result that the increment of doctors has been unable to keep pace with the demand. Even though company doctors are well-paid and enjoy other benefits as part of their employment contract, it has been difficult to recruit new people because of competition from the socialized medical services. To some extent this may also be due to the fact that the public medical services offer more secure employment and a more firmly regulated system of promotions compared with health programs in private industry, which are still run at arm's length from the national government.

According to the agreement reached between the industrial relations parties, the occupational health program shall be conducted "in consultation." This stipulation has been adopted from the text of an agreement and, as of 1974, incorporated into the text of a law. The program is organized as a staff task of the company which mainly performs consultative functions but also operates in a controlling capacity. The mass media have been discussing whether the employees exercise sufficient influence over it, and young, aggressive left-wing politicians have contended that this is not so. Naturally, to the people who represent the occupational health program, the everyday, face-to-face contacts with the employee on the shop floor are most important, but the formalized cooperation in the safety committees can also provide for good interface and useful two-way communications. Daily contacts with safety stewards outside the safety committees are most valuable, and for the employees communications reaching the safety committee enable them to gain insight and exercise influence over the occupational health program and its overreaching goals.

For all practical purposes, company doctors and safety engineers in Sweden can feel completely free from being subject to unconscionable persuasion by either party. In fact, there is widespread belief, at least so far as the medical part of occupational health is concerned, that the parties have exercised not enough influence and have not been assertive in expressing their wishes about the direction that our work should take. At times this has puzzled the doctors as to their roles, especially during their first years in this work.

THE NEW-STYLE FACTORIES: SWEDISH EXPERIENCE IN WORK ORGANIZATION AND JOB DESIGN

Rolf Lindholm

Introduction

In the past 4-5 years, almost every major Swedish industrial enterprise has experimented with new work forms and procedures for joint decision-making in some phase of their activities.

The new procedures have comprised the following:

increased emphasis on the objective of enhanced job satisfaction;

employees at a work site are given an opportunity, through various collaborative committees, to make their voices heard and influence the design of their jobs;

work roles in the production process are being expanded and group efforts are being promoted to a greater extent than ever before;

the piece-rate system is being replaced by new wage formulas, usually entailing group incentive wages;

the technical production apparatus and the physical environment are being developed through, for example, the addition of completely new and different factories.

The driving forces behind these developments are:

difficulties in recruiting staff for production work;

demands for codetermination and industrial democracy;

ideas from behavioral science on autonomous groups;

efforts to increase efficiency.

While many reports have been published on developments in individual companies, this report will describe general results obtained from these developments, the difficulties often encountered, and the positive features reported by many. The report is based on contacts made with several hundred companies.

The terms "successful" and "unsuccessful" approaches are used throughout this report. In our view, a successful approach should have the following features:

it should lead to real changes in production work;

management and the local union should regard results as successful and be prepared to continue;

there should be spontaneous interest and spontaneous spread to other parts of the company;

efficiency trends should be at least comparable to those attainable with conventional models.

Collaboration in the Conference Room

In recent years, thousands of collaborative committees have been formed in Swedish companies in an effort to enhance codetermination and to achieve better solutions through greater utilization of existing know-how. The work in these committees takes place in the conference room or the equivalent, involves part of the work force, and is carried out during a rather limited proportion of working hours such as a few hours every other week. The experience gained in these collaborative efforts will be described first.

How to fail at joint consultation

Results have varied from company to company. Some have been successful and others have obviously been failures. Some of the following features are found in companies which have gone "astray" in their approach to enhanced codetermination:

Expanded collaboration is described under headings such as "enhanced codetermination," "enhanced industrial democracy," "work site democracy" or "socio-techniques," i.e., in terms borrowed from politics or from behavioral science and uncommon in everyday life.

The development process has a start in a written program in which problem analysis, target descriptions, and suggestions of solutions are described with sweeping eloquence and with an abundance of words borrowed from foreign languages (mainly English).

The development of a personnel policy program is often one point on the list.

The entire program of collaboration reports to the works council and operates as an organization collateral to the work organization. The work organization works and the collaborative organization collaborates.

The different components in the collaborative system are described in frequently imposing organizational charts and diagrams. There is often a large number of collaborative committees in the system. There are committees for different subjects, different departments, and different work sites.

Rules for the manner in which collaboration is to be conducted have been drawn up centrally and adopted by the works council. The rules specify the frequency of meetings, the agenda, routines for writing the minutes and the dissemination of information by a collaborative committee.

The entire collaborative system has been developed relatively quickly by virtue of a decision in the works council on the desirable scope of the system and the pace with which the different collaborative committees should be established.

Most of the program in a collaborative system of this kind consists of continous collaborative procedures in conference rooms.

Discussion at meetings are mainly devoted to shortcomings in the work environment and measures to increase job enjoyment. Trivial matters predominate, and the entire procedure resembles a gigantic system of "wailing walls." Attitudes toward collaboration tend to become negative, and job satisfaction declines. However, this effect is limited by the fact that only part of the work force participates in collaborative programs and collaboration comprises less than two percent of the work time of these employees. Contributions by collaborative committees toward increased efficiency are usually conspicuous in their absence. Expectations of major gains turn into disappointment at the failure to produce real results.

Attempts at an altered organization of everyday production work may be found in some limited area. Experiments are generally led (formally or, in any case, informally) by an outsider (i.e., a person not belonging to the experimental department) with training and background different from that of the department's "ordinary" staff. There is no spontaneous spread of the experimental ideas to other parts of the company. Instead, other departments are critical of the "games" played in the experimental department.

The main adherents of the new collaborative systems are personnel managers, staff representatives, etc. The leaders of the local trade union tend to recede into the background, even in purely union matters. They may not "disrupt" self-determination and voting procedures in the local group.

Many people in the company regard the experiment as a failure, but few are prepared to take a public stand to that effect. Too many eloquent words have been uttered about the new collaboration for anyone to consider abrupt cancellation of the program. Major, unsuccessful systems of collaboration are instead doomed to quiet, lingering extinction. An off-target approach is bound to result in failure.

... and how to succeed

If we take a corresponding look at the companies which have achieved good results in the development of forms for collaboration, we always find some of the following features:

The development of collaboration is designated by headings such as "new work forms," "new work organization," "development of the work environment" or "rationalization in concert." The objectives of developments in this field are almost always specified in terms of increased productivity, increased job satisfaction and a better work environment. Conscious efforts have been made to describe objectives as well as the program and to avoid emotionally charged concepts.

The programs in these companies are characterized by a pragmatic approach in which only a few initial measures are emphasized. These measures are described in concrete terms--words found in the everyday vocabulary at the work site. But the use of "short" words does not mean that expectations were any less than in the aforementioned type of company. It is actually an expression of the view that short words and major expectations are better than formal language and failure to produce results.

All expansion in collaboration has taken place within the work organization itself. The new ideas have been discussed, supported and monitored by the works council, whose activities generally remain unchanged. But considerable efforts have been made to incorporate new work procedures and collaborative routines into the everyday work and everyday contacts. Line managers (supervisors in particular) and skilled professionals dealing with the production function play the leading roles in the program. Senior company executives and the local union support the efforts in a wholehearted and involved manner--but always from the background.

Efforts have begun on a small scale, encompassing the departments of one or two foremen in which the workers were interested and are willing to try new ideas. These departments comprised the experimental units. "Development groups" were formed in them for the purpose of developing the work forms.

The program has usually been guided and supported by a central group especially established for these matters. Further steps have been taken in trying out new forms for collaboration at the pace the groups themselves found appropriate. Considerable efforts have been made to prepare participants in different ways for the new approaches.

There are no written rules for collaborative procedures. But central efforts are made to supply the program with ideas, (e.g., from other fields) but without any coercive rules.

The main issue in collaboration is a continuous discussion of running production matters and attempts to change the everyday organization. Discussions mainly consider the possibilities of developing the program and focus on production matters. Attitudes toward collaboration become increasingly favorable. Participation seems meaningful and the right thing to do, i.e., to help in solving arising problems. This is because things obviously happen, i.e., there are concrete changes in production, and shortcomings in the work environment and work planning are removed. Major contributions are made toward improved and more efficient production.

Collaboration in the conference room (or often in the foreman's booth) leads to success in the form of a new and better work organization and new and more stimulating work roles at the machines.

New forms of collaboration and a new organization gradually spread and accelerate from the first few experimental departments. The central reference group assumes an increasingly retiring role.

Departmental production matters and questions on procedure and how to make improvements provide nourishment for a constructive, involved process of collaboration--a process which is able to continue irrespective of the latest organizational gimmick.

The formal arrangements required to start the process are ultimately abandoned. The new work habits and work forms become a natural and integrated feature of the everyday organization's way of operating.

Anyone visiting a successful company and asking to see a description of the procedures adopted so as to attain better collaboration in production usually hears the following remarks: "Collaboration in production? There's nothing put down on paper about that. Nor do we spend much time talking about it. But we believe we have it. A few years ago, when we were not as far along in our development, we had a lot of printed matter on collaboration, and collaboration was a topic of conversation every day."

The difficult project group

The project group is the most difficult work group because it is founded to tackle the most difficult problems and because it is temporary in nature. The problems presented by work in the "jungle of committees" can be summarized as follows:

Each group is characterized by the presence of one or two who do the work while the remainder merely participate in the meetings.

The work organization wins out over project groups in gaining the favor of participants, and the people who participate in a project group are often poorly prepared for meetings.

It is difficult to communicate over vocational boundaries.

The know-how of blue-collar workers is seldom put to use.

It is almost impossible to attain an overall view of problem solutions in really big projects with many groups.

But the group is a necessary and valuable work form for really complex problems. The greater efficiency of project group work found in many companies in recent years is mainly due to the following:

The Committee and group jungles can be reduced sharply and may only be used for a limited number of especially important assignments.

The project groups are arranged around a core of experienced people from the department involved. The size of the groups is limited to a maximum of six people all of whom participate actively.

Blue-collar workers are involved, not as representatives but because they can make valuable contributions.

The overall expertise of project leaders is supplemented in really big projects by a special "work environment group" which takes up everything of importance to work forms and the work environment.

Summary

The experience gained in recent years from collaborative procedures has been unequivocal in its emphasis and can be summarized as follows:

Collaboration should not be developed collateral to the line organization, using strange or foreign words to describe intricate arrangements making collaboration a special issue apart from everyday work.

Collaboration cannot be imposed on people, either by managers or by lawmakers. You can introduce certain mandatory procedures but not know-how and will. Compulsion often generates distaste and triggers defense mechanisms.

Collaboration shall be developed in the work organization. Development groups in which the supervisor and his skilled coworkers form a core and in which experts provide support, ideas, and investigatory resources constitute the basic organization in a smoothly running work organization with great development potential.

The company which views collaboration as a main objective of its development measures may risk failure. Instead, the objective should be to achieve a more efficient business in the broad sense of the term. Procedures for better collaboration and cooperation are only one of several ways to achieve this objective.

By concentrating on central production matters, i.e., that which makes it possible for the company to exist and for employees to make a living, collaboration will comprise issues of interest to all, issues which never become obsolete. The work environment and work organization are inseparably linked to production matters and treated in their natural context.

Project groups and similar arrangements are a necessary work form for major development projects. But they also constitute the most difficult work form. Great care must be lavished on the organization of this work if true team work is to be the objective, and not merely fruitless meetings. This work form should be restricted to very important development tasks so that a jungle of committees and groups does not develop. Practical vocational know-how should also be represented in project work.

Small words and big results are better than the reverse.

Work and Collaboration at the Machines

Problems on the shop floor and the manner in which work is to be conducted between meetings are discussed in this section. The objective is to find work forms which provide better results and improve the work from the point of view of the individual employee.

Criticism of Work in Industry

This discussion had its roots in the criticism leveled at work on the shop floor by, e.g., the press, trade unions, and in other contexts. This criticism has centered on the following issues:

Dull, monotonous, uninspiring work roles should be expanded so that work becomes more attractive. This can sometimes be arranged by allowing individuals to rotate among different jobs according to a given schedule.

By transferring responsibility for a long sequence of tasks in a production chain to a work group, the individual's work can be expanded and valuable enhancement of the interplay between group members can be attained.

The careful predetermination of work methods and work results by means of work studies leaves too little scope for individual options in selecting work procedure. Practical professional skill is enough to determine the manner in which a task should be carried out.

The hegemony of "bosses" at the work sites should be broken up and autonomous groups introduced.

The piece-rate system should be replaced by fixed monthly wages.

The technical systems in factories, such as the assembly line, should be replaced by technical equipment putting greater emphasis on human engineering.

Experiments with New Work Forms

As a result of the driving forces described at the beginning of this report, many companies have experimented with new working forms for production. Here are examples of such experiments:

Extension of the work cycle by including a longer sequence of cyclical, repetitive production steps in a given work task.

Expansion of a task by adding collateral duties such as lubrication, maintenance, transport, etc.

Decentralization of authority and responsibility to the individual and group level in, e.g., planning matters, quality control, etc.

Job rotation, either by means of a circulation schedule or arrangements which enable the worker to follow the product through the production system.

Switching jobs for a limited period of time in order to broaden systematic training (increased versatility) in a group.

Switching jobs as called for by the work, i.e., to group work, to autonomous and semiautonomous work groups.

Creation of a matrix organization in production and maintenance.

Development of complete units in the process industry's production, in maintenance departments, and in the mechanical engineering industry, i.e., "a little factory" within the big company.

Some Results

Modern, industrial work organization is the result of long development. F.W. Taylor's ideas of "scientific management" from the early years of this century have had a profound influence, and fundamental components in the ideas he advanced will be vital ingredients in future developments. Completely new production systems and factories have been built in order to facilitate the introduction of the new organizational ideas. Extensive experiments have been conducted in an effort to redesign production work; some results can be summarized as follows:

A major feature of future developments in production work organization is making work roles more attractive and stimulating. Monotony and severe constraints must be avoided while variety, knowledge, and responsibility must be developed.

Continued growth in productivity is a basic requirement. "Increased productivity" and "improved work" as targets are generally compatible, in the sense that stimulating duties may constitute one way of increasing productivity.

Monotonous routine production work can be made more attractive by extending brief work cycles. Experience has shown that work cycles can often be extended to 20-25 minutes and sometimes even up to 60 minutes without adverse effect on efficiency.

Production work may be made more varied by the addition of related duties such as machine lubrication and maintenance assigned to the person running the machine. Attempts made to "expand" work in this manner have produced outstanding results.

Work can be expanded by extending the authority to assess and decide on different matters affecting each individual's job. In such increased delegation of authority, the question of responsibility should also be determined, i.e., what will happen if the desired results are not achieved.

Job rotation is generally a poor solution to the problem of monotonous work. Attempts of scheduling job and worker circulation have usually produced poor results.

Broad-based training for limited periods, i.e., planned work exchanges for a month or so in order to improve the ability of dealing with adjacent duties, has often proved to be a useful measure. This method makes it easier to cope with absences due to illness or other events.

The best form for work variation is found in natural group work that arises because the job calls for it. In this type of "genuine" group work there are spontaneous staff movements between positions in the production system.

A production group should be organized along a production line, not across a number of production lines. Group work according to the production group concept is almost impossible when production equipment is not arranged in production lines, but in grouped operations of functions.

Group work is almost out of the question when workers are unable to have contact with one another during work, when they are unable to make themselves heard because of noise, or when workers

are unable to leave their machines. But these factors can be dealt with, and many startling improvements have been noted in recent years.

It is often advantageous for work groups in direct production to include various collateral and support duties in the scope of group work. For example, maintenance, lubrication and minor machine repairs can often be handled by the production group itself and need not be dealt with by other departments.

Significant gains can be made in the maintenance and service field by integrating the efforts of different specialist functions. This can take place on an individual basis, as exemplified by the new group of electromechanics, or on a group and department level; integrated service depots and service departments are examples of the latter. But surprisingly the matrix organization, which appears to be an interesting solution in these cases, has been employed only rarely.

The "product shop" is one of the most interesting lines of development; a product shop is a miniature company within a company. The shop, with extensive resources of technical assistance and production administration, can operate very independently in day-to-day business and with great efficiency. And it provides a work site in which each worker is able to see, be familiar with, and become involved with the process in which he or she collaborates. Product shops, in companies involved in batch processing, have also come to represent a breakthrough for new ideas on factory design for batch production. The doctrine of the continuous operation may be due for reassessment.

The New Leader Role

The New Foreman

Foremen have often played an active and leading role in the development of new work forms in production, and results indicate that most foremen have succeeded in developing and renewing their own roles and those of coworkers. Errors were obviously made, complete internal self-government proved to be impossible in one group, for example. The internal balance in a group occasionally called for outside intervention. Lines of development for the role of foremen can be summarized as follows:

Each employee and each group of employees, even those termed autonomous groups, will always have some leadership. Complete self-government is utopian in a work organization. This also applies to internal self-government within a group.

The role of foremen in production is gradually changing. The people to assume these roles must satisfy the demands imposed by

the new roles. Production groups with responsibility for everyday problems are becoming a common organizational form, eliminating much of the contemporary foreman's task of dealing with emergencies in current planning.

The category "working team boss" and the like as representatives of production groups will increase in size. This will relieve the foreman from many routine tasks. The increasing demand for a voice in the team's work imposes new and difficult demands on managers. Presenting problems--and not solutions--to the workers is a basic concept to be included in the work of all managers.

Expansion of the current foreman role from restriction to a multitude of minor tasks to emphasis on development will provide foremen with new and exciting duties as well as call for new thinking and wider knowledge. Thus the intermediate position which some foremen regard as being emotionally isolating both upward and downward is converted into an active, qualified leader role.

Foremen in the future will have the roles they deserve. Those displaying interest, the will and the ability to develop themselves and their jobs along the lines indicated will have access to new and rewarding work roles in the companies of the future. Developments along these lines are already in progress.

Payment Systems

The evidence confirms that performance wages are an efficient mechanism to promote the development of work forms and organizational changes discussed here. Discussions in companies on new work forms have stimulated the continuous development of wage forms, which is summarized as follows:

The wage form of the future in industrial production will also be some form of payment by result. Incentives will be the same for entire production groups or for an entire product shop to an increasing degree.

The wage scale will be governed by difficulty of job content and by individual capability and performance. Production results will generally be rewarded in the incentives on a collective basis for a group, product shop, department, or company.

In some cases, production premiums will be devised as a "share in production profits," i.e., an increment to the monthly wages based on improvements in overall production results. Thus there are only rewards, no "punishment."

The wage form of the future will be the same for white-collar and blue-collar workers.

The Group and its Environment

Foremen as well as some administrative routines, such as work studies and production planning, have been regarded as intruding into the personal domain of a group, unsatisfactory from the individual's point of view. It has also become evident that the development of new work forms in production calls for changes in all subfields of production administration.

Work studies and work rationalization

Some innovative approaches have led to the following results:

New work forms in which "the best solutions" are not devised in ivory towers to the same extent as before and then passed on to the people actually involved in them. Instead, planners serve as a development resource for the production group and product shop. Planners work together with the workers involved throughout development work, and attempt to incorporate their ideas into the solutions being devised.

The objectives of work studies and work rationalization have been supplemented with, e.g., the wish for job satisfaction and stimulating duties. The rationalization agreement between the Swedish Employers' Confederation (SAF) and the Swedish Trade Union Confederation (LO), 1972, establishes the objectives of work rationalization; this agreement has been fully supported by the people working in this field.

New wage systems are often an initial assignment for work study officers, paving the way for systematic development in which work study techniques become a valuable resource in attaining improved work results.

New technical systems and completely new factories are being built as a result of the "new work studies."

Production planning

Some of the new approaches to production planning in recent years can also be summarized as follows:

Since detailed production planning in advance is not feasible within a production group or product shop, at least for the most common types of production, advance planning must therefore be kept to a minimum and should generally be more than load planning and occasional rough planning of task sequence. Adjustments and daily planning can then be done within the group or shop by someone who is in constant touch with the production cycle.

In recent years, there has been a pronounced tendency toward realignment concerning the "level of sophistication" in the development of planning routines and of other production subroutines--a trend which Erik Rhenman calls "resimplification." It is closely linked to the development of work organization and work forms discussed above, and means that minor, day-to-day administrative duties are transferred hierarchically down to the level where they properly belong. Major, decisive issues are considered within the framework of production administration in other respects.

The future of staff functions

The trend of the 1950s toward establishing large and powerful staffs within the functional organization of industrial enterprises is no longer in vogue. There is now a transition to another type of company organization, which at senior staff levels is referred to as profit centers, divisionalization, or sectorization. But there are similar developments even at lower levels--although caused by other factors--set in motion by the trends for work organization discussed above. Staff functions are expected to change mainly along the following lines:

Large parts of the regular, day-to-day, operative program in staff functions will be organizationally and geographically transferred to line functions, i.e., production units. One might say that the line organizations at different levels acquire their own small staffs.

Production techniques and planning, personnel matters and other measures in support of production will probably be integrated into units for production administrative services. This is especially likely to be the case at lower levels.

Those activities of the old staff functions which do not concern day-to-day matters but involve major tactical steps for future development will remain within the province of small, highly qualified central staff units in the major companies.

The New-Style Factories

The "new-style factories" are the most striking evidence confirming that Swedish industry is in a new phase of work organization development. A long list can be compiled of factories in which buildings, work sites, staff rooms, the physical environment, the array of production equipment and other devices, material handling and flow, as well as work organization itself all are new. It should suffice to mention seven of these new factories:

(1) The new Saab-Scania engine assembly plant, which was an important first step in the renewal of machinery in assembly line production.

(2) The "landscape" in ASEA's Relay Division, in which the office has been moved onto the factory floor and where many steps were taken to attain a truly integrated factory--a complete factory.

(3) The new foundry at Kockums Järnverk, painted in light yellow, olive green, and orange, is free of dust, light and airy, has a moderate noise level and a high degree of mechanization; there are no heavy jobs but a multitude of highly qualified inspiring duties.

(4) The stove factory in Huskvarna makes newly designed electric stoves for Swedish households which are better suited to a product organization containing stimulating duties and no assembly line.

(5) The giant paper-making machine in Hallstavik, sometimes called the "Mute Giant," which, in addition to contributing to a sound work environment, is also an example of how employees actively participated in the planning and design of a new unit.

(6) The new glass grinding unit in Orrefors, in which the old, classical functional layout was abandoned in an effort to create a factory with a high output capability and excellent prerequisites for a flexible work organization.

(7) Volvo's Kalmar plant, which became the country's most famous example of a completely new and unique factory. It is an example of an outstanding physical environment, in which assembly trolleys have made it possible to assemble cars in a completely different manner than at any other car factory in the world. A real breakthrough in production technology!

Toward New Targets

Rapid developments

Many successful and valuable new developments have taken place, spurred in large part by two forces: we need better and more attractive jobs in industry because many people demand them; we also need increased efficiency because everyone in the Swedish society wishes industry to provide the increased resources demanded by continued improvements in the standard of living.

There were obviously failures in some of the development approaches that have been attempted to date. Continued development can be limited by the following factors:

Limiting factors

In those cases in which the objectives, "better work" and "more efficient production," cannot be reconciled, our ability to provide

"better work" will be limited by competitive conditions in the outside world, i.e., conditions imposed by industry in other countries. However, if this reconciliation can be achieved in the development of new production systems, as has been the case to date, that condition will be limited.

In those cases in which existing production equipment imposes insurmountable obstacles to efforts aimed at producing a better environment and better work, the pace of renewing production machinery will also govern the speed at which production work can be developed. But a great deal can still be accomplished with an existing production setup; this has clearly been shown by results in recent years.

The absence of organized renewal of production technology theory may also limit the pace of development. Almost all training in factory design, the design of production equipment and work organization at institutes of technology, high schools, and specialist training schools can be said to have retained about the same main features as in the 1960s, even though there have been new ideas for some time now. However, they have been only isolated ideas about how a given situation in this problem area could be tackled, or they have involved case studies. The fragments of a new idea on how to design production equipment and work organization have never been integrated into uniform theory. Research and development work has been almost exclusively devoted to individual cases, and an increasing number of case descriptions have presented more or less startling results. But no one has put all these results together and drawn general conclusions.

Positive factors

We must keep in mind that the Swedish predeliction for cooperation is one positive circumstance which could accelerate development in our industry toward better working conditions. There are many examples of cooperation between management and trade union representatives in initiating, directing and supporting a development process in which their presence has not always been obvious but where they have provided subtle guidance from the "sidelines." When company management, the trade unions, and employer and employee confederations or central organizations on the labor market become jointly involved in supporting an issue, the very best chances for success are created.

Production and work conditions will never be as good as we would like to have them. This gap between demands for improvement and actual conditions provides the impetus for future development, at least as long as we can bridge the gap in a constructive manner. It is easy to point out shortcomings and problems--and so we should. But we should also have the will to seek new, sound, and constructive solutions to these problems.

Creating new objectives is no problem. The difficult part is living up to them.