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Author(s)	Dundon, Tony; Grugulis, Irena; Wilkinson, Adrian
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# **"Looking out of the black-hole: non-union relations in an SME"**

**TONY DUNDON, IRENA GRUGULIS AND ADRIAN WILKINSON**

## *Abstract*

*Using a single case study approach this paper provides empirical evidence about managerial practices in a small, non-unionised firm which represents many of the features characteristic of the black-hole of 'no unions and no HRM'. The efficacy of recent union organising strategies are explored against the 'context' of pleasant and unpleasant employee experiences, paternalistic management and labour and product markets. It is argued that the ideology of a 'family culture' is a significant barrier to a new organising model of unionism. Consequently, the evidence supports the case that family-run firms can be highly exploitative to which State support may be necessary to extend collective representation in smaller firms.*

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## **Introduction**

Studies of employee relations have traditionally been located in large organisations. It is only recently that research has started to focus on small-to-medium sized enterprises (Goss, 1988; Rainnie, 1989; Scott *et al*, 1989; Roberts *et al*, 1992; Ram, 1994; Scase, 1995; Bacon *et al*, 1996; Wilkinson *et al*, 1998); though even here, little attention is devoted to the way employees are managed in the absence of a trade union or the prospects for union organising activity (McLoughlin, 1996; Gall, 1997; Blyton and Turnbull, 1998). Furthermore, when research is located in a non-union context evidence is often derived from managerialist accounts of the atypical (larger) firms, such as M&S or IBM which claim to provide 'best practice HRM' (Peach, 1983; Tse, 1985).

This article is concerned with two main issues. The first is to gain a deeper understanding of employment practices inside a small non-union firm; a 'black-hole' organisation (Sisson, 1993; Guest & Conway, 1997). The second is to inform the current debate on union organising strategies in the context of small firms. Using information drawn from a single case study it reviews management practices and employee attitudes and the implications for union organisation are considered.

### ***Union Organising and Small Firms***

Recent debate has sought to analyse the conditions for union revitalisation by considering the individual and collective agency of labour in response to changing market conditions, privatisation and new management strategies (Fairbrother, 1989, 1996; Ackers & Black, 1992; Darlington, 1994; TUC, 1996, 1997; Heery, 1996, 1998b). These accounts tend to focus either on the framework for job regulation, the institutional role of the TUC or a resurgence of participative forms of unionism arising out of restructuring at workplace level.

Defining New Unionism is not a straightforward task. At the risk of oversimplifying a complex debate, three particular perspectives can be identified (TUC, 1994, 1996, 1998; Heery, 1996, 1998b). The first of these is an 'organising' model of unionism. The TUC's recently launched Organising Academy marks a shift from service-based unionism to one centred upon mobilisation 'from above'. New, often younger and more dynamic 'organisers' represent a cultural change with the aim of 'distant expansion' (Kelly & Heery, 1989) by targeting recruitment in new labour markets. The use of HRM techniques is a necessary part of this strategic organising model, as set out in the TUC's own mission statement and core objectives (TUC, 1995; Heery, 1998a). To date 33 organisers have been recruited and trained by the TUC and placed with different affiliate unions. The central aim extends beyond recruitment as these organisers seek to build self-dependent workplace unionism in existing as well as previously unorganised establishments.

Second is the changing character of organising campaigns. The ISTC has provided several high profile examples of imaginative organising tactics, including the distribution of condoms on the dance floor of a Scottish night-club, with the message there is "more than one form of protection". In Sheerness, they joined a carnival to recruit at the local steel plant Co-Steel. They also hired a billboard in the town and depicted the Personnel Director (who derecognised the ISTC in 1992) as the tin-man from the Wizard of Oz - a man with no heart. Other union campaigns target particular groups of employees that are traditionally under-represented, such as women, part-time workers and young employees; or specialise in key areas, such as race and community-based issues. These forms of recruitment and organising are very much influenced by international campaigns (TUC, 1996; Heery, 1998a,b), particularly from America (AFL-CIO) and Australia (ACTU) which adopt an 'in your face' attitude to organising.

Third is the unease at which the features of the organising model of unionism coexist with social partnership espoused in other quarters of the trade union movement (TUC, 1994; 1997). It is unclear how these recent and more dynamic mobilising approaches will stand-up to either employer indifference or employer hostility. In the hotel and catering sector, the likely benefits for workers from union membership were often counter-balanced by fears of management reprisals (MaCaulay & Wood, 1992). In other small organisations employees do not always display a propensity to unionise (Hartley, 1992; Abbott, 1993; McLoughlin and Gourlay, 1992). One significant gap is an assessment of familial employment relations within smaller non-union firms against the prospects for recent union organising strategies.

This is central as SMEs have few union members. The majority of firms employing less than 25 workers are unlikely to experience union recruitment (Millward *et al*, 1992; Cully *et al*, 1998), as 'less than 1% of those employed in small (private) sector establishments members of trade unions (IRS, 1998). Yet few would dispute the numerical importance of SMEs. In Britain, establishments with fewer than 50 employees account for 98% of all companies; and organisations employing fewer than 500 workers provide 67% of total employment (Hilbert *et al*, 1994; Storey, D. 1994; DTI, 1998). Moreover, SME employees may need more union protection than those who work in larger organisations. One recent estimate maintained that statutory rights, such as those set out in the Employment Relations Bill or European Works Councils, will not be extended to the more than 5 million employees who work in companies employing less than 20 people (TUC, 1998). There are also claims that by excluding workers in these smaller firms from statutory rights is potentially discriminatory, as many smaller firms employ a large share of women who are often part-time workers (TUC, 1998; Winters, 1999).

### ***Non-Unionism and Small Firms***

Commentators on relations in small firms tend to adopt one of two polarised perspectives (see Wilkinson in this issue). The first has been described as ‘small is beautiful’ (Bolton, 1971) in which close, friendly and harmonious relationships between owner-managers and employees is facilitated through informal communication flows and greater flexibility. Here the smaller firm is characterised by a low incidence of conflict with fewer strikes, and so it is often assumed that there is little need for collective representation. The second perspective, that ‘small isn’t beautiful’ (Rainnie, 1989), argues that the image of harmony serves to obscure exploitative practices in small firms. Yet conclusions based on one of two polarised perspectives can also be too simplistic. Family control can be both paternalistic (Wray, 1996) and ruthlessly authoritarian (Ackers & Black, 1991). Family-run firms can be highly patriarchal yet also engender trust and loyalty to a ‘family culture’ which extends beyond blood relatives (Ram & Holliday, 1993).

One schematic framework in accounting for the diversity of non-union firms has been provided by Guest & Hoque (1994), identifying the ‘good, the bad, the ugly and lucky’ faces of non-unionism. The ‘good’ non-union employer is derived from images of ‘best practice HRM’ and likened to forms of *sophisticated paternalism* (Ackers & Black, 1991; cf. Wray, 1996). There are devolved managerial systems, above average remuneration, training, development and employee involvement mechanisms. In contrast, *traditional paternalism* relies on face-to-face deference between workers and owner-managers (Wray, 1996). Such organisations can be ‘bad’ as well as ‘ugly’ employers, although most are associated with small family-run enterprises. What often distinguishes the ‘bad’ from the ‘ugly’ is that in the latter management seek to exploit workers, whereas in the ‘bad’, though there are poor wages and conditions there

is no intended malice. In the 'lucky' non-union firm remuneration is below average with few employee benefits. This could be likened to a form of *negotiated paternalism* (Ram & Holliday, 1993; Ram, 1994) in which market pressures and family activities shape labour-management relations, with little union organisation.

Most accounts of non-union relations tend to portray a combination of such images, ranging from 'no union and no HRM' to the 'no union but sophisticated HRM'. Survey research shows that the majority of non-union firms provide less in the way of formal policies, have fewer methods for resolving disciplinary issues and staff grievances, and are more likely to encounter health and safety problems and implement compulsory redundancy than unionised organisations (Millward *et al*, 1992; Beaumont, 1995; Guest & Conway, 1997; Flood, 1998). So, if the strategic aim of an organising model of unionism is the 'distant expansion' of union membership, then small firms may offer fertile ground.

However, survey research is dependent on scope rather than depth of analysis. Guest and Conway (1997) suggest that 'peering into the black hole' can reveal "shades of grey and shafts of light"; that is there exists a mix of pleasant and unpleasant employment forms. Yet such analysis is often based on extrapolating evidence about companies and workers from large scale surveys, rather than an assessment of organisational-specific factors and the social processes at enterprise level. Nor is there any detailed information on how managerial action is mediated, amplified or modified by labour and product markets, management style or employee indulgence patterns. Initial findings from the latest WERS data (Cully *et al*, 1998:10) illustrates this dilemma. Some 65% of managers report that most employees work in designated teams, however additional probing about the details of such practices reveals a rather different picture. Of the 65% reporting team working, only 5% confirmed that such teams were given

responsibility for specific tasks, decided how the work was to be performed or appointed a team leader. As Turnbull & Wass (1998:99) suggest, relying on the reported incidence of formal practices often “belies the dynamic, contradictory and contingent nature of labour-management relations” inside the non-union firm.

In this paper we examine management practices in an SME which displayed a mix of the ‘bad, ugly and lucky’ forms of non-unionism. In adopting the metaphor of the black-hole, we explore the ‘shafts of light and shades of grey’ by examining various work experiences which could influence trade union organising activities. Indeed, if organising activities under the umbrella of the TUC’s ‘Organising Academy’ are to extend unionism among previously unorganised and low paid groups, it is the SME sectors which requires attention (a point already noted by the TUC, 1998). While we do not claim that all SMEs inflict Dickensian conditions on their employees we do highlight several reasons for concern, few of which can be dismissed by pointing out that workers in small firms are unlikely to strike.

### **Research Methods and Case Study Background**

This article is drawn from research into employment practices in SMEs funded by the European Regional Development Fund (ERDF). It is based on a qualitative, single company case study (Eisenhardt, 1989; Yin, 1993; Hartley, 1994). Since this research aimed to do more than report a range - or, given the black-hole metaphor, the absence - of HR practices care was taken to interview respondents at all levels. These included several interviews with the personnel manager, family-owners and six semi-structured interviews with a cross-section of the workforce. Non-participant observation was used over several days of fieldwork in the



organisation. In addition to this, an employee survey was conducted among the whole workforce with a response rate of 66% (n=43) and access to documentary sources obtained.

The company itself has been called Motor Co. to preserve its anonymity, and is a family-run franchise for a well-known vehicle manufacturer which is involved in the sale, service and repair of commercial trucks. The family own three other dealerships for different manufacturers, all based in the North West of England. Motor Co employed 65 workers including motor mechanics, clerical employees, warehouse stores and a sales team. The company has never recognised a union nor experienced any form of union organising activity. Despite this, family-owners were becoming increasingly concerned about possible unionisation because of the Government's Employment Relations Bill. In addition, it is also possible that a new managerial structure at Motor Co may have triggered some interest in unionisation. This new managerial structure marked a departure from a long history of familial control in which 'walking the shop floor' was the main way owner-managers engaged with employees. Traditionally, family members had always occupied strategic positions within the company, and at Motor Co the personnel manager, a woman in her mid-20s is the daughter of the founding owner. There are few personnel policies and no formal method of involving employees other than a familial culture of friendly relations. Moreover, managers outside the family circle tended to be appointed from those staff who had 'served their time' as mechanics or sales reps, as one manager recalled:

*The problem with motor trade managers is that they've had very little training - particularly in people and communication skills - they've got very rough and ready management skills*

However, the personnel manager claimed that the centrality of family control over employment matters was changing with the introduction of non-family members into key line management posts. A new General Manager with experience of a larger franchise dealership had been appointed at Motor Co. to strengthen the company's commercial image. Younger and increasingly assertive line managers were hired to take on greater departmental responsibilities, and the personnel manager was taking professional Institute of Personnel and Development (IPD) exams. Policies such as recruitment were slowly changing, with a combination of formal applications and interview selection replacing former *ad hoc* channels of seeking potential employees from friends and acquaintances in the motor trade. In addition, some twelve months before the fieldwork for this study took place a (rudimentary) appraisal system had been introduced to try and formalise employee relations, although few workers had actually received an appraisal interview or could recall specific employee involvement initiatives. The only employee consultation mechanism was the introduction of a staff "quality representative". This person was selected by management to help separate departments view one another as internal customers, although the lack of consultation when this system was devised coupled with the personal characteristics of some line managers, meant that its impact was unlikely to be significant.

Taken together, the management of employees at Motor Co was moving away from what has been described as 'traditional' to a more 'autocratic' form of paternalism (Ackers & Black, 1991; Wray, 1996; Ackers, 1998). Under direct family control workers were engaged in an exchange relationship which brought more than economic reward, it could also serve to confuse the 'actual with the ideal' (Ackers, 1998) and, in so doing, engendered loyalty to the firm and its family culture. The nature of these paternal relations can also be highly patriarchal

(Ram & Holliday, 1993; Ackers, 1998), and these were assessed at different levels at Motor Co.

### ***Managerial Style and Employee Control***

The tradition of loyalty to the family and firm was coming under increasing strain at Motor Co, and in part this can be explained by structural factors. At the time of the research, there was a growing atmosphere of uncertainty within the dealership as a result of intensified market competition. A number of other garages had opened up in the area as competitors to Motor Co., and the vehicle manufacturer that controlled their franchise had announced a review of all existing dealerships. Consequently, employees may have warmed to a previous era of familial culture, but they also realised that the commodity status of their labour was subject to local market forces, to which union strategies may appear more attractive to workers.

Another explanation can be found in the fusion of a new managerial system with that of previous familial relations. For the first time in the dealership's history, the General Manager was a non-family member, and a number of key supervisory grades were demoted to make room for the younger (non-family) managerial team. However, decision-making remained a family prerogative across the group, with individual dealerships consciously 'kept in the dark' about how other franchises were doing commercially. One problem was new line managers represented a distinct occupational group in their own right and had to be seen to be managing in a different way, but at the same time were also subject to the same family control. As a consequence employee concerns were directed at line managers for decisions made by family owners, as one of the longer serving warehouse employees argued:

*It's all changed over the last two or three years. It's not the family place it us to be. A few years ago I'd have said the attitude was one where workers were*

*appreciated very much - not now. We've a new management system now. My manager now, in particular, he tells you you're 'not here to think, just work' ... If you ever say anything back, he's known for saying 'don't use your initiative, you haven't got any'. It was easier before the new management structure was in ... In fact, it wouldn't have happened then to be honest*

Another clerical employee in the customer service department contrasted this shift from familial relationships at Motor Co with experiences from a previous employer:

*This place is not as easy going as [former employer]. That was very much like a family place, very small, everyone knew everyone. It's not like that here. I mean, I wouldn't go to my manager if I had a problem now. There's just not the concern here*

During the research the same manager cited by the warehouse employee issued a written warning to store personnel regarding the ordering of new vehicle parts for customers. It was posted on all notice boards and read: *"If you order parts wrong, you'll see me more mad than any of you have ever seen me mad before"*. Not only did such an approach actively contradict the limited employee relations initiatives pioneered by the personnel manager, but it also heightened the ruthless face of managerial authority as something quite distinct from the informal dialogue that had prevailed during family relations.

### ***Employee Voice and Communication***

According to the literature one of the central features of small firm employment relations is the ease with which communications flow between owner-managers and employees (Bolton, 1971). Workers in SMEs have more opportunity for face-to-face discussion than their counterparts in larger organisations (Roberts *et al*, 1992). The issue of communications was raised at Motor Co by several employees, supervisors and the personnel manager and their responses to our employee survey are summarised in Table I.

**Table I: Employee Voice and Communications at Motor Co. (%)**

Question/Statement*	Agree	Not Sure	Disagree
Employees are kept fully informed about changes and developments + \$	11	13	76
On the whole, I can trust information from management +	35	20	44
Communications are very informal and relaxed + \$	44	9	47
Management regularly pass-on information (R) + \$	20	20	60
I regularly have the chance to discuss my pay with management + \$	16	13	71

n=45

\* A 5-point Likert-type scale was used and responses collapsed along three scales: 'agree', 'not sure', and 'disagree'.  
 (R) Some questions were posed negatively and some positively to avoid agreement bias, and were subsequently re-coded (R) to measure attitudes in the same direction.

$X^2$  and  $t$ -tests were conducted on gender and occupational variables.

+ Significant at 1% level. \$ Significant at 5% level

The questionnaire asked *inter alia* about the frequency of communication between employees and managers, opportunities to discuss pay and conditions and the degree of informality in the organisation. The majority of employees at Motor Co. said that they did not receive information from management. Only 11% claim to be informed of changes with 60% saying management do not pass-on information. Just over one-third (35%) report they trust the information that is provided and only 16% said they have the opportunity to discuss their pay with management. The most positive result is that 44% of respondents said that communications were informal and relaxed, although even here more respondents (47%) disagreed. This lack of consultation was central to family control at Motor Co. In the personnel manager's opinion communicating to employees:

*can be a dangerous thing. [The current system of withholding information is] a strategy that has been built up over the years and is used to keep employees on their toes.*

In addition, line managers' knowledge of the company was constrained by a lack of communication from family members vis-à-vis other dealerships in the group. Supervisors 'might' be told that their franchise was doing well or badly in relation to others, but little else. Most of the information about the group was, like the ownership, kept in family hands. As one employee explained:

*We all get-on great and have a good crack. We do speak to each other a lot, myself and the other lads. But management letting us know what they're doing, definitely not*

Stores Clerk, Warehouse

### ***Pay Determination***

One of the clearest expressions of family control at Motor Co. may be seen in the pay system. Individual pay was set by management with no negotiation and, with the exception of apprentice mechanics, pay was only marginally above that recommended by the Minimum Wage Commission (£3.60 per hour). Skilled mechanics earned between £5-£6 per hour (which included shift and night call-out working), clerical employees received a salary of £10-14K per annum depending on grade and length of service, and sales representatives received a basic wage of £10K which was supplemented by commission. The highest paid sales person earned £40K. The official mechanism for informing employees of any pay rise may have been well-intended, it was also a little insensitive, as one garage mechanic explained:

*I know when we get a rise. It's each Christmas. It's not automatic though, you only get a rise if they think you should have a pay rise [and] ... that's based on not dropping a bollock in the year ... It's a letter in the Christmas card saying we're getting a rise .. it really pisses the lads off. I mean a little card, 'all the best and all that', but nought about your money and so and so next to you gets something*

Family-owners were ruthlessly pragmatic with a 'no work-no pay' policy evident at all levels of the organisation. Among employees in the workshop, Motor Co. was again compared less favourably against reward systems at a previous employer:

*... no sick pay. I think that's the most cruel thing here. Even at [former employer] there was a pay packet while you're on the sick, and [former employer] was more strapped than this lot here*

This even applied to employees who had sustained injuries at work. When a garage mechanic lost two fingers in an industrial accident not only were his wages stopped but also, because of his prolonged absence from work, Motor Co were in the process of dismissing him. When the personnel manager 'heard' this person had obtained employment elsewhere, this was used to justify management action:

*Two people have been off for a long time this year. The first person had a bad workplace accident here - both people were blue collar. The first guy was suing for loss of earnings - but that case might have been dropped, he's gone to work for another company so he's not too badly damaged. Though he has lost his (two) fingers*

(Personnel Manager)

A more common effect of this 'no work-no pay' policy was that employees used holiday leave to cover periods in which they were ill:

*A sick pay scheme should be introduced. Either lose a day's pay or take holidays - which they don't let you take now at short notice. It reminds me of a Victorian mill-owner, and make sure [the personnel manager] doesn't hear that*

Clerical Employee

### **'Shades of grey and shafts of light'**

Given the lack of consultation, absence of sick pay and the degree of family control at Motor Co., it would seem reasonable to predict that the employee attitude survey would reveal low

levels of commitment and organisational loyalty. After all, much of the literature on high commitment management assumes a link between these variables and a commercial market outcome (Guest, 1987; Wood, 1995; Wood & Albanese, 1995). While most of the workers interviewed were highly critical of Motor Co., the employee survey shows a somewhat more complicated picture.

**Table II: Employee Satisfaction Indicators at Motor Co. (%)**

Question/Statement	Agree	Not Sure	Disagree
I am fully committed to Motor Co.	75	16	9
If offered another similar job I would leave Motor Co.	11	22	67
I enjoy working in a small firm	62	20	18
Working for this company is informal & relaxed \$	47	11	42
I am concerned about job security at Motor Co. +	51	13	36
There are no promotion opportunities at Motor Co. +	51	24	25
My pay covers most of my needs \$	20	9	71
There is a great deal of tension between employees and managers in Motor Co. +	62	27	11
N = 45			

\* A 5-point Likert-type scale was used responses collapsed along three scales: 'agree', 'not sure', and 'disagree'.  
(R) Some questions were posed negatively and some positively to avoid agreement bias, and were subsequently re-coded (R) to measure attitudes in the same direction.

$X^2$  and  $t$ -tests were conducted on gender and occupational variables.

+ Significant at 1% level. \$ Significant at 5% level

The first four indicators shown in table II are all positive. A substantial majority of respondents (75%) said they are committed to the organisation, few would leave if offered another job (11%) and most respondents appear to favour working in a small firm (62%). Nearly half (47%) said that Motor Co. had an informal and relaxed environment in which to work. However, there are additional complexities. The final four indicators in table II suggest that employees are concerned with the tangible results of the employment relationship rather than more abstract notions of loyalty and commitment. Most are concerned about job security (51%), the same number reported few promotion opportunities and 62% claim that there is a degree of tension between workers and management at shop floor level. As expected, few are satisfied with the level of remuneration (20%).



**Table III: Employee Satisfaction Indicators: by Gender and Occupation (% Agreeing to Statement)**

Question/Statement	Gender		Occupation			Total Agreeing to Statement
	Men	Women	Manual <sup>a</sup>	Non-Manual <sup>b</sup>	Supervisory	
I am fully committed to Motor Co.	76	71	70	76	100	75
If offered another similar job I would leave Motor Co.	8	28	9	12	20	11
I enjoy working in a small firm	63	57	74	53	40	62
Working for this company is informal & relaxed \$	44	57	43	41	80	47
I am concerned about job security at Motor Co. +	55	28	52	59	20	51
There are no promotion opportunities at Motor Co. +	58	14	61	41	40	51
My pay covers most of my needs \$	24	0	18	30	0	20
There is a great deal of tension between employees and managers in Motor Co. +	68	28	78	35	80	62
N	38	7	23	17	5	45
% of total sample	84	16	51	38	11	100

Notes:

a Manual includes garage mechanics, stores/warehouse employees and un-skilled employees.

b Non-manual categories include clerical/admin employee and floor court sales representatives. Supervisory grades are treated separately.

X<sup>2</sup> and t-tests were conducted on gender and occupational variables.

+ Significant at 1% level. \$ Significant at 5% level

While these survey results provide contradictory images of pleasant and unpleasant work experiences from the black hole, a significant interpretation is revealed when gender is disaggregated by occupation (see table III), a feature already documented in family-run firms where men and women occupy distinct superior-subordinate roles (Ram & Holliday, 1993; Ram, 1994).

At Motor Co women appear to experience more of the unpleasant aspects of work in contrast to their male colleagues. In one respect this was fairly obvious. The only senior female manager was the daughter of the founding owner, all line managers were males and all women employed in administrative and clerical functions. The survey results identify gender patterns in which women report less pleasant work experiences at Motor Co. For example a greater *proportion* of female respondents were prepared to leave the company (28% of all women compared to 8% of men), slightly more male than female employees felt committed to Motor Co. (76% and 71% respectively), and no single female respondent was satisfied with pay.

Explanations of the overall (and unexpected) positive results are found at several levels, including the significance of an informal social setting that facilitated friendly relations among employees themselves, rather than any clear commitment to the organisation or its new management system. For example, shop floor workers spoke of a desire to stay at Motor Co. because of a 'crack with their workmates', garage mechanics found satisfaction from working on new and technically challenging tasks and clerical employees frequently reported the intrinsic satisfaction from direct customer contact. Thus while the experiences of work at Motor Co. were often harsh and autocratic, employees were capable of

minimising some of the effects of a tough environment through an attachment to work itself and to co-workers. One clerical employee suggested:

*My husband's always telling me to start looking elsewhere, and although I haven't, that doesn't mean it hasn't crossed my mind - quite often in fact it has. I like the customer contact though, I find that very interesting*

Clerical Employee, Customer Sales

### **Conclusion & Discussion**

This article has explored employment practices from *inside* a non-unionised SME characteristic of the black-hole. There is evidence that unionisation at Motor Co would be beneficial to employees. Unions can act as a conduit for change, articulate key employee concerns to management and above all challenge the down-side to working in such a firm. These practices also have implications for recent union organising strategies. Here it is argued that familial control can be much more complicated than one of two polarised perspectives. The notion of family relations contains contradictions and tensions which could work both for and against union organising strategies. At Motor Co the ideology of a 'family culture' meant that employers obscured the commodity status of their labour. However, this family atmosphere was frustrated by a new devolved managerial system. Because of a turbulent product market, line managers became the focus for employee grievances rather than family owners. At Motor Co. unionisation emerged as an issue to some extent because family members sought a more formalised and devolved managerial system. In the context of more recent debates concerned with union renewal and revitalisation, this case study has several implications.

The first is that social partnership between owner-managers and employees as a route to union revitalisation is highly questionable (Kelly, 1996; Claydon, 1998; cf. TUC, 1997, 1998). From the evidence presented in this article it is doubtful whether a partnership strategy would counter-balance the effects of family control. To some extent informal relations served to ameliorate the unpleasant experiences of managerial authority at Motor Co. In this sense workers may thus find unionisation less attractive because of the appeal to a family environment. This also suggests that organising strategies which rely on a union's appeal to owner-managers is unlikely to gain sway against a hostile and anti-union management.

Given that the prospect of partnership between unions and owner-managers is unlikely here, a second implication is how the more recent methods for union mobilisation would stand up in Motor Co. There is some attraction to recent union tactics which target specific groups, such as part-time, women and young workers (Heery, 1998a). These are often underpinned by the philosophy that union organisers have a greater chance of recruiting like from like (TUC, 1997, 1998). It seems that women can recruit other women more effectively and younger recruiters increase the younger membership. It may be that union campaigns in SMEs could benefit from deploying organisers with experience of small family-run firms. They could 'map' employees and target potential recruits based on organisational-specific concerns much more effectively. At Motor Co. these concerns were sick pay, accident protection and tribunal representation for injured workers.

However, union resources appear to be focused on extending membership in union-recognised areas (TUC, 1998; Winters, 1999). Arguably, resources need to be directed at unorganised groups of workers. Another concern is whether union strategies could

counter-balance the impact of a familial culture of control. At Motor Co five of the six shop floor workers commented that a trade union would be a “*good thing*”; though even here, most of these respondents claimed this was not their ‘*own view, but that of other employees*’ in the company. The subtlety may be extremely important. While workers were generally receptive to union representation, they may also be cautious of potential managerial reprisals. One suggestion is that the ‘context’ of anti-union sentiments by owner-managers are a more serious barrier to union organisation, as one clerical employee commented:

*The firm is run by ‘family-men’. What they say goes. Its as simple as that ... and I can’t see them giving that control up.*

The third implication is that union organising may require state support to sustain collective mobilisation. Small firms will be exempt from certain statutory rights contained in the forthcoming Employment Relations Bill and European Works Council recommendations (TUC, 1998; Winters, 1999).

At Motor Co. legal measures would be necessary to alleviate some fears and extend protection to employees. The impact of a familial harmony suggests that employees may be unsympathetic to the ideal of unionisation. At Motor Co. workers may simply be fearful of putting their neck above the parapet. A key issue is how workers can be mobilised to counter-balance the harsh realities of job insecurity, managerial resistance and employee deference at a time of depleting union finances. One solution is to extend legal rights for workers in SMEs. New and innovative union strategies may attract some workers, however, it is questionable whether an organising model will be a sufficient factor on its

own. Arguably, state support and organising tactics are two complementary rather than alternative determinants for a legitimate redress to managerial power in the workplace.

Finally, of course, there is always the critique that generalisations and wider implications cannot be drawn from a single case study with limited data. Evidently, all small firms will not be present in the black-hole of 'no union and no HRM'. However, the purpose of case study research is not to identify social phenomena but rather to understand the dynamic and social processes within a small firm. Indeed, small organisations are not homogenous but subject to different organisational-specific variables and worker attitudes. Thus further research is required to fully evaluate whether union strategies *inside* the black-hole are a determinant factor in building self-dependent workplace union organisation.

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