

Dag Olberg

Defining the Role of the Middle Manager

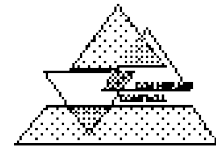
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Defining the Role of the Middle Manager¹

Organizational restructuring in Norwegian industry in the 1980s and 1990s has been characterized by delayering, downsizing, pressures for increased flexibility and new job descriptions. In research it is commonly noted that such developments challenge traditional definitions of middle managers' work roles. More generally, such processes are often associated with new industrial relations and personnel strategies. This paper discusses a case of modern restructuring where traditional measures of conflict-solving were applied. A brief recapitulation of the Norwegian debate on the role of supervisors and middle managers is presented first. Section two discusses how middle managers' job tasks and responsibilities have been addressed in legal arbitration. Some implications and possible challenges for employers' and trade unions' scope of action in processes of organization development are outlined in the discussion.

1 Introduction – the rise and fall of the supervisor?

Much concern has been expressed about the future of middle management and supervisory positions in industry. This is reflected in both management literature and organizational research. During the last decades opinions seem to have shifted from optimistic to more pessimistic views on the role and prospects of the traditional middle manager. In the Norwegian debate on industrial restructuring in the 1950s it was argued that society would benefit from upgrading the status of the middle manager. The implications of automation processes were then at the core of the debate. The middle manager would sometimes be referred to as “the man to rely on” (*Management and Technics* (Arbeidsledelse og Teknikk) 1956:32). In a similar vein it was argued that the automation expert would in the future be “worth his weight in gold” (Holler 1958:93). This debate was, as was the organizational designs it referred to, heavily influenced by its origin in the US.² Middle managers (acting in roles based on supervision and control) and technicians (in their roles based on technical knowledge) were the two new groups

¹ This working paper is based on protocols and official documentation from a reaction through arbitration against the Norwegian Federation of Technical Employees and Supervisors NFATF and the Trade Union Confederation LO by the Norwegian Employers' Confederation NHO, the employers' industry organisation NELFO and Norwegian Siemens in Trondheim (ref: Voldgiftsdom 1 September 1994). All translations from law texts and other documents are by the author. The paper focuses on the arguments used by the parties, not the actual restructuring process. Section 3 below contains a few open-ended comments and speculations regarding industrial relations. Mostly they refer to empirical issues that would have to be followed up by case studies and informant interviewing, possibly in subsequent versions of this paper. The present discussion does not draw on such data. I wish to thank Jens Grøgaard for helpful suggestions to an earlier version of the the paper.

² In the Norwegian case there was not only inspiration, but also direct importation. Restructuring after World War II was largely based on support from the US. Organized as part of the Marshall plan, it included the setting up of the Productivity Institute in Norway. Many Norwegian industrialists were sent to (continues..)

of employees to emerge from fordist and taylorist forms of work organization in the post-war era. Looking back, the optimistic tone of this industrialization debate is striking. When concern was expressed, it was most often related to the possible threats to manual workers' jobs posed by rationalization and automation.

In the late 1960s and early 1970s the debate on employee participation and new job descriptions contributed to more uncertain prospects for middle management. Leading experts on organizational design suggested that the traditional role of middle management was growing increasingly more problematic. One of the main reasons referred to was the new setting of autonomous work groups and industrial democracy (see for instance Thorsrud 1970). During the mid -80s new research corroborated and underscored the uncertainty (see Grønbech 1986).

The industrial restructuring and the new discussions from around the mid -80s have added new concerns regarding the future role of middle management, witness the calls for flexibility, and new productivity concepts such as just-in-time, lean production, total quality management, lean management, delayering and downsizing, and human resource management. All the catchwords notwithstanding, the general academic debate on restructuring and transformation of work has been inconclusive in terms of scope and forms, in addition to causes and implications (see for instance Wood 1989). Some would argue that new forms of organizations are not “new”, and that control systems and management techniques have not been fundamentally altered. Such a view has been advanced by authors in both the European debate on the flexible firm model and in the international debate on flexible specialization. Organizational change and transformation of work processes are often subtle and take place gradually; the same is true of the ways in which industrial actors are affected by such processes, as is reflected in research. New personnel strategies as a determinant of competitive success is one example which is often cited, but also questioned.³ Implications for middle managers have been commonly noted in the international literature for at least 20 years. Recent studies have most often drawn pessimistic scenarios for such groups. Yet, commentators like Dopson and Stewart (1993) conclude that:

¶The decline in the numbers and role of middle managers has been a popular subject for generalizations over the years. Information technology is commonly cited as the main factor in causing these changes. Our review has pointed to the paucity of evidence to support these generalizations and to the research-based studies that suggest that information technology can enrich middle managers' work by removing some of its more routine aspects. The evidence is too limited to support firm conclusions about what is happening to middle managers and the figures about the changes in the numbers of middle managers are neither comprehensive nor easily accessible. Our limited evidence suggests that there is a case for saying that the changes taking place in organisations, including those resulting from the use of information technology,

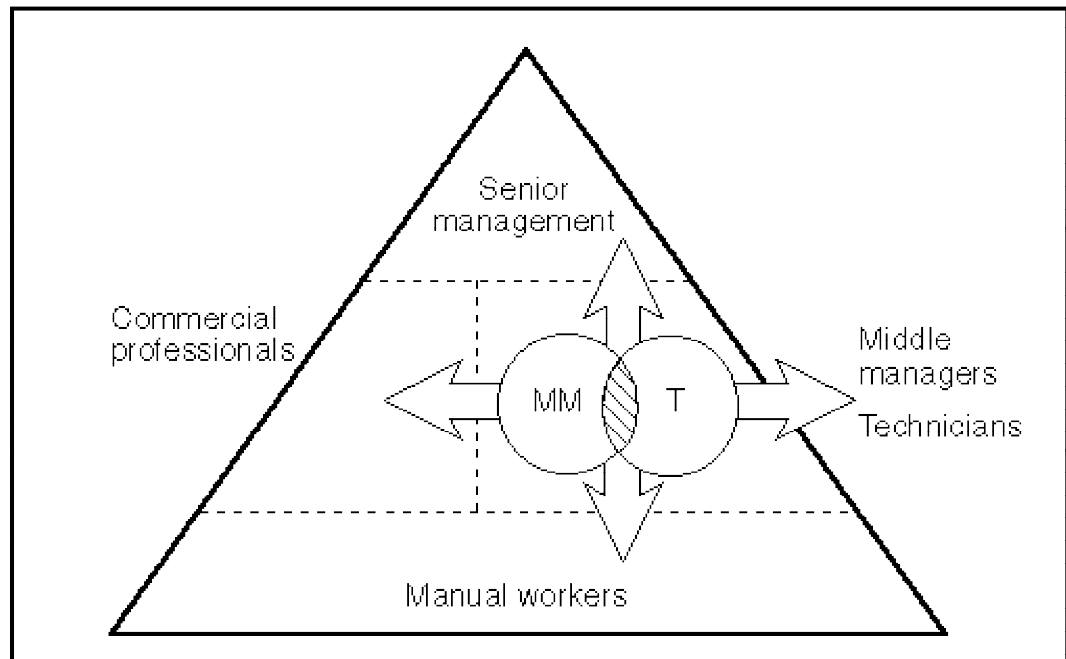
(continued) the US, and US consultants and experts visited Norway. Among them was a former General Motor director, George Kenning, who was to establish a line of management principles which is still influential in Norwegian management. On the other hand, the cooperation between the Norwegian Work Research Institute (AFI) and the British Tavistock Institute was influential in challenging taylorist organisational designs (see Thorsrud and Emery 1970, Trist et. al. 1963, Herbst 1962). Kenning is commonly regarded as Thorsrud's antidote (see Quale 1995).

³ In research, restructuring is often perceived as long-term structural change. Often the reference is past divisions, sometimes coupled to mechanisms that will be active in establishing a new paradigm and/or a normative view on what work organizations ought to be like. Empirical evidence is still scant (see Wood 1989). A recent survey in Sweden concluded that management styles in Swedish industry are still predominantly traditional (Edling and Sandberg 1993). Employee involvement, commitment, and a battery of new personnel practices have been referred to in order to explain firms competitive success. When looking at effects for middle managers' work roles, I would argue that the concept of work roles itself should be discussed (see for instance Hirschhorn and Mokray 1992).

are giving middle managers a more important role than before” (Dopson and Stewart 1993:19).

Also in the Norwegian context restructuring in industry is affecting middle managers and technicians in various ways. It is often stated at seminars and conferences that “the middle managers will disappear”, or “[. . .] have disappeared”. Yet I believe we know relatively little about whether, or in what sense, such assertions are true or not. It is true, however, that the number of traditional supervisory positions in industry has diminished and that the content of the roles of middle managers has been disputed; likewise that new pressures recently have been felt by the union organizing middle managers and technicians, the FLT (formerly NFATF, Norwegian Federation of Supervisors and Technical Employees).⁴ Such pressures often relate to the reorganization of the utilization of competence, as sketched in Fig. 1 below. Work roles are affected as competence and control functions not only are being centralized and/or decentralized, but also are being externalized. The popularity and prevalence of “flexible firm” strategies and concentration on core activities, sometimes defined in manners that differ from previous practices, illustrate the point. Occasionally new organizational initiatives correspond with trade union objectives, such as increased employee involvement and participation, at other times they have not. None of the negotiating parties in Norwegian industry seeks to preserve work roles that are out of touch with necessary organizational restructuring. Still, reorganization usually throw up a variety of issues, not all of which lend themselves to unanimity. Obviously, the ways in which such processes are implemented and negotiated are of special concern to the traditional trade union movement. This is also so because such processes seldom represent a radical break with traditional practices. More often than not, I would argue, they consist in a mix of new procedures aiming at employee

Figure 1: The work roles of middle managers (MM) and technicians (T) are affected by new forms of work organization. There can be greater overlapping of work roles, and functions relating to competence and authority can be centralized, decentralized or externalized.



⁴ The term middle manager as used in this paper covers various managerial positions with first line responsibilities; they are defined as being distinct from, respectively, senior managers and from working foremen (see the reference to definitions in “Lex Askim” on pp.5–6 below).

involvement and participation on the one hand, and more traditional forms of conflict-resolution on the other.

The case discussed in this paper illustrates a situation where traditional and formal grievance procedures were used to decide in a conflict over the definition of work roles. In this paper I will focus on the arguments employed by the respective parties. The case illustrates how effects of organizational change can be handled, not only in OD processes and collective bargaining, but also in the formal systems of labor court and legal arbitration. In 1994 legal arbitration was used to remove a group of employees from the coverage of a specific collective agreement. More generally, from a trade union perspective, the case discussed below illustrates an increasingly problematic scope of action in the system of industrial relations. The case can also be discussed in regard to employers' scope of action.

2 When is a middle manager a middle manager?

A few brief historical comments provide a necessary background to the arbitration case used as illustration below. When the Norwegian Federation of Technical Employees and Supervisors NFATF (now FLT) was founded in 1951, it was the organizational outcome of one of the most dramatic labor conflicts in Norway after World War II. At a company in the small town of Askim a group of middle managers were denied the right to join the Norwegian Trade Union Confederation, LO, and by implication to enter into collective agreements through the LO. Being seen as a matter of principle by both the LO and the National Employers' Federation, the conflict rapidly escalated. About 140 000 workers would potentially have been affected as the Employers' Federation made preparations for lock-out, while the LO in response prepared for strike actions.⁵ The conflict was solved when the Labor party government intervened. A tripartite arbitration committee labeled "the Askim committee", and headed by the Minister of Justice, was set up. The Askim committee prepared a proposal for a provisional law which granted middle managers right to freedom of choice in matters concerning trade union membership. This law, nicknamed "Lex Askim", was important not only because it laid down the principles that solved this specific conflict, but also because its definition of middle management was written into the collective agreement of the newly founded union of supervisors and technicians. The definition of a middle manager/supervisor in "Lex Askim" (Ot. prp. nr. 80, p. 27) read:

"By middle managers this law refers to (–) employees that on behalf of the employer are employed in order to manage, distribute and control work that is performed by persons subordinate to them, if they

- a) themselves are not required to take a significant part in this work and
- b) do not occupy a position of special responsibility as senior manager of the firm or a department."

This definition has been a point of reference in collective bargaining, labor court decisions and legal arbitration up to the present. Today, industrial restructuring is challenging the traditional practices that these definitions are based on.

⁵ The Askim conflict is described in more detail in Bergh (1987) and Wiedswang (1992).

2.1 Organizational change and legal arbitration

In 1991 the regional branch of the electronics company Siemens in Trondheim decided to merge two of its departments. The department for installations and the assembly department were organized as one unit. The background was a deficit of NOK 7 mill. in these departments the previous year, and a general wish to organize work tasks and routines more effectively. In this process a joint committee consisting of management and employees was organized to suggest changes. The firm also used assistance from external consultants. A more market-oriented organization implied a greater stress on customer demands. Traditionally, there had been relatively clear distinctions between the firm's sales personnel, planners, cost accountants and middle managers. Middle managers planned and supervised the implementation of projects after having received relevant reports from other staff. They also assigned electricians for the various jobs.

The new system was based on the principle that middle managers would have more direct contact with customers. Skills in several new disciplines were expected, such as marketing and accounting. Early in 1992 it was decided to transfer the NFATF middle managers to the firm's technical department. A report presented to an extraordinary meeting at the department council noted that it was not clear which collective agreement would now cover these employees. In April 1992 the firm conducted a survey among the affected employees on time spent on different work tasks.⁶ From the results of this survey senior management concluded that the supervisory work tasks still left with these middle management positions were very limited.

A more concrete description of the actual work tasks among case workers at the installations was made up in June. Also from this description it was concluded that only work tasks related to the direct organization of a commission should still be labeled traditional middle management work (i.e. in the form of supervisory control). According to the firm this part of the job description only amounted to about 20% of the total assignments. Referring to the collective agreement's paragraph 2, it was argued that this was far from being enough to be covered by the agreements definitions. Consequently, it was argued, the employees should be removed from its coverage. As an alternative, their wage and working conditions could be regulated by another NFATF-agreement, i.e. for technicians. In November restructuring was completed, and the former middle managers were assigned to various positions as administrative officials. A formal disagreement between the firm and the local NFATF union had been recorded during the summer. The firm argued that the work of the former middle managers now mainly consisted in sales tasks and work related to following up on customers. As professional administrative officials in such positions they would also need to have technical knowledge to advice customers properly.

Figure 2: Time spent on middle management tasks (supervision). Extract from survey

	Hours spent on middle management	Hours in total
Employee A	185,5	1508,5
Employee B	443,1	1477,5
Employee C	366,5	1461,4
Employee D	421,5	1432,5
Employee E	587,4	1375,4

(Source: Voldgiftsdom 1. sept. 1994, p. 16)

⁶ Six main areas of responsibility were listed. These were "general tasks", and tasks related to "inquiries", "sales", "contracts", "implementation" and "settlement of accounts".

The middle managers in question objected to the claim that their positions should no longer be covered by the collective agreement for middle managers. They argued that their jobs were essentially the same as before the 1992 restructuring. Later discussions between the firm and the NFATF did not result in an agreement. Nor did the firm agree that the actual positions in principle should be covered by the agreement prior to the restructuring process in 1992, although the case was not raised then. Organizational change was described as a gradual process, and it was argued by the firm that the jobs of some of the middle managers in question could, in principle, have been removed from the particular agreement earlier than in 1992. This was, in practice, an argument against the trade union's claim that the jobs did not appear as "new" after restructuring. The NHO, the NELFO and the firm jointly proceeded against the LO and the NFATF. The dispute was then, according to procedures proscribed by the General Agreement between the LO and the Norwegian Employer Association (NHO), a case for legal arbitration. In this tripartite system a magistrate heads the proceedings, with both the plaintiff and the defendant represented (by themselves or by counsels). The union pleaded the case to be dismissed. This claim was rejected, and eventually the union lost the case, as all the middle managers in question were defined as occupying non-supervisory positions.

2.2 The view of the firm and the Employers' Confederation (the majority statement)

The plaintiffs and the magistrate formed the majority in the proceedings. It was argued that a decision about whether ten employees were to be defined as middle managers according to the definition of the collective agreement or not, had to be based on evidence of the individual work content of these employees at the time being. Previous legal proceedings were also invoked.⁷ The majority's statement noted that the organizational location of these employees was not decisive, nor the fact that they had previously been recognized as middle managers.

Referring to previous labor court decisions (ARD 1964: 66) the majority stressed the *control* aspect when defining the job a middle manager (i.e. the supervisory role). Control of subordinate workers was seen as the predominant characteristic of middle managers' work tasks. Being based on a comparative reading of "Lex Askim" and the Askim Committee's proposal, this line of argument recalled the 1951 conflict directly. It stressed a comment in the proposal to the effect that the law proposal only referred to employees who were, in the sense, strictly middle managers (p. 63), and to the traditionally limited connotations of the middle management concept (p. 66).

Moreover, the majority's statement brought up the point made in the proposal that one was concerned with middle managers in "administrative positions" (i.e. not higher professional positions). This last distinction was to lead to the formulation in paragraph 2 b of the law which restricts the definition of middle manager "upwards".⁸ Hence the majority's statement noted that:

"It is, on the part of the defendant pointed out that the present case is not concerned with a *downward* limitation of the concept of middle manager, and that there exists no clear decisions in this area in former legal practice – neither in labor court decisions

⁷ These were mainly the text of the preliminary law on middle managers' right to organize (which the definitions in the collective agreement were based on) and the proposal of the Askim committee, see "Lex Askim", Ot.prp. nr. 80, 1951, and labour court decision ARD 1964.

⁸ The original formulation of this paragraph was later taken out of the collective agreement, but it was argued that this did not alter the reality of the case, i.e. the definition of middle management.

nor in legal arbitration. This being the case, the majority would also point out that in such a case it is essential that an employee's *main work content* job tasks fit the legal definition of middle management, namely control (to manage, distribute or control) of subordinates' work. The minority seems to use a wider concept than the bargaining parties have previously agreed upon." (p. 14 in *Voldgiftsdom*, 31 Oktober 1994).

Turning to the practical matters of the case, the majority statement based its main argument on statistics from time studies measuring the time spent on different activities by each individual middle manager. It was concluded that only a small part of the job tasks assigned to the (now) officials could be defined as middle management according to the definition in the collective agreement (p. 16, f). This conclusion was based on evaluations such as:

"NN is now administratively in charge of installations, without line responsibilities. (-) (T)he part of NNs work tasks that consists of traditional middle management activities is far from sufficient to consider his 'predominant' work activities to be control of subordinates. Thus his position is clearly not covered by the definition in the collective agreement's paragraph 2."

Similar evaluations were made for other employees, also for individuals that had until then kept their title of middle manager. It was argued that their job descriptions were now similar to the job descriptions of administrative officials. It was noted that they were physically located at the main office, and that they did not stay in daily contact with subordinate employees (i.e. the ones that were performing installation and assembly activities, working on jobs for clients, etc.).

Regarding employees who were administrative officials after restructuring, it was noted that in their previous work in the assembly department they were in charge of carrying through installation (which was considered a typical task of middle management). After restructuring, the line responsibility for the electricians had been centralized. It was argued that prior to restructuring middle managers would typically be located at project sites. After restructuring they had been called to the main office, where they had more responsibility for planning and marketing. Only occasionally would they visit project sites.⁹

The majority did not wish to discuss the General Agreement's clauses on organizational development, as this was not defined a relevant issue in the actual arbitration case. Nor did the majority want to engage in a discussion on organizational restructuring and a possible need for a more dynamic definition of the concept of middle manager or supervisor. Such a definition would, according to the majority, be in conflict with the fundamental assumptions on which the agreement was based. It was asserted (p. 17) that such issues were matters of conflict of interest, and that their solution should be sought in the course of the next collective bargaining process (revision of the agreement was to take place later that year).

⁹ Regarding one individual employee who actually was in regular and direct contact with electricians out on jobs, it was noted as a general impression that his work mainly had a mediating function of "distributing" jobs, and only to a small extent involved managing and controlling personnel carrying out the jobs. Referring to previous cases, it was argued that considerations made in a legal arbitration case between NFATF and the Employers' Association in 1967 had relevance also in this case. In the 1967 case the decision was that an employee was not considered middle manager, although the court did find that he also had to supervise work at the machines. The main content of his work was considered to be the distribution of incoming orders for each machine, characterised as a "mediating" function. Also in the 1967 arbitration, the decision was made with reference to a labour court decision in 1964 (see pp. 66, ff.).

2.3 The union's view

The union also invoked “Lex Askim” extensively, claiming that the disputed employees should still be covered by the collective agreement. The union argued that “Lex Askim”, while defining the role of the middle manager “downwards” (vis-à-vis working foremen and shop floor workers), did not contain an “upward” definition of middle managers. In the law itself, though, there is an amendment (paragraph 2) containing a kind of delimitation “upwards”, in that it refers to middle managers not occupying positions of particular trust, on a par with top managers of the firm or particular departments. In the past, disputes over the role of middle managers¹⁰ have consisted in disagreements on differentiating middle managers from working foremen and shop floor workers. The case in question was not a dispute about whether middle managers should take a greater part in manual work or not. Hence, the union argued that earlier cases of legal arbitration and labor court decisions were of little relevance to the actual case. The union maintained, with reference to the “Lex Askim”, that both the law itself and the Askim Committee’s proposal mentioned two groups of middle managers: those in an administrative position, and those who were not in such a position. To qualify this distinction the Askim Committee had noted (p. 60) that:

“All supervisors, whether they belong to the one or the other group, have in common that they, on behalf of the employer, manage, distribute or control the work of persons that are subordinate to them. Any sharp dividing lines between the groups cannot be drawn. The group a supervisor belongs to according to common definition (and according to the definition suggested by the Employers’ Confederation) will depend on the degree to which he takes part in the work performed by his subordinate staff – which usually will imply manual work. If he takes part in such work only to a small extent, he will be regarded as a middle manager in administrative position, if he takes a more extensive part in such work he will belong to the other group of middle managers. And within both groups there can be substantial variations regarding the importance of these positions and their placing in the firm internal hierarchy.”

The Askim Committee had noted that in both cases there would be considerable differences regarding middle managers formal position in the hierarchy of the organization. In practice the distinction between the two groups may seem artificial, yet the Committee concludes (p. 60) that the distinction has to be drawn at some point or another, and that the place where it was drawn here had a foothold in custom and tradition.¹¹

The union stressed this more broad definition of the role of middle managers, while the plaintiffs gave it a more restrictive interpretation. What was once described as a “traditional foothold” is subject to change, and the union had expected that the introduction of new forms of work organizations would make a broadening of the “traditional foothold” more likely. Hence, the union questioned why the Employers’ Confederation wanted to restrict the traditional “foothold” in times when it should rather be extended and modernized.

The empirical argument in the union’s statement was based on the union’s view of how the work of a middle manager was actually performed in the 1990s. With reference to the job descriptions, it was argued that after restructuring all work tasks and

¹⁰ I. e. Court decision ARD 1964, arbitration case VD 67, VD 68.

¹¹ Hence, the Askim committee was ambiguous on this point. On the one hand it was “modern” in its orientation, including the more “administrative supervisor/middle manager” already in the early part of the 1950s, on the other hand this distinction was based on what was also then regarded as “a traditional foothold”. According to much of the new management literature of the 1980s and 1990s it is precisely the integration of the *functions* of managing, distributing and controlling work that are seen as vital in modern restructuring

responsibilities that earlier characterized a middle manager job, were intact and that they were still carried out by the same individuals. It was argued that most of the tasks that appeared to be novel had in fact been performed by these employees for a long time. However, it was acknowledged that some new, and some partly new, work tasks had been introduced. Examples were price calculations and other salesrelated activities. The union saw no reasons why these activities should not be performed by the employees, this would not contradict the clauses of the collective agreement. The union did not consider the survey data presented of much value in order to determine the actual work content of the employees. Additionally, it was argued that the survey data material did not provide a representative description of the jobs over time.

The union also alleged that the conclusions drawn from these data were biased, as it was assumed that middle managers could only perform tasks according to an out-dated and static conception of work organization and management. It was stressed that the bargaining partners at both the central and the local level for decades had agreed on the importance of cooperative organizational development (for instance as formalized through the amendment to the Basic Agreement, paragraph 9–1). In practice, the union maintained, numerous OD-activities had been focused on modernizing the role of the middle manager over the years. The Employers' Confederation (NHO) had repeatedly urged that changes in the role and tasks of middle managers take place, and had expressed concern over the slowness of organizational change.

The union argued that although organizational change had occurred, the basic functions that middle managers had been responsible for in relation to production were the same. On the one hand, it argued that work still had to be managed, distributed and controlled. On the other hand, the union made the point that precisely because of changes in work, technology and organization, the ways in which middle managers now performed these functions had to be different: In the 1990s middle managers or supervisors did not have to be present at the work site in order to monitor workers and their activities. Nor did they have to be regularly on location when assembly work was done. The union stressed that today's technology extended the ways in which middle managers could perform their tasks (p. 20):

“The basic point is (–) that middle managers, acting in the role as managers, have the authority and responsibility to decide whether the daily communication and management most effectively can be performed by use of office telephones, via the mobile phone they are equipped with, by use of the firm's cars, or by gathering workers for meetings on what has been accomplished and for instruction. In such ways middle managers stay in contact with their subordinates every day.”

3 Discussion

I believe the case discussed above is a useful reference when discussing arguments over organizational change. In the present context I will point at only three issues. Firstly, the case illustrates the mix of strategies in different areas (a modern approach to restructuring and a more traditional approach to industrial relations?). Secondly, the case is of interest in terms of consequences (what *is* actually happening to middle management functions – at job level, firm level, branch– or industry level). And, finally, it can be discussed with a view to suggesting or instituting changes in the bargaining partners' scope of action (the balance between cooperation, bargains and conflict; – do the actors get what they want?). Below are some speculations and open-ended questions.

As for the mix of new and traditional management practices, are traditional management strategies aiming, among other things, at cost reduction, in harmony with the imperatives often associated with modern personnel strategies and commitment approaches? Does senior management get what it wants? Settling conflicts about modern organizational restructuring by means of traditional grievance procedures may, in some cases, turn out to be counter-productive.¹² This mix is likely to be interpreted by trade unionists as a reminder that there is still a need for traditional trade union strategies.¹³ Likewise, trade unionists will probably be reluctant about OD processes in which traditional industrial relations are played down (for instance as suggested by Davis et al (1994). On the other hand, the trade union argument contains a mix between new elements in organizational restructuring and a more traditional view regarding how to bargain over such processes.

Secondly, long-term consequences are not clear. On the one hand the outcome of the actual case can be viewed in light of a general trend of scepticism towards middle managers. On the other hand the case could inspire similar processes in other firms (although arbitration decisions do not establish judicatory precedence). With respect to the latter point, it is questionable whether the practice of removing middle managers from the coverage of their traditional collective agreement will spread to other companies. So far it has not, at least not against the background of the case discussed above. As noted, the functions and work roles of middle managers are disputed. At job level this discussion centers on whether traditional middle management tasks need to be performed, and on who should perform them (cf. fig. 1 above). At the level of the firm this discussion may signal more long-term changes in senior management's strategies vis-à-vis competence and control. This would lead to a situation where senior management not only stresses the importance of competence, but also the right to reorganize the application of competence and, accordingly, work roles. One challenge facing the FLT at the level of industrial relations is whether the new personnel strategies observed by the union is something that primarily is related to the present phase of delayering and downsizing, or to more long-term changes. In the latter case, the turbulence of this and other similar cases represents changes the union would have to learn to live with. More generally, and without specifically referring to the case discussed in this paper, it could imply that management seeks to achieve a new form of "ownership" of competence and control. As noted in the introduction, the question of whether middle managers should be allowed to organize as part of the traditional labor movement (LO) or not, was contested also when the NFATF was founded in the early 1950s.

Thirdly, and in a related vein, the case can be used to illustrate issues invoking cooperative OD-processes and changes in the bargaining partners' scope of action. One puzzle to the union was the employers' insistence on (what the union saw as) a both traditional and outdated definition of the middle manager.¹⁴ The union argued that it had been supportive in earlier OD processes, and that modernizing the work roles of middle managers would hardly be achieved by narrowing the definition. However, the

¹² Spin-offs can be by-products that are recognized, and are effective, only after the case is closed. Alternatively, the organization may run smoothly after things have calmed down.

¹³ The "playground" may be changing, but it is not altogether new. Moreover, parallel to arguments against technological determinism (Wood 1987), I would argue against "organizational determinism" and stress the relatively open nature of politics .

¹⁴ Hence, the union suggested that there was also a second agenda in this case. One problem was, according to the company, that after restructuring, the firm would have employees who were organized in two different unions (NFATF and NITO in addition to unorganized employees), with different wage arrangements (continues...)

defendant's arbitration statement questioned the very role of cooperative OD-processes. The Employers' Confederation had for a long time expressed negative views on the middle manager agreement, but it did not follow up the arbitration case when the agreement recently was revised. Nor has the union taken further steps to re-negotiate the definitions. In the short run it is unclear whether any of the parties will seek to re-negotiate the agreement in order to "make the definitions stick". In the medium and long run it is likely that the employers at central level will increase the pressures against this agreement's wage clauses.

4 Conclusion

The case discussed is only one of several cases of restructuring in Norwegian industry affecting the work roles of middle managers. As organizational change has been extensive, the traditional definitions agreed in the 1950s and 1960s are disputed. Moreover, new management strategies and industrial restructuring processes are ambiguous as far as industrial relations are concerned. In contrast to some exposés (for instance Hammarström 1995) this paper has stressed that new organizational design is not always introduced as a "complete package" and that, in practice, the application of new organizational designs is most often piecemeal. This affects the way in which the parties argue over their disagreements. Norwegian trade unionists have often complained that restructuring is frequently attempted without a view to the total work organization. Although the union lost the case discussed, one cannot infer that traditional bargaining and arbitration procedures have outlived their function. On the other hand, I believe there is a case for addressing the inadequacy of traditional industrial relations practices. In principle, one may end up with outcomes that none of the parties are content with in the long run. Hence, situations as those discussed above also indicate that new approaches and new procedures should be tried out. Finally, it can be added that the problems facing FLT also represent basic challenges to the Norwegian LO, as the LO-affiliated unions have met with problems when recruiting professionals and white collar groups in private industry.

(continued) for approximately the same jobs. The FLT middle manager agreement has an automatic and fixed wage clause. The union assumed that what the firm primarily wanted to achieve was a wider scope for individual and flexible wage formation. In this regard the agreement was itself an obstacle. The union claimed that management made a detour via organizational restructuring. The arbitration case itself, however, turned out to be a zero-sum game ("winner takes all") with the very definition of middle management at stake. Could both parties have been better off with other strategies?

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