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Employer Resistance to the Fordist Production Process: 'Flawed Fordism' in Post-War Britain

IAN CLARK

The flawed nature of Britain's fordism in the post-war period and its consequent impact on post-fordism in the British economy appears clear-cut and incontrovertible. Craft-dominated trade unions controlled the shop floor and prevented management from introducing fordist methods of work organisation and an associated pattern of regulation for the labour process. The argument of this article contends that as descriptors of British industry in its various stages of post-war development, the utility of terms such as 'fordism', 'flawed fordism' and 'post-fordism' is strictly limited. The status of these terms as analytical and empirical categories is controversial, yet they remain significant in the literature on contemporary history and economic decline. Documentary, empirical and historical material illustrates that the introduction of mass standardised production on the fordist model was less than successful during the post-war period yet as this article argues employee resistance appears less significant than employer resistance and the structural impact of British markets.

The British case shows that fordism is not always an inevitability which imposes itself due to its superior economic efficiency. A strong labour movement, defending precise skills, tasks and job rules can block most of the productive potential associated with modern management methods. This can be termed 'flawed fordism'.¹

The decline of shop-floor skills during the fordist era meant that Britain was not in as good a position to take advantage of modern flexible production technology as Germany or other European countries'²

The flawed nature of Britain's fordism in the post-war period and its consequent impact on post-fordism in the British economy appears clear cut and incontrovertible. Craft-dominated trade unions controlled the shop floor and prevented management from introducing fordist methods of work organisation and associated labour process managed and regulated in the workplace. The reform and replacement of craft methods of production, dominant in many sectors of British manufacturing industry, was necessary

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to raise productivity, re-structure the economy and secure post-war reconstruction. Attempts by employers to increase control and raise productivity by de-skilling the labour force, together with employee resistance at the point of production, appear as dominant organising concepts in the contemporary literature on economic decline. By association, regulation theorists extend these concepts to explain the comparatively flawed nature of Britain's post-war fordism.

It appears that academic, practitioner and policy debates take as given certain organising concepts as significant explanations of economic and institutional conditions in the British economy, which affect economic performance. This is the case in historical and contemporary contributions to the debate to the extent that fordism, flawed fordism and post-fordism appear structurally embedded in the historiography of the post-war period.³ Documentary and empirical material illustrate that both contributions fail to convincingly demonstrate that fordism and mass production provide a significant theoretical and empirical basis to assess the production process in British manufacturing in the immediate post-war period.⁴ Further, documentary material demonstrates that employer resistance to industrial restructuring modelled on a fordist production process is of greater historical significance than worker resistance at the point of production.

The article aims to demonstrate this argument through three themes. First, in the immediate post-war period work organisation appeared as a fordist control of labour time. Debates on regulation and the labour process and de-skilling suggest that the dominance of craft production gave way to Taylorism and then fordism, or identify resistance by craft workers preventing the effective introduction of fordist work systems.⁵ However, these approaches appear to brush over the effects of historically embedded pre-fordist traditions present in many British firms.⁶ In the immediate post-war years this tradition created a self-imposed restriction on the rationalisation of production in many sectors of British manufacturing. Second, Britain emerged from the Second World War dependent on a fragmented domestic market and non-standard export markets in Empire countries and the sterling area. Hence, in the short term employer resistance to industrial transformation on the fordist model was more instrumental in motivation than was successful and determined resistance by workers. The third theme briefly examines contemporary arguments on the long-term implications of the failure of employers to introduce fordist production systems and the alleged role of trade unions in the decline of shop-floor skills. Broadberry argues that trade unions restricted the capability of British manufacturers to take advantage of modern flexible production technologies in the period since 1979, that aimed to up-skill workers.⁷ This approach reflects a managerial bias in the literature that examines the

contemporary weakness of the British economy as a failure to make the transition from fordism to post-fordism.⁸ More significantly than this, the approach implies that the arrival of post-fordism in other economies is the source of their contemporary economic success; however this argument is disputed by other contributions to the debate.⁹

In summary the article integrates theoretical arguments with empirical material to suggest that beyond, and within, academic debates the fordist production process and the UK's flawed fordism often appear as stereotypes. Equally, both categories appear distorted and historically flawed. Further, both categories attribute successful worker resistance as the primary explanation for the UK's poor economic performance and the persistence of comparatively obsolete methods of production in much of the contemporary manufacturing sector. A historiography that, albeit briefly, entertains the conceptual significance of patterns of causation rather than one driven by generalised descriptors can demonstrate that for several reasons British manufacturers were incapable of institutionalising what are now termed 'fordist production systems'.

The Impact of Historically Embedded Pre-fordist Structures and Traditions on British Employers

Regulation and labour process debates on the structure of work organisation during the post-war period focus on two extremes: the erosion of craft production and the ascendancy of fordism or, in stark contrast, the generalisation that craft labour prevented the introduction of fordist work systems – amalgamated in the descriptor 'flawed fordism'. Both extremes fail to attribute causal weight to the significance of pre-fordist traditions exhibited by British employers in the immediate post-war period. As an embedded and familiar structure this tradition created a self-imposed restriction on the take-up of fordist systems of work organisation and associated reform of control strategies for labour at the workplace. For example, advocates of fordism attribute its flawed make-up in the UK to the failure of British employers to establish direct control over labour on the shop floor.¹⁰ The intransigence of organised labour at the workplace appears critical to this failure, but historical evidence reveals that employers and managers had little or no interest in improving or transforming undeveloped management control systems towards the fordist model.¹¹ The evidence clearly demonstrates this was the case within the British section of the Anglo-American Council for Productivity (AACP). Norman Kipping, the Federation of British Industry (FBI) director general and joint secretary of the AACP's British section ruled out any American interference within the British section and its deliberations on post-war recovery. For Kipping the

British section was a British-only affair that incorporated the interests of organised labour. Further, in terms of post-war recovery Kipping rejected a statistical focus on productivity improvement in favour of lowest cost at a given scale of output. As a result of this strategy labour productivity did improve whilst the short-termism of this strategy ensured that in theoretical terms the law of diminishing returns was quickly encountered. Because output was the central consideration productivity did improve, but it sustained a level of allocative inefficiency in the absence of sustained capital investment and renewal to raise the scale of operations, therefore pushing back the onset of diminishing returns. As output dominated in this aim there was little likelihood of renewal of production systems on the 'fordist' model. Moreover, as output and productivity improved it appeared unnecessary as well as impractical.¹²

The approach of the AACP reflected that developed by the FBI as early as 1943 where forecasts of the UK's post-war financial position indicated that output must prevail over industrial reconstruction. A key aspect of what became the AACP's short-termist approach was a fear of British exposure to American competition in Empire and Middle Eastern markets.¹³ The creation of the sterling area restricted American access to British markets whilst maintaining export demand for pre-war British products.

A number of analysts argue that Fordist models of work organisation dominated the immediate post-war decades.¹⁴ In contrast to this generalisation, Gallie *et al.* demonstrate that the fordist model represents an abstract analytical framework whereas other contributions assert quite clearly that employers aimed to introduce such a system for work organisation, that is, re-structure and scale-up firms on the basis of 'model fordism' evident in the American manufacturing sector.¹⁵ By definition, a movement to mass production entails a rationalisation of the production process and a formalisation of organisational structures. Rationalisation and formalisation enable a firm to benefit from economies of scale and scope that further increase efficiency and ultimately ensure profitability and survival.¹⁶ In the British case influential accounts of the post-war period argue that the diffusion of fordist work systems was relatively slow and diluted. The violent opposition of trade unions who resisted the erosion of craft-based production and promoted restrictive labour practices in the workplace receive particular attention in explanations of the retarded movement to fordist work systems.¹⁷

Boyer, a prominent advocate of the 'flawed fordism' thesis, argues that by the mid-1960s firms in the British manufacturing sector had reached the technical limits of fordist work systems, comparatively early. To some extent failure was assured by the refusal of post-war governments to effectively institutionalise collective bargaining.¹⁸ As early as the late 1950s lay activists dominated workplace industrial relations, successfully

restricting the standardisation of output. In similar vein to Boyer, Broadberry and Crafts argue that reform of institutional arrangements for the management of industrial relations and the labour process requires government action which successive post-war governments refused to entertain for electoral reasons.¹⁹ Moreover, Broadberry and Crafts argue that the UK's industrial relations system grew out of (what became) a historically embedded attachment to craft production. As a result of this, movement to mass-production fordist methods for work organisation was, in the absence of government action, likely to fail because of resistance by craft workers to any measure that appears to erode income levels. In summary the shop floor was controlled by organised labour rather than directly controlled by management. More controversially, the authors assert that the craft-based origins of the post-war industrial relations system – apprentice labour, demarcation agreements in multi-unionism and workplace restrictive practices – were severely detrimental to human capital formation at the workplace. In turn, poor investment in training and development restricted technology transfer into the British economy and by association restricted firms to traditional non-standard – differentiated – markets at home and abroad.²⁰ What these accounts fail to examine are managerial motives in the retarded introduction of mass-production systems for fordist work organisation.

British employers appeared to measure efficiency and its future security, not in terms of an internal re-organisation of work systems and an associated rationalisation of product and labour process, but achievement of secure markets. British manufacturers served differentiated domestic and overseas markets; to them, policies for workplace industrial relations reflected a strategic choice – to maintain these markets, many of which exhibited cartel and monopoly arrangements.²¹

Documentary evidence demonstrates that representatives of British employers in key peak associations such as the FBI, and the British section of the AACCP, systematically promoted the following argument. In order to secure post-war recovery, continuity with pre-war domestic and overseas markets in Empire nations and the sterling area was vital. In this context, it was unlikely that production systems and associated patterns of workplace industrial relations could be significantly revised. Output was the key objective, rather than standardisation of output, the production process or significant capital investment in new production systems.²² Further, many family based dis-integrated firms relied on the presence of skilled labour in the production process at the workplace. Of greater significance, family-dominated, often single stage small to medium size, British firms restricted the scope for the development of managerial and supervisory hierarchies, internal labour markets and associated training and development initiatives.

Each of these related mechanisms was a central feature of American mass-production systems. Many British firms were small, by comparison to model fordist firms in the United States. The majority of British manufacturing plants (70 per cent) employed fewer than 500 workers with only 60 employing more than 5,000. Hence, the majority of British firms were too small to scale-up, standardise output and produce for a mass market. Employers clung to embedded systems of production because they met the needs of established and in some cases closed (to American competition) markets that exhibited considerable diversity in customer requirements.²³ The historically embedded pre-fordist production systems that British firms exhibited represent a self-imposed if necessary restriction on the rationalisation of production in many sectors of the manufacturing sector.²⁴

The reluctance of employers to act as modernisers reflected the short-term security that established markets created. Stability in markets sustained continuity in production methods – which in turn consolidated the existing framework for job regulation in collective bargaining.²⁵ Employer representatives and TUC representatives presented separate approaches to collective bargaining which although they contained some common ground, for example the continued reliance on national agreements, multi-unionism and restrictive practices, failed to prevent significant levels of industrial conflict between capital and labour during the 1950s. For many employers collective bargaining represented a mechanism that aimed to re-establish autocratic control in the workplace.²⁶ In this context 'free collective bargaining' meant free from institutionalised regulation in the workplace – the latter representing a key feature of fordist regulation.

The consolidation of existing patterns of regulation in industrial relations was, however, positioned within a fully employed economy. The imperative of output shifted the focus of collective bargaining to the workplace where shop stewards emerged as central actors in localised collective bargaining. The evidence suggests that bargaining was primitive or informal. Further, the evidence demonstrates that employers who were primarily concerned with output, such as those in the car industry and engineering, accepted local pay deals that supplemented national agreements as a matter of course.²⁷ Many employers failed to secure any quantifiable increases in productivity but appeared unconcerned, as they were able to pass increased costs onto consumers.²⁸

The evidence indicates that between 1948 and 1958 wage drift (earnings minus the wage rate component) remained fairly constant at 25 shillings (£1.25) whereas over the same period output increased 2.3 per cent, with unit labour costs growing at 4 per cent per annum. These data indicate that allocative inefficiency in the manufacturing sector – a reliance on overtime

rather than capital investment to standardise and raise the scale of operations – did not increase during this period. However, as the UK's comparative economic efficiency declined workplace 'inefficiencies' previously accepted as marginal became more significant, focussing on labour but ignoring the comparative investment deficiencies of capital.²⁹

Historically Embedded National Pathways

National pathways to industrial capitalism reflect institutional and economic processes that become embedded in the state, economy and civil society to create a 'national business system'.³⁰ The process of particularisation within the state, economy and civil society creates a pattern of institutional embeddedness in management practice and industrial relations that facilitates or inhibits the adoption of new production paradigms such as fordism in the UK during the post-war period. Djelic demonstrates how the French and West German economies integrated aspects of fordist work organisation, whilst retaining integrity in their respective national pathways. As Clark demonstrates, in the British case during the early post-war years, the situation was very different: manufacturers exhibited a near total rejection of fordist production systems.³¹ Whilst apparently subject to the international, if not hegemonic, logic of multilateralism and fordism in the Bretton Woods monetary arrangements and the Marshall plan, the state and capital secured an insular domestic stability that reflected the UK's pre-fordist diverse craft traditions.³²

Over the long term the reluctant and slow adoption of aspects of American mass-production systems resulted in unforeseen consequences, for example, a widening of the UK's manufacturing productivity lag with the United States.³³ Organised labour, particularly the effects of workplace restrictive practices, receives particular blame for the failure of an early move to mass-production. However, the part played by employers is unclear or misrepresented, whereas there is a tendency to examine workplace restrictive practices in isolation from the wider context of production systems.

The evidence suggests that those representatives of employer groups and workplace managers in post-war drives to improve management and production systems and productivity saw 'Americanisation' as a threat to established British production and management systems and markets. For example, executive members of the AACP's British section demanded that there be 'no American inquisition' and that the British section put their proposals to the Americans in the context of narrowly defined British interests and markets.³⁴ Zeitlin demonstrates quite clearly the presence of this fear in the engineering sector, a sector where craft systems if not methods were deeply embedded.³⁵ More significantly than this, the British section framed and secured a strategy that maintained manufacturing output

within existing systems of production. This strategy, which continued in some sectors into the 1960s, aimed successfully in the short term to prevent a loss of market share domestically and overseas.³⁶

While analysis of the aims and objectives of British manufacturers is often underdeveloped, material produced by Zweig suggests that the continued use of craft methods of production legitimised and structured continuity in workplace industrial relations. Zweig presents a detailed study of workplace regulation in collective bargaining through the vehicle of restrictive practices.³⁷ The material examines the situation in construction and civil engineering, cotton, iron and steel, printing and engineering. The findings from the study are very revealing. First, there was little agreement on the management side, in and between sectors, on what constituted a restrictive practice. Second, a majority of employers did not view demarcation rules within multi-unionism as restrictive because they flowed from apprentice regulations that were necessary to secure skilled labour. Third, only in the print industry did workplace practices restrict output. Overall, the study concludes that the presence of workplace restrictive practices was an integral component of management practice. Across the five sectors, Zweig demonstrates that many managers viewed restrictive practices as part of a 'negotiated' order that helped to sustain output, rather than unilateral and preventative craft control over the labour process. A study of engineering during the 1960s found that management in the sample saw similar economic and industrial relations advantages in closed shops.³⁸ By the late 1970s a survey of manufacturing found that 35 per cent of management saw the closed shop as beneficial to production whereas only 14 per cent saw it as problematic.³⁹

The capitalist production process developed in the UK during the nineteenth century and was as much about co-operation and compromise as coercion and conflict.⁴⁰ Management practices and plural regulation of labour remained embedded until the late 1970s and helped secure profits and output well into the post-war period. The necessity and acceptability of restrictive practices remain as one manifestation of this process. Zweig's *contemporary* empirical evidence suggests that maintaining output was the primary management concern whereas labour reform in the production process was of lesser significance. Zweig's study is frequently cited in orthodox studies but it is often misrepresented as supporting the view that trade unions and restrictive practices represent the main reason for the failure to move to fordist production systems in the post-war period.⁴¹ However, the misrepresentation has led to a sustained debate in the literature.⁴² First, as Clark argues, Zweig is in effect a primary source and not a contributor to the contemporary debate on economic performance and comparative economic decline.⁴³ Second, as Tomlinson and Tiratsoo

demonstrate critics of pluralism in industrial relations and its effects on British economic performance exaggerate the presence and scale of restrictive practices in British manufacturing industry.⁴⁴ Moreover, the evidence and arguments provided by Zweig, Clark and Tomlinson and Tiratsoo demonstrate quite clearly that, whatever the scale and scope of restrictive practices, they failed to restrict the stated aim of post-war recovery – an output boom designed to secure food imports, the sterling area and domestic manufacturing industry. In summary the presence and effects of restrictive practices are the subject of intense debate, yet as this article argues, they had little or no effect on employer decisions to eschew model fordism. The basis of these decisions lay beyond the industrial relations system.

The size of the American domestic market, its egalitarian income distribution, labour shortages and large numbers of immigrant consumers facilitated mass production and capital substitution in the production process.⁴⁵ These conditions were largely absent in the UK during the post-war period. Rather, the UK's labour shortage made the use of existing systems more imperative in the context of a post-war recovery drive that centred on securing output and the UK's wider world role.

The rise of 'managerial capitalism' presents systems of work organisation and production that remove work organisation from the shop floor and apply interchangeable machinery to de-skill labour.⁴⁶ Tolliday demonstrates how, in combination, the absence of these factors frustrated and defeated attempts by Ford to transplant American production and labour strategies into the UK as early as the 1920s.⁴⁷ More generally, in the post-war period, the absence of these factors resulted from more deeply embedded pre-fordist production systems that representatives of British employers fought so hard to maintain. Hence, the rejection of Americanisation was necessary, if consequential, yet the significance of trade union resistance to the process of rejection appears as a marginal factor.⁴⁸

Employer Resistance, Markets and Economic Performance

Employer resistance appears to reflect short-term instrumentalism, which in turn reflects the embedded nature of production systems and established British markets. The pervasive effects of employer preferences appear disengaged from more prevalent discussion of employee resistance to fordist work systems.

Employer Instrumentalism

Several recently published studies of British post-war economic performance present four significant factors that explain the UK's relative

and comparative decline; the production and labour process are important to each factor.⁴⁹ First, manufacturers exhibited a structural attachment to relatively secure, if differentiated, slow growth export markets, many of them in former Empire countries or the sterling area.⁵⁰ Second, an unwillingness to move to Americanised mass production methods.⁵¹ Third, and related, there was a failure to establish direct control over the production process in the workplace.⁵² Finally, decentralised and disintegrated management and supervisory hierarchies prevailed in many family owned firms.⁵³ The ease with which representatives of British capital deflected and diluted state-sponsored and American-inspired mechanisms for the 'Americanisation' of management and production, demonstrates the relative autonomy of the state from British capital.⁵⁴ A contradictory feature of relative autonomy appears in the observation that British employers are instinctively short-term in outlook. The attitude of British employers to management, work organisation and industrial relations in the immediate post-war period reflected a series of instinctive strategic choices, related directly to product markets, formulated as early as 1943. At this time the state bodies such as the Board of Trade and representatives of capital such as the Federation of British Industries (FBI) indicated that the UK's projected post-war financial position would dictate that output and exports must prevail over industrial modernisation, on what became termed the 'American model'. For example, the Board of Trade were critical of 'bad management' but assumed that the UK's manufacturing base would continue to serve non-standard domestic and export markets, particularly those in the sterling area.⁵⁵ The FBI established that British firms would need a measure of protection from American-dominated open competition – multilateralism – through maintenance of the sterling area and Imperial preference in empire and Middle Eastern markets,⁵⁶ a preference that the FBI secured in the aims of the British section of the AACP between 1948 and 1952.⁵⁷

The short-termist outlook sustained by British manufacturers also reflected the *laissez-faire* development of the British state and capital-labour relations therein. Action within mechanisms such as the AACP and later, the British Productivity Council (BPC) represented an instrumental strategic choice imbued with short-termism. In addition, they are an allegory for a historically embedded pattern of relations between the state, capital and labour. For example, as Zeitlin demonstrates, the Board of Trade and the Ministry of Supply's Lemon Committee on industrial standardisation in engineering concluded that compulsory industrial standardisation was impracticable and likely to lead to bureaucratic rigidity and inefficiency.⁵⁸ An alternative view of this might suggest a *laissez-faire* relationship between the state and capital that de-centralised the issue of re-

structuring to institutions such as the AACP, which became employer dominated. The short-term priorities of profitability, secure markets and greatest output at low investment cost prejudiced the position of the British Employers Federation (BEF) and the FBI in best-practice institutions such as the AACP and BPC. Tomlinson and Tiratsoo demonstrate that representatives of British employers and management saw the AACP as a potential mechanism for significant state intervention – a view which reinforced their dilettante engagement with Americanisation.⁵⁹ American dominated AACP reports prescribe systems of standard costing for components, the introduction of work-study methods and associated production planning, palletisation and job evaluation schemes to structure, standardise and simplify production and the labour process in manufacturing.⁶⁰ The British section railed against these measures, citing diverse export markets and flexibility of end use requirements as mitigating factors against the adoption of such practices.⁶¹ The persistent defence of decentralised, non-standard systems of management in pre-fordist production systems structured a reliance on the craft labour hierarchy on the shop floor. In contrast to this, the preference for pre-fordist systems of management, production and work organisation was the result of instrumental strategic choices made by capital that served and reflected other (world) interests in the state.

To contextualise the resistance of British employers against a movement to Americanised mass-production techniques and associated systems of work organisation, the significance of British export markets requires further examination. Whilst the evidence demonstrates that British export markets for manufactured goods were in large measure non-standard there is a debate on the nature, origins and degree of product differentiation, particularly the respective roles of producers and customers in the maintenance of non-standard products.⁶² A significant and related, if often less reported issue is the scale of these export markets. Non-standard export markets to Empire nations and the sterling area represented 45 per cent of UK exports in 1938. This figure rose to nearly 50 per cent by 1950 and remained at that level until 1958.⁶³ In many areas of manufacturing, the domestic market was equally non-standard and highly differentiated.

For example, the evidence demonstrates that, throughout the post-war period, in comparison to Ford the British Motor Corporation produced far fewer standardised cars. But more significantly the degree of standardisation at Ford was nowhere near as extensive as 'fordism' might suggest.⁶⁴ Equally, Jones argues that the non-standard eclecticism of British manufacturers endures in the contemporary period. Jones concludes that this limits convergence towards a high technology post-fordism between the UK, Japan and the United States in many areas of manufacturing.⁶⁵ It seems

implausible to suggest that British firms were able to replace embedded non-standard markets – the implication of a movement to mass-production techniques modeled on penetration of the American and emergent western European market, hence the retention of non-standard production in many areas of manufacturing. A low-investment industrial recovery from war was essential to secure the viability of sterling and domestic economic aims, such as full employment and the creation of the NHS. The significance of conservatism and short-termism in the wider institutional structure of the economy impacts directly on institutional attitudes and responses to the reform and modernisation of the labour and production process in industry.

The Marshall plan and American sponsored institutions such as the AACCP, BPC and the technical assistance programme made formidable attempts to change British employer attitudes to methods and practices in work organisation, work study and product simplification and standardisation. Whilst the aim of each institution was the promotion of apparently neutral best practice, employer perceptions of state intervention combined with *alien* (=American) transmission mechanisms doomed to failure each attempt to change. For example, the human relations dimension to the administration of labour management – what Americans termed personnel – together with attempts to disseminate a management education programme based on the Harvard MBA appeared laughable to many British employers and management representatives. Equally, the lack of progress made by American multinationals in transplanting domestic systems into the UK further weakened the various transmission mechanisms of fordism. Dunning, reporting on 30 firms, either wholly or partially acquired by US multinationals between 1927 and 1952 found the impact of American practices on labour management and work organisation either negligible or partial in the majority of cases. Americanisation was evident in production planning (measured day work), budget control and marketing. Changes to factory layout, simplification, standardisation and even palletisation were all absent. Americanisation in operations management, industrial relations and work organisation appeared in only nine cases.⁶⁶ Ahlstrand argues that the Americanisation of management techniques at the Fawley Oil refinery, leading to more direct management control of labour, famously reported by Flanders, appeared unsustainable beyond the short term. Measures to cut overtime and workplace informality by the introduction of measured day work and flexibility agreements soon evaporated. Ahlstrand argues that management appeared incapable of extracting sufficient employee commitment to sustain a high productivity regime. Further, the attitude of management to work rules that aimed to reduce the impact of restrictive practices merely heightened worker awareness of demarcation.⁶⁷ Equally, the evidence suggests that British firms that exported to the American

market were no more inclined to fordism than those which exported to the sterling area. For example, Thoms and Donnelly demonstrate that the failure of the UK sports car industry to penetrate the American market was attributable to comparative inefficiencies in production systems, not labour intransigence. Equally, in sectors where the UK's craft tradition exhibited a comparative advantage – for example, aero engines and shipbuilding – the tradition did not inhibit British success in the American market.⁶⁸

Resistance to an Americanisation of the labour process was economic, institutional and structural in origin but also became personalised during the course of the technical assistance programme. Participants on AACP and other study trips to the US recorded highly derogatory remarks about American managers and American management systems. The apparent hegemony of the American model began to focus earlier and more abstract assertions about the economic and political intentions of the United States – multilateralism in an integrated federal pan-European market.⁶⁹

The Failure of Fordism and Economic Performance?

The dilettante and sluggish movement of British manufacturing industry towards a systematic use of fordist methods of work organisation is attributable, in much of the literature, to the effects of restrictive labour practices at the workplace. The management bias in much of this work underestimates or ignores the embedded aims and interests of British management and employers. Alternatively, the superior economic performance associated with the success of the American business system was something that British firms aimed to achieve. They were unable to achieve this, however, due to the intransigence of trade unions, particularly multi-unionism and the vagaries of the industrial relations system.⁷⁰

The evidence indicates that British firms failed to systematically adopt fordist methods of work organisation in the post-war period, yet the restrictive effects of the industrial relations system appear distinctively marginal to the main strategic decisions in causing this. Transmission mechanisms aimed to promote, prescribe and structure fordist work organisation and the benefits of the American business system more generally. The Marshall plan, the AACP, the TAP and the move to multilateralism in the late 1950s all prescribed mechanisms that appeared to undermine the legitimacy of institutional and economic factors embedded within the British business system. Chandler demonstrates that these factors – family dominated firms, horizontal and vertical disintegration, non-standard and relatively small markets – are of greater significance than restrictive labour practices.⁷¹ Those approaches that stereotype the labour and production process appear less able to recognise the limited impact of trade union resistance to fordist work organisation, or the need for employer resistance.

The generalisation of fordist elements within the American business system and international trade and foreign direct investment under managed multilateralism after 1958 appeared to render the British national business system obsolete. However, what made aspects of the British business system more imperative at this time was the threat of fordist work organisation and the American *multilateral* business system. A wider framework of contemporary history is capable of examining the labour and production process and the failure of fordism in relation to more significant institutional pressures that dispersed and diluted transmission mechanisms for fordist work organisation in the UK. Many contemporary accounts of the UK's flawed transition to post-fordism ignore the significance of the historical approach. They remain wedded to the restrictive practice thesis and the role of trade unions in the decline of shop-floor skills in the UK, a decline that allegedly restricted the capability of British manufacturers to take advantage of modern flexible production technologies in the period since 1979.

Flawed Fordism to a Flourishing Post-Fordism in the Contemporary Period?

The debate about British economic performance since 1945 was recently reignited by the publication of research which claims that the rejection of the post-war settlement in 1979, its associated production paradigm and related labour process coincided with technological trends in Britain's favour.⁷² Given that the cost of information processing has fallen significantly in real and transactional terms, technological leadership now demands customised output in high technology workplaces that employ skilled craft-type labour.⁷³ This section examines the contemporary plausibility of this claim by drawing on the empirical yet historically embedded arguments developed in the first two sections.

For Broadberry the political rejection of the post-war system swept aside many rigidities and sources of only sluggish change by British management previously highlighted by Hirst and Zeitlin and Kilpatrick and Lawson.⁷⁴ The former suggest that vested interests between capital, labour and the state prevented an early and effective movement to post-fordism in the UK, where trade unions acted as a drag on management initiative and proposals for change. In contrast to this Kilpatrick and Lawson highlight the negative effects of Britain's industrial relations system and associated craft labour process wherein trade union resistance and the effects of Empire on management interests blocked an effective movement to fordist work organisation. Broadberry argues that the removal of drag effects on British employers both within and beyond the industrial relations system created

the conditions for an effective and swift transition to post-fordism.

Post-Fordism in Britain?

Material in the first two sections illustrates the conceptual significance of fordist work organisation in debates on Britain's post-war economic recovery and decline. The primary research material demonstrates that in relation to the British manufacturing sector the concepts of fordism and fordist work organisation appear analytically and empirically flawed.⁷⁵ The labels 'fordist' and 'post-fordist' generalise and divide the period since 1945 into two broad headings: mass produced standardised commodities, institutionalised collective bargaining and full employment welfare state capitalism constitute the central features of fordism.⁷⁶ By contrast, in the contemporary period since 1979, the demise of mass standardised markets appears in the emergence of niche markets dominated by branding, and the erosion or hollowing out of corporatism and social democracy in the state.⁷⁷ A particular feature of this transition in the UK was government rejection of collective bargaining and institutionalised personnel management as pay-effort regulator and procedural administrators of the labour and production process in post-war systems of work organisation – Britain's flawed fordism.

Post-fordism has three conceptual and prescriptive, if empirically contested features: the renaissance of multi-skilled craft workers, the deployment of de-centralised production systems with extensive worker autonomy and discretion, and extensive production specialisation.⁷⁸ Since the election of Thatcher in 1979, successive governments have promoted the rhetoric of these features as central in a movement towards a libertarian and populist enterprise approach to economic restructuring – termed by the present government 'the Knowledge Driven Economy'.⁷⁹ Supporters of this movement claim that, whilst the performance of the British economy since 1945 has disappointed, poor performance in manufacturing was confined to the period prior to 1979.⁸⁰ For Broadberry and Crafts, the commitment of governments to market forces since 1979 and the reform of industrial relations have reversed the process of comparative economic decline.⁸¹

The research base detailed by Broadberry examines the performance of British manufacturing since 1850 using a framework of technological evolution over three periods: 1850–1914, 1914–50 and 1950–90. The research bases establish long-term productivity trends in the American, British and German economies and highlight the parallel development of mass production systems in the United States and flexible production systems in Germany and the UK. To establish the superior efficiency of American mass production and associated processes for direct control of labour, standardisation and customisation appear to be key analytical

factors. Assessment of the failure by British industry to move towards the model of fordist work organisation range across factors such as technology, investment in human and physical capital, markets and levels of competition.⁸² The research base and framework produce detailed industry-wide comparative productivity measurements combined with a qualitative, if brief industrial and business history.

The significance of Broadberry's approach is not its authority or credibility, but the manner in which it encapsulates the ahistorical managerial bias in much of the literature on contemporary British economic performance. Industrial relations and the related labour process issues are relegated to perfunctory comment in the opening and concluding chapters, neither of which contain any reference to empirical material or debates on the contribution of management in the flawed nature of fordist work organisation in the UK. As Evans *et al.* demonstrate, while the industrial relations system has some effect on economic performance and the take-up or otherwise of prescriptive templates for work organisation, its effects are often overexaggerated.⁸³ For example the broad thrust of Broadberry's work confirms the argument of Evans *et al.* that in the post-war period Britain's comparative economic performance appears poor, particularly during the 1980s. More significantly than this, Evans *et al.* point to the, at best marginal and at worst insignificant, effects of legislative intervention in the industrial relations system on the UK's comparative economic performance. As subsequent contributions to the debate demonstrate, this intervention had one significant and one lasting effect.⁸⁴ First, by improving the managerial prerogative and cheapening labour it extended the life of comparatively obsolete capital in many areas of manufacturing. Second, in the context of a severe recession and associated increases in unemployment, the measures had little effect on industrial output that remained static for most of the 1980s. Labour productivity improved as fewer workers produced less output. A further authoritative study of contemporary economic restructuring takes a similar less-quantitative and less-stereotyped approach, by focusing on up-skilling and training and development to draw rather different conclusions to those of Broadberry.⁸⁵

Gallie *et al.* demonstrate that some aspects of each feature within the post-fordist paradigm prevail in the UK, but they fall a long way short of an effective transition in the manufacturing sector and beyond. For example, skilled labour is the prime beneficiary of training and development and up-skilling designed to promote specialised production, based on task autonomy and multi-skilling. In contrast to this positive scenario for multi-skilling, less skilled members of the labour force often experience a far more negative scenario associated with unemployment or de-skilling and

task intensification more evident in fordist production systems.⁸⁶ As Gallie *et al.* demonstrate, management strategies of a fordist type or pre-fordist type based on command and control appear to minimise or deny the need for an improved skill base. The empirical evidence suggests that employers position the rhetoric of up-skilling in work systems that do the reverse of this.⁸⁷ For example, as late the 1980s the British engineering sector continued to demonstrate non-standard specifications for components, materials and products, but the lack of standardisation eschews the central elements of post-fordism. A European wide study of mechanical engineering found that whilst labour costs are the main element in value added production in this sector, engineering is susceptible to high wages across the EU.⁸⁸ This susceptibility reflects the necessity of highly qualified human capital and associated packages for training and development. For the British sector the study concluded that whilst labour costs appear comparatively low, firms are unable to take advantage of this, because a comparative lack of training and development inhibits skill formation and the widespread introduction of post-fordist work systems. In summary, the costs of tooling and up-skilling restrict the comparative wage cost competitiveness of British mechanical engineering as a low cost sector.

The restrictive access to skill-raising training and development and therefore access to more flexible high technology post-fordist work systems restricts the diffusion of such systems across the British manufacturing sector.⁸⁹ The findings of the Ifo Institut and those of the OECD illustrate how lower-skill employees in the UK appear extremely flexible but beyond the structure of post-fordist work systems. Alternatively, it is the manner by which employers recruit, deploy and terminate labour that appear as the main features of flexibility. Cully *et al.* demonstrate that headcount or numerical flexibility in the British labour market restricts functional flexibility to fewer than 50 per cent of all workplaces.⁹⁰

Discussion of the marginal movement to post-fordist work systems in the contemporary period demonstrates the relevance of the historical analysis. By moving beyond ahistorical generalisation in the discussion of Britain's economic performance and its relationship to production systems and industrial relations, the material reinforces the plausibility of historically embedded national pathways exhibiting highly distinctive production processes. In a broader historical perspective, contemporary restructuring towards a post-fordist model reprises earlier attempts to restructure British manufacturing towards fordist work systems in the 1960s. As Marginson notes, in the 1960s attempts to introduce M-form management structures and associated reforms of the industrial relations framework, such as productivity bargaining and measured day work,

exhibited a desire for greater managerial control over labour at plant level.⁹¹ Such efforts had a superficial effect upon work organisation. The aim of these changes was to promote a mode of regulation associated with fordist work systems previously aired in the immediate post-war period when by the 1960s evidence on the presence of these systems was marginal.⁹² Since 1979 reform, if not eradication of Britain's (historically embedded) industrial relations system, and a (rhetorical) movement to alternative methods of job regulation, centred on non-unionism and Human Resource Management, further demonstrating the superficial nature of economic restructuring.⁹³

*The Historical Myth of Mass Production in the Post-War Period*⁹⁴

For the immediate post-war years the empirical evidence suggests considerable employer resistance to restructuring in the British manufacturing sector along the lines of fordist work organisation. The system of mass production appears as a contested production template that was far less empirically dominant than generalised academic frameworks imply. The reasons for the contested nature of the template are more significant than resistance strategies of workers at the point of production.

In the context of Britain's precarious post-war financial situation, the evidence suggests that rejection of economic restructuring in the manufacturing sector on the model of fordist work organisation was a correct, if consequential strategy. The declinist literature on the British economy suggests that by the 1960s, the UK's comparative economic decline centred on comparatively low investment levels, small-scale operations and the dis-economies of embedded managerial techniques.⁹⁵ Conversely, attempts to re-structure British manufacturing during the 1960s focused on promoting the efficiency gains of components in the fordist model such as M-form structures and more direct plant level regulation of labour. Neither of these developments necessarily created significant changes in methods of production management and work organisation. Further, seeking to improve managerial control of labour is different from attempts to restructure the wider production and labour process or reform its contested nature.

As early as 1952, the AACCP concluded that comparative managerial inefficiency in costing, layout, standardisation, work study and productivity management each represented demonstrative and serious impediments to the UK's long term post-war recovery.⁹⁶ The imperative of financial recovery and the extent of non-standard home and export markets dictated a low investment strategy to post-war economic recovery. The absence of sterling convertibility shielded the British economy from international competition on a multilateral model until the late 1950s. In combination,

these historically embedded financial, competitive and structural factors restricted the application of the fordist model of production organisation and associated labour process in the British economy. This pattern was subsequently repeated during the prescriptive movement to a post-fordist production template and associated labour process during the contemporary period.

Management in many sectors of British manufacturing, and now services, appears wedded to a comparatively low investment strategy whilst for practitioners and academics production templates appear to change over time.⁹⁷ The approach of British management exhibits increasingly poor technique – a highly particularised style of management that reflects a series of historically embedded competitive, financial and structural factors.⁹⁸

Conclusions

It appears likely that the strategic choices made by capital and the state during the immediate post-war years was instrumental and restricted. Principally British employers and management contested the American model of fordist work organisation with active but tacit support from the British state. Later attempts to lever aspects of the fordist template for work organisation and production into the British workplace was contested by labour, yet the more significant sources of resistance lay beyond labour. The American model of work organisation for mass standardised production and management as a science is described within academic frameworks as competitive capitalism. The evidence suggests that the framework did not, and could not, reflect the reality of the British economy during the post-war period. In contrast to this, perceptions of American economic efficiency, related models of work organisation and associated design for the direct control of labour have influenced practitioners and academics in their explanations of Britain's economic post-war economic performance and decline.

Equally, during the 1980s and early 1990s the renaissance of the British manufacturing sector and a more general movement to post-fordism were both premised on a rejection of the UK's post-war social and economic model, be it fordist or otherwise.⁹⁹ The Thatcher government, supported by influential academic commentators, summarised the renaissance of British manufacturing in the term 'the productivity miracle'.¹⁰⁰ However, by the late 1990s the productivity miracle had turned to a productivity gap of between 20 and 40 per cent measured against the UK's major industrial competitors.¹⁰¹ Commentators who, during the height of the 'productivity miracle' and 'movement to post-fordism', were more sceptical, were proved correct in their assertions. For example, Nolan demonstrated that whilst

labour productivity improved it was of a windfall nature and had little effect on the UK's comparatively high unit labour costs and comparatively low labour productivity.¹⁰² In contrast Clark demonstrates that the reform of organised labour in the workplace, particularly in removal of closed shops and other restrictive practices, is undoubted, yet the positive effects that were predicted to follow from this are conspicuous in their absence. This is particularly the case with respect to organisational change and development incorporating what Gallie *et al.* illustrate is only a patchy up-take of post-fordism combined with a skills, training and development gap wider than that which existed during the post-war period, suggesting the failure of new management strategies such as human resource management.¹⁰³ Second, flexibility has emerged as a labour-use strategy as opposed to flexibility in integrated production systems associated with post-fordism. Last, the whole of the 'productivity miracle' during the 1980s represents a micro-version of the whole of the post-war period – that is, good performance relative to the recent past but comparative economic decline.

Economic performance during the post-war period could not have been better than it was bearing in mind the wider objectives of the British State – military great power, nuclear power, sterling as a reserve currency, independence from Europe and the United States – which restricted economic policy to mitigating the adverse trend in Britain's international competitiveness. In contrast to this, during the 1980s economic policy aimed to rid the manufacturing sector of institutional and economic inefficiency – at the cost not of mitigating comparative economic decline but accelerating the process quite dramatically.¹⁰⁴

The absence of historical specificity in the examination of embedded national pathways appears to reverse the process of causation in the evaluation of contested workplace resistance to apparently superior economic and managerial models. Employer resistance to fordist work organisation was necessary and instrumental, if consequential in terms of industrial relations and economic performance. Employer resistance to post-fordism – particularly investment in new capital equipment, training and development for staff and what Gallie *et al.* term the 'positive scenario' for labour – was equally instrumental. The UK's flexible labour market had the effect of further cheapening the UK's comparatively low wage costs to extend the life span of comparatively obsolete capital stock, a process very similar to that experienced in the immediate post-war years.

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organisation in European Subsidiaries of US multinationals. The Study is supported by a major ESRC award ref. R000 23 8350.

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