

## CHAPTER 1

### INTRODUCTION AND LITERATURE REVIEW

#### Introduction

This thesis engages with the labour process in small firms, focusing on the racing stables which form part of the UK racing industry. It poses the question ‘How does the labour process impact on employment relations in the small firm?’ This is important since it is an area which has not been fully reported in the small firms’ literature, where it is said (Ram and Edwards 2003) that considerations of the labour process have been allowed to inform research, rather than form the focal point of enquiry. Another area of prime importance for this thesis is the voice of labour which, it will become apparent, has too often been absent from small firms research; this will be addressed in this thesis which will start to restore the voice of labour to small firms’ research. A labour process framework also suggests that the research should embrace a complete appreciation of the forces of capital (Kelly 1985). The labour process in racing stables will therefore be studied through the industry structure and the historical forces that have affected the development of employment relations in these small firms. This marks a distinction from earlier studies of the small firm which have tended to rest at the level of the firm in question, rather than providing the wider context of sector or of historical development.

While the research interest in employment in small firms has grown considerably since the 1970s, labour process theory has tended to be one of a range of theories employed to analyse the state of employment relations in small firms. There is also a gap in the small firms’ literature since few studies have been undertaken from a worker perspective. The voice of the small firms’ labour force has been under reported. This thesis therefore takes a

new approach to the study of employment relations in small firms by focusing on the labour process and exploring its influence on employment relations in racing stables. Worker resistance to the demands of capital is more fully explored as labour process research allows for a critical approach to organisational research. In particular, a labour process framework should ensure a worker perspective, for as Thompson (2007:1366) argues there is 'a commitment to discovering worker voice and agency' inherent in such an approach. In order to consider the labour process in small firms, and particularly racing stables, the thesis will use Marx's (1976) original description of the labour process. Marx (1976:284) told us that:

The simple elements of the labour process are (1) purposeful activity, that is work itself, (2) the object on which that work is performed, and (3) the instruments of that work.

Marx's three elements will be utilised to allow a detailed analysis of the work of racing stables. The research will therefore focus on the following five areas: industry context of the racing labour process; the history and development of the employment relations context of the racing labour process; the labour process in racing stables; how racehorse trainers seek to control the labour process; and how workers display agency through resistance to their employers.

In this chapter, both the small firms and the labour process literature are considered together, taking into account the focus on conflict, control and resistance. First, the debate concerning employment relations harmony or conflict in small workplaces is discussed, followed by the development of the small firms literature, and then the literature on racing as a form of employment. The rural context of the labour process is then discussed. The case for the use of a labour process framework then follows, structured as a discussion of

labour process theory and a consideration of its application to the small firm. With regard to the detailed labour process, issues of management control through paternalism and consent are then considered in order to seek out the management role in the labour process. Worker agency in the labour process is then discussed, embracing exit and voice, mobilisation, informal collectivism, trade unions and resistance. The chapter concludes with a presentation of the structure of the thesis.

#### Employment relations in the small firm - Harmony or conflict?

In 1971 the Committee of Inquiry on Small Firms (the Bolton Committee; Command 4811:21) reported that 'In many respects, the small firm provides a better environment for the employee than is possible in most large firms'. The report went on (ibid) to enumerate the reasons, largely presenting a picture of amicable and easy working relationships, concluding that:

No doubt mainly as a result of this, the turnover of staff in small firms is very low and strikes and other kinds of industrial dispute are relatively infrequent.

Since then the harmony thesis has become untenable having been substantially challenged by a number of studies (Rainnie 1989; Sosteric 1996; Dundon et al 1999; Ram 1999) which have found the presence of workplace conflict and examined some of the ways in which workers show resistance (Sosteric 1996; Moule 1998). For example, a review of Industrial Tribunal (IT)<sup>1</sup> cases undertaken by the Department of Trade and Industry (1998) revealed that the majority of unfair dismissal cases came from small businesses employing between 1 and 49 workers and that distribution, catering and repairs accounted for more than a quarter of all IT cases. 40% of cases emanated from single, independent establishments. One explanation for these statistics is contained in Abbott's findings (1993) that 25% of non-union workplaces had no grievance procedure or health & safety machinery, while

20% had no discipline/dismissal procedure. More recently it has been found that small firms are still over-represented in Employment Tribunal proceedings (Hayward et al 2004). Some recent studies (Marlow and Patten 2002; Harris 2000) suggest that employment issues continue to be handled in an informal manner, often with little understanding or adherence to legal requirements. More recently (Forth et al 2006), the Workplace Employment Relations Survey (WERS) found that informality still persists, despite the introduction of the statutory dispute resolution procedures, intended to oblige all firms and workers to resolve grievances and disciplinary matters at the level of the enterprise.

In his study of small printing firms, Rainnie (1989:30) stated that:

Because strike levels are low, and levels of unionisation relatively low, labour relations [in small firms] do not present a problem of management.

A unitarist viewpoint on the part of managers is more likely than not, borne out by Marlow and Patton (1993:61) who indicated a low rate of unionisation as ‘owners could not imagine a need for trade unions’ because of their open and frank relations with employees, reinforcing the stereotype of small firm harmony. However, a perceived harmony of goals between workers and employers may be the direct result of the fact that workers often do not leave a company ‘because they have nowhere else to go’ (Auer et al 1988:274; see also Stanworth and Gray 1991; Holliday 1995).

The evidence does not, however, point only in one direction. For Ram (1991) the employment relationship is complex and subtle, not necessarily polarised into ‘us and them’. Ram (1999) has suggested that the harmony thesis had been exploded and research had exposed the fact that conflict is present in small firms. Workplace relations are ‘complex and contested’ since employers have to respond to a range of pressures such as

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<sup>1</sup> Now Employment Tribunal

labour market and customer choice. While informality is a key element in the management of employment relations, the basic antagonism between capital and labour still exists, though this may be masked by the fact that employees are compliant because of a weak position in the labour market. Edwards further commented that 'labour process theory has produced few clear messages' (1990:125) with regard to conflict, and theorists have tended to adopt a bi-polar model which contrasts capitalist control with worker resistance. No account is taken of informal modes of accommodation, a point also noted by Ram (1991) with regard to small firms.

#### The development of research in small firms

Until the middle 1990s, small firms had been disregarded as a serious area for the study of employment, associated as they were with notions of Thatcherite self-reliance and anti-collectivism (Scase 1995). It was not until that time, for example, that the state sponsored Workplace Employment Relations Survey started to look at small firms as a distinct and separate entity, despite government rhetoric about the importance of small firms to the UK economy. During that time, Rainnie (1989) and Scott et al (1989) argued that the employment relationship is one of subordination and the exploitation of workers. They also pointed to the lack of research amongst workers in small firms, as did Stanworth and Gray (1991) and Holliday (1995).

Research interest in small firms increased throughout the 1990s, particularly with regard to the employment relationship which brought with it a view that the relationship between workers and proprietors is much more complex and subtle, coupled with arguments about the importance of size and of levels of informality to the management of employment relations (Ram 1991; Marlow and Patton 1993; Scase 1995; Wilkinson 1999; Barrett and Rainnie 1999). The Workplace Employment Relations Survey (WERS) of 1998 recognised

the growing importance of small firms and for the first time devoted a significant part of its work to small firms. WERS 2004 went a stage further and published a separate report on small firms (Forth et al 2006). Here it was found that there was a lack of overt conflict in small firms, although there was also extensive experience of resolving individual grievances. The small firms report also considered issues of recruitment; consultation; pay determination; conflict; diversity. Examination of the research in individual small firms, reported in the years from 2000, shows a shifting focus away from small firms' employment relations, to matters such as regulatory change (Harris 2000; Ram et al 2001; Morris et al 2005) and high performance work systems (Drummond and Stone 2006).

#### Small firms: The workers' perspective

The research on employment in small firms has therefore developed considerably in the last twenty years. The majority of these studies have been conducted from a management perspective and evidence is drawn from interviews with managers who, it might be supposed, are more inclined to perceive harmonious relations (Marlow and Patten 2002). However, concerns about worker subordination and poor employment relations in small firms have been highlighted by Rainnie (1989) and Sosteric (1996).

A number of studies report the problem of gaining access to workers and the absence of employees' voices from studies of the small firm (Marlow and Patton 2002). The voice and experiences of workers are less well reported in the small firms literature (Barrett and Rainnie 2002), as in the wider Human Resource Management (HRM) literature (Martinez Lucio and Stewart 1997). This is an important research 'gap', since less is understood from the workers' perspective, reflecting both a disengagement from concern with labour issues in the HRM literature, and the degree to which access has been gained to the small firms' labour force in earlier research. This thesis will therefore address a gap in the small firms'

literature by conducting a study of the labour process in racing stables that form part of the UK racing industry.

### Racing as a form of employment

Little employment research has been conducted on horseracing in the UK, even though racing stables employ around 6500 staff (BHB 2007) in 600 small firms (NTF 2007). There are some studies which were conducted in New Zealand, one on the training and socialization of jockeys (Tolich 1995) and one on union representation amongst stable staff (Harbridge and Crawford 2000). Racing in the UK has not been, however, entirely immune from academic scrutiny. Two studies have been conducted by social anthropologists, Cassidy (2002) looked at kinship networks and racing in Newmarket, while Fox (2002) likened racing to a tribe, using this analysis to examine the different groups involved. Filby (1983) conducted a sociological study of the occupational community of stable staff at Newmarket. Eaton (1976) reviewed the 1975 stable lads' strike at Newmarket and its outcome.

Racing does, however, form part of the relatively under reported area of employment relations and employment in sport, although studies, such as that of soccer by Roderick (2006) cannot be overlooked. In the United States (US), the Journal of Sports Economics has paid some attention to employment issues in American football and baseball (Bellemore 2001; Leeds and Kowalewski 2001), but racing remains unreported as far as employment issues are concerned. Various US universities run equine related degree programmes, most notably the University of Louisville, which is located in the heart of the US thoroughbred breeding industry in Kentucky. These programmes tend to be associated with the economics of racing and breeding, rather than labour relations. That is to say, relations between employers and workers have been overlooked, as in the UK.

The work of stable staff has not been entirely ignored in the broader tradition of narrative concerned with racing matters. Gallier (1988) wrote a vivid account of her life as a stable girl in various Canadian, British and French stables and Herbert (1974) acknowledged the essential contribution that staff make to successful racing in his study of life in a racing stable. Hill (1988), in his study of the politics of racing, discussed the establishment of national collective bargaining, the formation of the Stable Lads' Association, the National Trainers' Federation and the National Joint Council for Stable Staff.

Racehorse trainers are small firms, in the main, which contract with the owners of racehorses to produce animals that are fit to compete in Flat or National Hunt races. Trainers employ stable staff to work with and on those horses, caring for them, exercising them and transporting them to race meetings; this is Marx's (1976) purposeful activity. Training is a labour intensive and purposeful activity and it requires human interaction with each individual horse, the object of work. The physical environment of the stable and the racecourse may be considered the tools. Racehorse trainers are embedded in the wider racing industry and sources of profit from this activity are primarily the fees paid by owners and race winnings. By structuring the research around Marx's description, it should be possible to establish particular sources of management control in these small firms and in particular to provide new insights into worker agency in the small firm, using racing as an example. A further important point in support is offered by Barrett and Rainnie (2002) who argue that the use of labour process would allow small firms to be studied in the totality of their industry and economic context and that this is the proper place to start, rather than concentrating solely on the small firm itself. This suggests that racing's small firms should be placed in their appropriate context.

In his study of Italian rural small firms, Murray (1983:94) argued that 'in the small firm the

labour process and conditions of work vary enormously between firms in the same industry'. However, it is likely in racing that there is a common labour process since there are more than 600 small firms engaged in the training of racehorses, producing a common product for the sole market of race meetings. Drawing on the annual guide 'Horses in Training' (Timeform 2006) and using the National Trainers Federation (2007) ideal ratio of 3 horses to one member of staff, it can be deduced that the firms range in size from less than 10 staff to more than 70, but the majority of them employ fewer than 20 staff. This suggests that there is a simple but common management structure within the small firms. Finally, they form part of the UK racing industry, which means that the labour process at racing stables may be influenced by a wider industry structure.

To summarise, this group of small firms in racing has been unreported in small firms' literature and the racing labour process has not yet been analysed in its small firm context.

#### The rural context of the racing labour process

A particular aspect of the racing labour process is that it takes place not only a small firm context but also one of the countryside. This section deals with this aspect. Racing stables are, of necessity, located in the countryside. Trainers need stabling and land on which to exercise the horses and, even in 'racing towns' such as Newmarket and Lambourn, there is easy access to their rural environs for training purposes. An additional layer of analytical complexity therefore derives from the rural nature of this labour process and it may be possible to draw comparisons with the agricultural labour process. Rural employment, particularly in farming, is the most immediate reference group that presents itself when considering the particular situation of racehorse trainers. It has been found, however, that agriculture has tended to be excluded from rural small business research because it is in decline (Carter et al 1998). Nevertheless, agriculture to other rural small firms, such as

veterinary practices, feed suppliers, solicitors, transportation firms, farm shops to name but a few. Carter et al (ibid) look upon farms as indigenous rural firms which can display business growth, operate in different product and labour markets, generate sales revenue and profitability and operate within various business constraints. It must be pointed out that farming, as rural employment, does not figure heavily in the small firms literature.

There are therefore few recent studies that look at rural employment or the agricultural labour process. Newby (1977) concentrated on farming and the agricultural labour process in East Anglia, forming the deferential worker thesis. He argued that farm workers colluded in their own exploitation but that explanations lay in the type of work being undertaken, the isolated and rural nature of the workplace, and the difficulty of effective trade union organisation. Farm workers had a voice mechanism, embodied in the Agricultural Workers' Union, which farmers generally favoured, not least because it was a union that was seen to be part of the agricultural industry, rather than a major challenge to the status quo. Farm workers worked in small to micro organisations, which operated in a highly local labour market. Workers and employers were likely to know each other's reputations before embarking on the search for new employment. Newby particularly argued (1977:165) that 'the agricultural workers' market situation...is one of considerable powerlessness compared with urban, industrial workers'. Part of this helplessness derived from the lack of alternative and better-paid employment options, and tied accommodation, and has resulted in very low wages.

Newby et al (1978:27) developed this argument further in the context of property rights in agriculture. They observed that:

Ideologies of property ownership contribute to a system of 'natural' inequality in the countryside which can remain an extraordinarily prevalent feature of the taken-for-granted perception of rural society.

They went on to argue that farmers of necessity have to maintain the deferential dialectic against the background of greater mechanization of farm work, greater autonomy granted to farm workers and their enhanced awareness of the industrial power of other occupational groups, such as miners and power workers. They held that this was achieved by the particularistic relationships cultivated by farmers and the fact that they still often worked alongside their employees in the farming labour process. Farmers thus were able to continue class domination due to the consent of the dominated group (Gramsci 1971), linking to Miliband's (1969:181) comments that:

Members of the dominant classes are able, by virtue of their position, for instance as employers, to dissuade members of the subordinate classes, if not from holding, at least from voicing unorthodox views.

Marsden et al (1992:1) examined uneven development and the rural labour process. They noted that

Researchers have tended to characterize rural and particularly agricultural labour as highly exploitable, more deferential, less collectivized and unionized and more flexible than its urban and industrial counterparts.

They went on to comment that rural workers were being caught up in the post-Fordist drive towards deregulated labour markets. Rural labour processes were thus embodied in traditional agriculture and new labour processes as firms were being attracted to set up in rural areas where cheaper and more flexible labour was likely to be available.

More recently, Mize (2006) notes the absence of research into agricultural labour and returns to a Marxist analysis of the agricultural labour process. He is particularly concerned with Mexican migrant labourers, who are weakly protected by law. He

examines the labour process in US agribusiness, ie large scale, machine intensive production. He notes that, since Braverman (1974), labour process research has focused mainly on factory production and the degradation of labour in this setting, rather than agriculture or services. He points to the difficulty of applying theory developed in this fashion to agriculture. He points to the exceptional nature of agricultural work, particularly with regard to season, weather and perishable nature of products. He notes that the agricultural labour process contains a high degree of consent but that 'work is accomplished through coercion and force' (2006:9) rather than through agreement. By contrast, Hall and Mogyoro (2007) in a study of organic farming argue that the labour intensive nature of non-traditional approaches to farming means that more women are involved in this labour process, thus creating greater employment opportunities and possibly greater gender equality in the agricultural sector. In particular they point to higher levels of female involvement in livestock in conventional and organic farms, as tending animals is often regarded as 'women's work'. Even so they find that 'most organic farms are conventional in their gender relations' (2007:24). They also note that farming, even the organic movement, retains very conventional and often adopts patriarchal attitudes.

To sum up, there are apparently several points of comparison between the positions of workers and employers in the rural, farming labour process and their opposite numbers in the racing labour process. However, racing as a form of employment and its rural context need to be put in a theoretical context and the next section commences the argument for the use of labour process theory.

### Labour process theory

The labour process debate was invigorated by renewed engagement with Marx's original work following the publication of 'Labor and Monopoly Capital' (Braverman 1974;

Burawoy 1979; Hyman 1987; Kelly 1985; Edwards 1990; Friedman 1990; Spencer 2000; Barrett and Rainnie 2002). However, much of the subsequent theoretical development concerned itself with the concept of management control and its mirror image of worker resistance, rather than a complete appreciation of the forces of capital, as urged by Braverman himself. The development overlapped with the onset of Thatcherite economics and the development of Human Resource Management as a 'new' approach to labour management, a point that is taken up by Martinez Lucio and Stewart (1997). They suggested that the labour process debate has largely disengaged from the realities of the collective worker and of collectivism within the capitalist mode of production. They also cite Nichols' (1991:50) concern that the labour process has been 'colonised from the shores of subjects like organisational behaviour and management studies' which has in turn led to it being 'exploited selectively'. More recently, Spencer (2000) has condemned the sectarianism which he sees in much of the labour process literature, post 1980, calling for a renewed appreciation of Braverman's work and, in turn, that of Marx in its original version; that it is to say, an approach which embraces and integrates all elements of capitalism (see also Kelly 1995; Barrett and Rainnie 2002; Ram and Edwards 2003). Spencer (2000:239), argues that labour process theory needs to reveal 'the position of capital in the subordination and exploitation of collective labour' and challenge the labour-capital relation in its current form as did Braverman in 1974. Spencer's (2000) prime concern is that labour process theory has been so thoroughly incorporated into HRM discourse that it has been shorn of its ability to critique and expose the internal contradictions of capitalism. In the particular case of small firms, the lack of research which focuses on worker voice or worker resistance tends to reinforce the position observed by Rainnie (1989:25) that:

The idea that...somehow small firms can overcome the inherent antagonism between capital and labour has sunk deep into the consciousness of academics,

government and media.

Spencer (2000) particularly argues for a return to the subversive intent of both Braverman and Marx – that is to say, to challenge capitalism.

Nevertheless, labour process theory has allowed for a critical perspective on employment and has in particular been concerned with sources of management control and the ability of workers to resist the demands of capital. Labour power is indeterminate in nature ‘because the precise amount of effort cannot be ‘fixed’ before the engagement of workers’ (Smith 2006:390). There is thus huge potential for antagonism between worker and employer who cannot reach an absolute agreement on the wage-effort bargain. That antagonism will exist, irrespective of the size of the firm or the nature of the product; it is in the nature of production relations. It may erupt into overt conflict, or it may play out in more subtle ways, or workers may be seen to cooperate, moving us to find out why this is the case.

Littler (1990:48) states that:

Labour process theory examines the question of the ultimate function of management and asserts that this function is the conversion of labour power (the potential for work) into labour (actual work effort) under conditions which permit capital accumulation.

This process exists in all organisations that employ labour and where management is concerned to control labour when labour shows resistance. Littler (1990) is critical of this simple view, asserting that it should be located in a broader politico-economic context in order to explain changes in labour processes; that is to say, he recognises that the labour process is not a single monolithic entity; there are nuances between organisations and sectors. This suggests in turn that labour process is relevant and may be more applicable to much smaller enterprises than has hitherto been the case, a position explicitly taken by Scott et al (1989).

While the labour process has mainly been taken up in studies of large organisations over the thirty years since Braverman published in 1974 (Burawoy 1979; Callaghan and Thompson 2001), it is only recently that consideration has been given to studying the labour process in small organisations (Barrett and Rainnie 2002). It is only recently too that a specific employment relations theory of small firms has started to be developed (Dundon et al 1999; Ram 2001; Ram and Edwards 2003). However, no empirical study has yet been undertaken which structures the research around Marx's original description of the labour process, rather labour process theory has been used to form a backdrop to research in small firms (Rainnie 1989; Scott et al 1989; Ram and Edwards 2003). There has been no identifiable attempt to analyse small firms' employment relations solely or mainly in the context of the specific labour process of a distinct group of small firms. As Scott et al (1989) pointed out, there is a dichotomy between the existing understanding of large firms and a continuing ignorance of the reality of small firms, including labour processes. Marlow and Patton (2002:537) usefully comment that:

It has been traditional to dismiss smaller firms as miniature larger organisations...which occupy such small niches in the economy that any differences evidenced are of marginal importance.

Sosteric (1996:298) argued that the labour process is an appropriate analytical framework for small firms but urged rejection of 'standard metaphors, like mechanisation, routinisation and rationalisation'. In his study of a nightclub, he pointed to the fact that his workers dealt with a live subject, human beings, which is analogous with racing stables where a live subject, this time an animal, also lies at the heart of the labour process.

### Labour process and management control

Three principal forms of management control are offered in the literature – simple, direct control; technical control (plant layout and imperatives of production technology); and bureaucratic control (social and organisational structure of firm). For example, Woodward (1958) found that management style was primarily predicated on technology – with greater technological complexity came a highly formal management style. However, her findings still allowed for informality and varying managerial styles, within these overall constraints. More recently, Callaghan and Thompson (2001) have argued that technical and bureaucratic control may be combined, rather than mutually exclusive. Flaherty (1985) argued that the contingent nature of control was exposed through her research in the boot and shoe industry. She found that employer strategies relied on labour relations, market relations, and product. This in turn leads to a ‘paradoxical set of behaviours’ (Marlow and Patton 2002:527) as the owner/manager adopts a number of different strategies, dependent on circumstances. Littler (1990:48) stated that two interpretations of the control relationship are commonly used, either ‘a simple and ever-present dialectic between control and resistance’ or a more complex situation where the employer needs control on the one hand and workers have a vested interest in maintaining their economic relationship with a viable employer, striking a chord with Ram’s (1999) view that the employment relationship in small firms is complex, not polarized into ‘us and them’ and yet a contested terrain between proprietors and their labour force.

It might be argued that small firms are most likely to adopt the first management control method of simple direct control, and it is certainly often the case that small firm proprietors will work alongside their workforce and thus be in a position to control by direct intervention. However, in his study of racing, Filby (1983) argued for the existence of

bureaucratic control of the small firm, combined with simple direct control, dependent on the circumstances in which issues of management control tend to arise. Scott et al (1989:42) offer a further view that management control in small firms is achieved via 'conflict neutralisation' within a unitary frame of reference. Anyone who presses for union recognition or expresses a view not identical with that of the proprietor is a 'troublemaker'. Although writing about the period of the Industrial Revolution, Wright's (1988:188) insights still seem to hold true for small firms. He stated that 'Trade unions were still regarded by employers...as threatening to the rights of property, as well as challenging natural economic laws'. Within the small firms sector, Scott et al (1989:36) observed that management control of employment relations in small firms is not pre-planned but does surround a unitarist frame of reference. Workers who do not support management aims are seen as 'not only unreasonable but also as being in some way treacherous'. Marlow and Patton (2002:535) amplify this further when they state that:

Any resistance to work organisation creates a dilemma for the owner, as it risks exposing the true nature of the employment relationship.

Their work provides yet further reasons for the employer to wish to minimise effective resistance by one means or another. For MacMahon (1994:72), reporting an earlier study by Cranfield University, managerial influence emerged as a particularly important factor in shaping small firms' employee relations...' because of the lack of structure and the proximity of the owner/manager to his/her workforce.

However, evidence gathered more recently suggests that, even where collective bargaining and union recognition exist, management will find its ways of resisting worker control, while appearing to accept greater union involvement. For example, Oxenbridge et al (2002:269) reporting the development of partnership agreements between employers and

unions in the late 20<sup>th</sup> century observe that ‘Two firms had specifically negotiated...partnership agreements in order to restrict union involvement in employment relations matters’.

Edwards (1982) added to these forms of management control by pointing to the fact that managers pursue a range of control strategies, eg paternalism, welfarism, repression. Burawoy (1985) and Friedman (1990) presented these approaches slightly differently, either as despotic (direct) control and hegemonic control (winning consent). Newsome (2000:505) talks about employer strategies of workplace restructuring in the late 20<sup>th</sup> century that are aimed at securing greater employer control over labour. Although viewed by some as an opportunity for workers to achieve greater autonomy, for Newsome (2000:505):

Attempts to recast work refer to managerial efforts to at best curtail, and at worst dilute, the mechanisms of traditional collective regulation and employee voice.

Rainnie (1989), while recognising that there will be some small firms which operate in markets unlikely to be of interest to larger firms, based his analysis firmly within the context of a small firms sector dominated by its market relations with larger firms; small firms are obliged to operate within tight constraints, leading them in turn to adopt highly autocratic management practices in order to secure high degrees of control and compliance. Marlow and Patton (2002) challenge this, pointing out that in those circumstances where the small firm does not engage with large producers, owner/managers are often obliged to work alongside their workforce, thus effectively becoming co-workers and part of the team. This in turn becomes a way of exerting control by blurring the distinctions between managers and managed but it may founder when the owner/manager finds that s/he has to exert a direct form of management control, for example over a disciplinary issue.

Edwards (1990:126) remarked on the structured antagonism between capital and labour but finds that this does not impose a 'direct logic on behaviour'. The industrial relationship is not driven by the tension between control and resistance, but concerns the pressures that workers and employers have to deal with. He usefully goes on to observe too that 'workplace relations have histories' (ibid) which must lead the researcher to an account of the history which lies behind the current state of employment relations in any organisation.

In their work on industrial relations in the small firms sector, Scott et al (1989) remark on the particularistic relationships between employers and their workers that allow for the nature of the employment relationship to be obscured. For Scott et al (1989) it is the physical context of work which becomes especially important in examining the existence of formal or informal control systems. In small firms the size of the workplace may allow the employer to control by presence and observation, rather than a formal management system such as a time clock. Thus, visibility becomes an aspect of control. It has been observed by others (Ram 1991; Marlow and Patton 1993) that often the 'boss' is not only physically present, but because of previous involvement as a worker in the industry is well aware of the detailed work processes involved which affords the opportunity for more intimate control.

Pressure and control are often exerted by indirect methods – by appealing to 'good' workers; employing family members; recruiting by word of mouth and then exerting pressure on the worker who recruited their friend, rather than direct communication; and personal friendships with individual workers. All these serve to undermine the potential for collectivism by obscuring the employment relationship and making it secondary to other relationships. As Marlow and Patton state (2002:536) '...the friendly approach [is] still an important part of labour discipline'.

### Paternalism as a means of management control

Paternalism is defined as a 'situation of subordination to legitimate authority' (Beardwell and Holden 1997:484), the legitimating influence being the employment contract. It is often assumed to be present at the level of the small firms sector, either as a beneficial aspect that is facilitated by the size of the firm, to which workers are especially attracted and which allows for flexibility over labour/management issues, or as another means of control (Scase 1995); he holds that strategies of paternalism allow the employer to secure an identification of the worker with employer priorities. Paternalism has traditionally been associated with farming (Newby 1977), domestic service and agriculture (Beardwell and Holden 1997) and in situations of long term, secure employment in niche markets which is often represented by small firms in the hotels and catering sector (Scase 1995). Strinati (1982) in his study of state intervention in industrial relations argues that the orientation of small employers to industrial relations is one of paternalism as a means of obtaining control. However, apparent paternalism in small firms often co-exists with a view of the commodity status of labour, employers expressing the view that 'if they don't like it here, the workers can go elsewhere, we can pull anyone off the street to work for us'.

Wray (1996) made the point that, as a management strategy, paternalism has declined since the 19<sup>th</sup> century. Nevertheless, it will be seen that paternalist attitudes persist in the racing industry. As Wray also stated (ibid:701) 'there are documented cases of contemporary paternalist management...' which support the continued viability of this form of control.

This should not be surprising since for Newby et al found that (1978:28-29):

Paternalism is therefore a method by which class relationships become defined, and grows out of the necessity to stabilise and hence morally justify a fundamentally inegalitarian system.

Paternalism then is a way of obscuring the fundamental imbalance of the employment relationship under capitalism and of obscuring the nature of the social relations of production from the view of workers. It is a way of combating potential or actual resistance or at least a way of quelling resistance before it occurs.

#### Consent as a means of management control

The racing industry has long been associated with low wages, at least at the level of the racing stables (Filby 1983; Gallier 1988). If this is so, do stable staff agree to a low wage culture because of their love of horses? Is consent achieved more easily in a rural labour process where farmers and landowners, according to (Newby et al 1978:27):

Have recognised that a labour force that identified with the system that subordinated it was in the long run more reliable and more efficient than a group of workers who gave their grudging consent under the threat of sanctions.

Or do they share a common ideology with their employers? As Knights and Willmott (1986:7) found:

Where ideologies supportive of the prerogative of management are regarded as legitimate by the workers, routine subordination in processes of control is normalized.

Burawoy (1979) argued that consent is formed at the point of production, that is to say within the work itself, rather than from a combination of various outside influences. He argued that consent is 'manufactured' by appearing to allow workers certain choices over their daily work rate and their earnings capacity. These choices however are only tolerated within the capitalist labour process to the extent that they continue to secure surplus value for the employer. Managers will participate or facilitate workers' choices up to a point but will back this with coercion when necessary. Burawoy conducted his analysis in a factory

setting which used a piece rate payment system. This system was allowed to give workers a certain amount of autonomy over the machines and the ability to 'make money' out of the labour process. He showed how the labour process was simultaneously constituted as a game, in which workers participate, and as a means of generating surplus value, in which workers also participate. That is to say, their exploitation is obscured by playing the game and their consent to work harder for their employer is secured by the rules of the game.

Burawoy's analysis has been used in studies since 1979, including in the small firms' setting. For example, Ram (1994) looked at the degree to which workers cooperated with managers of small firms, arguing that informality is an important way of securing worker consent. Employers will indulge worker needs, eg for flexibility in working hours, and thereby secure greater worker cooperation. Manufacturing consent has also been considered in caring work, in particular unwaged social services work, where it was found by Baines (2004:288) that consent was secured by a complex range of factors which included 'workers' identities as caring, moral individuals' and their belief that they should not refuse unwaged work lest 'their opportunities for employment or education' be jeopardized.

A particular aspect of consent in racing is the nature of the relationship between racehorses and their human caregivers, which is said to be one of love from the human towards the horse. This has, however, not been the subject of research in the field of employment, although the relationship between humans and animals has been researched in several aspects. Game (2001) argues that the horse-human relationship is a powerful one, in which horses look to humans for the support they would normally find in the herd. Horses are social beings and this allows humans to train a horse to accept a rider on its back and all the paraphernalia of tack (bridle, saddle, bit) which goes with this activity. Game (ibid)

equally argues that humans, in particular when riding, become one with the horse in order to ride successfully. Here the rider must carry their body in a certain way to communicate to the horse what pace is expected (walk, trot, canter or gallop), which direction to go in (using legs and rein) and when to stop (using seat, legs and rein). Game (ibid) therefore considers humans and horses to be interdependent. It is apparent that working with horses in racing stables must be a type of labour process where humans are very intimately involved with the object of their labours. This is very different from that described by Burawoy (1979) in his factory-based research. In conclusion, therefore, if Burawoy is correct, that the site where consent is manufactured is within the work itself, the horse-human relationship may prove an important source of consent in racing stables. However, it will also be important to examine whether and when stable staff are able to resist management controls and the next section commences that consideration.

### Worker agency

In order to fully understand the reality inside small firms, there must be engagement with workers and how they actually experience the labour process. As Wray-Bliss (2002:6) points out, labour process theory:

Begins with the critical or political understanding that workers' subordination and exploitation is endemic to the organization of capitalist work organizations.

As this is likely to be the case in racing's small firms, it will be important to uncover the ways in which labour is able to resist the demands of capital. While it is not suggested that workers in small firms are incapable of displaying agency but it is, as yet, unclear how agency manifests itself in the small firms setting. In order to structure the research and the discussion, therefore, four ways in which workers may display agency will be taken up. These are exit and voice; mobilisation; collectivism; and resistance.

It has already been established that the small firms' literature is much less extensive, with regard to worker voices, not least because, according to Marlow and Patten (2002:259):

There is a rationale for the reluctance of owners to allow employees to voice their opinions about working within a cohort of firms where employment conditions are presumed to be poor.

It is also suggested that the antagonism between capital and labour is still present in small firms, and that close personal working relationships will never be able to resolve this tension.

However, Kelly (1998:20) noted a problem with the labour process literature, which he believed had moved away from a worker focus because:

Recent interest in management strategy and practices has far outstripped any interest in worker organization and mobilization.

Martinez Lucio and Stewart (1997) shared this concern and remark on the disappearance of labour, in the form of the mass collective worker, from considerations of the labour process in much of the contemporary literature. They argued that collectivism has been obscured by latter day concerns with the experience of work at the level of the individual worker, a particular problem in the small firms literature. This ignores the reality of the experience of workers who participate in the capitalist labour process as a collective mass of workers. Research has become disengaged from the collective worker by dwelling on selective elements of the labour process, rather than the totality of social relations under capitalism. On this point, Rosenthal (2004) asks us to consider how workers' wants and preferences are realised through the experience of work and the ways in which workers use or resist management controls in order to achieve their wants.

Exit and voice

Exit and voice are counterposed in Hirschman's (1970) research on consumer response to decline in organisations. The concepts have been taken up in the industrial relations literature, and in the small firms' literature (Moore and Read 2006). Different types of worker voice are noted, including trade union voice. In their study of the effect of voice on labour productivity Bryson et al (2006:439) regard voice as 'any formal mechanism by which workers can communicate their views to management'. On the other hand, Dundon and Gollan (2007) define voice in terms of 'mechanisms', formal or informal. Perrett (2005) discusses employee voice in the context of the statutory trade union recognition procedures introduced in the 1999 Employment Relations Act.

Theories of worker voice are also associated with a non-union workplace (Haynes 2005), embracing such alternatives to collective bargaining as employee involvement and participation. However, voice mechanisms in a non-union workplace may be the 'hollow shell' analogy put forward by Dundon et al (2005); the mechanism exists but has no substance. This was also found by Moore and Read (2006) in their study of mobilisation in small firms. Dundon and Gollan (2007:1182) note that increasingly 'individual employees have to engage directly with their manager' or turn to third parties such as the Citizens' Advice Bureau, since trade union mechanisms do not exist for many workers. Nevertheless, where voice is heard and acted upon by managers, to the worker's satisfaction, it will serve as an alternative to exit from that job or that organisation.

In the small firms' literature, specifically, managers often regard informal voice mechanisms, such as the 'open door policy' as more appropriate. This is said to be a satisfactory product of the close and more harmonious working situation deemed to be present. However, since the Employment Act 2002, small firms have to follow at least the statutory grievance procedure, which clearly serves as a formal voice mechanism. Ryan

(2005:210) argues such procedures are often seen as ‘a vehicle for whingers and moaners to cause trouble’. He argues that workers who file grievances are more likely to use exit in small firms, when voice is ignored or denied. He defines exit as ‘physical’ (resigning or absenteeism) or ‘mental’ (lack of enthusiasm for job, daydreaming on the job).

In their study of collective organisation and mobilisation in small and medium sized enterprises, Moore and Read (2006) point to the lack of attention to employee voice in the small firms literature. Their research further confirms the use of exit over voice amongst workers in this sector, citing proximitous working relationships with managers and proprietors as a barrier to greater trade union organisation. Workers are unable to identify and voice grievances because this represents too great a threat to their position in the workplace; in turn this inhibits the mobilization of workers around grievances (Kelly 1998) and collective identification between workers, which may lead to trade union organisation. Murray (1983) in a study of Italian factory production and its decentralisation to small, and often rural, firms argued that this resulted in a workforce which was too scattered and diffuse for meaningful trade union organisation. He particularly pointed to the fact that workers in rural locations were often still closely tied to the land.

Smith (2006) considers exit within the context of the labour process and notes that exit has been regarded as incapable of changing the labour process and thus as an inferior mechanism to voice. He argues that, in certain circumstances, the mere threat of exit may have the effect of bringing about improvements in the wage-effort bargain, though there is insufficient evidence to be conclusive about this effect. However, the position for many workers in small firms is that they have no effective alternative. In a study of the Information and Consultation Regulations in small firms, Wilkinson et al (2007:1283) find that ‘in small firms employees are less likely to trigger the process [of information and

consultation] and may exit rather than try to seek voice’.

### Mobilisation

Kelly (1998:25) reminds us of the essential conflict of interests between capital and labour but argues that this ‘does not necessarily give rise to conflict behaviour’ because of the dependence of workers on employers to hire their labour and because they are often in disarray and unable to combine to resist the demands of labour. In pointing out that workers do sometimes combine to press their demands, there are essential pre-conditions to this happening. These he labels as dissatisfaction, a sense of injustice which becomes shared and then an understanding that collective agency could bring about change. It is (ibid:29) ‘vital that aggrieved individuals blame an agency for their problems, rather than attributing them to uncontrollable forces or events’, since this external force will become ‘the target for collective organization and action’. Collective organization will need leadership and organisation around grievances and opportunity in order for mobilization of collective action to take place. Although Kelly does not look at small firms, he does consider the rise of non-union workplaces, which racing stables could be equated to, since the Stable Lads’ Association appears to have represented no challenge to the employers since its inception in 1975. He points out that workers have become more distrustful of managers, rather than the reverse but that there is a perception that unions have become too weak to help, at a time when workplace grievances have continued to rise.

Moore and Read (2006) specifically discuss mobilisation within the context of the small firms sector, and find that grievances were rarely articulated, reflecting the small size of the firm, the effect of informal and close working relationships. However, there was evidence of grievance around pay, holidays and excessive hours of work but these were articulated on an individualistic basis, with ‘no belief that collective organisation could make a

difference' (ibid:366). The type of organisation was also influential, with high skill workers being managed on a highly individual basis, for example with regard to pay. In general, they found that problems were solved very much on an individual basis, including resignation. There is a clear connection between issues of mobilization and worker exit.

Scott et al (1989) point to a feeling of powerlessness on the part of workers in small firms which may be an explanation for such workers not organising in trade unions. However, Rose (1994) does refer to the impact that mass culture has on our attitude to collective identity, that is to say workers bring to the workplace a range of influences which may predispose them for and against trade union membership. Finally, in Lockwood's view (1958:138):

The actual degree of unionization in any group at a particular point of time is the result of a variety of factors, many of them peculiar to the group in question.

He also further pointed (ibid:22) to the particularism of the relationship between individual clerks and individual employers in the 19<sup>th</sup> century counting house which:

Served to strengthen the ties between individual clerks and individual employers and thereby weaken the common interests that existed among clerks as a body.

Another question that has been raised in the literature is whether small firm employees are of a particular type, not sector dependent, but this seems to suppose that there is an inherent small firm labour market, a homogeneous labour process and a uniform product when all the research points in the opposite direction. Scott et al (1989) emphasised this by concluding that workers in small firms cannot be given a generic set of characteristics. They find no evidence that employees in small firms value non-economic rewards, such as a small and friendly working environment, to such an extent that they are prepared to take home a smaller wage packet. Workers' views are mediated by prior orientations to work

and by the operation of the labour market, so for example, this low paid job may be better than no job at all or at least the other most immediate alternatives. Curran & Stanworth (1979) do remark on the importance of industrial sub-culture in this regard and this may contain an important point of explanation in the racing industry. Taking another possible strand of explanation, Goldthorpe et al (1968) regard a worker's position in her/his life-cycle as having an important effect on orientation to work. Finally, Glover and Noon (2005:741) argue that it is important to examine worker orientations to work in order to take account of the degree to which factors external to the working environment influence worker solidarity in the workplace. In their terms this is important because it helps reach an understanding of 'how aspects from non-work life moderate responses to management initiatives'.

Some help may be found in the words of Scott et al (1989), writing about industrial relations in small firms, who found that at times of change the nature of the employment relationship is made visible and may fundamentally alter, for good or bad. This may cause mobilisation and organisation in a union but that is not guaranteed. However, they also record (ibid:76) their conversations with trade union officials which revealed that '...in many cases...unions have very little time for small business'. TGWU officials, for example, showed little patience with small firms, preferring to place their efforts where membership was already concentrated. MacMahon (1996:73) found that 'interviews with union officials and shop stewards [in Ireland] revealed that unions themselves often consider small firms as non-viable propositions...' Scott et al (1989:77) recorded that:

Unions have big problems in small firms but very often do little to improve their standing in the employers' eyes. There is mistrust between the two sides and unwillingness on the part of the unions to devote more time to...the small firms sector...the real losers...are the workers in small firms.

It is clear that this is a complex issue for small firms and in particular their workers.

### Collectivism

A more recent strand of debate has been the meaning of workplace 'collectivism' in the climate of Human Resource Management and individualistic employment strategies. Stephenson and Stewart (2001) argue that a range of 'collectivisms' must be identified so as to avoid the binary divide between individualism and collectivism, which persists in much of the literature. They argue that collectivism may be found both in the workplace and in workers relationships with each other outside of the workplace. McBride (2006:589) echoes their findings that collectivism is often expressed despite the presence of trade unions in a workplace. She argues that collectivism at the workplace still exists, despite emphasis on the individual in the employment relationship. Collectivism should not be measured on absence or presence of conflict, but by the ways in which workers help and support each other over a wide range of issues, both in the workplace and outside. She finds a range of resistance strategies derived by workers from aspects of the labour process. In particular they bend the labour process to their will when possible. She also finds that what appear to be individualistic strategies are often actions which are shared with other workers, for example by 'feigning collective indifference and silence' when questioned by managers about resistance activities. Wages are a source of dissatisfaction that feeds into resistance.

### Resistance

The idea that resistance is mainly or wholly formalised through unions and bargaining must be examined carefully. As Edwards demonstrates (1990), it is naïve to assume a direct causal link between exploitation and resistance, for the labour process does not operate in a vacuum. Forces external to the organisation mediate the experiences and attitudes of

workers and their managers (Ram 1991; Scase 1995). Labour process theory is criticised in this context, again by Littler (1990:87), as falling short of a complete explanation of the phenomenon because the 'labour process emphasis on the point of production at the centre of the capitalist relations of production, often ignoring market and political relations' has rendered the shop floor as the *apparent* frontier of control in the British context. Ram's research (1991; 1999) adds to this from the small firms' sector where he discovered that the employment relationship is infinitely more complex and subtle than a strict application of labour process theory would allow and that workers find ways to resist an autocratic employer, albeit on an individual basis.

McBride (2006) found that resistance operates in subtle ways in subordinated workplaces, for example phoning in sick, or holding informal meetings during cigarette breaks, using a range of informal collective practices. Management responses only serve to reinforce resistance since managers are often extra-harsh in their treatment in order to root out dissident worker behaviours. She looks at a different type of informality in industrial and unionised workplaces in Tyneside. This is informal workplace collectivism, which she argues is at once neglected and important, for workers devise their own strategies of resistance, outside formal union organisation. Work groups show dynamism and workers 'look out for each other'. This is in contrast to the individualisation of resistance that has been discussed in much of the recent literature. She states (ibid:720) that her research 'suggests that both members and non-members viewed trade unionism favourably, yet very few had developed a sense of how their actions could be further mobilised. Roscigno and Hodson (2004:32) argue that workers will display agency on the shopfloor, even in informal situations, in order to 'combat the harshness of their jobs on a day to day basis'. As Ram (ibid:19) found 'Tensions were duly expressed through high rates of labour

turnover and dissatisfaction over management styles'. However, Marlow and Patten (2002:536) reveal that workers in their survey of small firms were able to exploit the 'particular nature of social relations of production in small firms' to negotiate 'lateness, absence or variable performance' because of the obvious reliance of a small firm on key workers.

Scott et al (1989) refer to the prior orientations of workers in small firms and subsequent mediation by the labour market. They divide these under two headings: an economic, instrumental orientation or a non-economic expressive orientation. Harsh working conditions, eg long hours and heavy overtime may all prompt workers to resist by leaving but do not necessarily lead to resistance through trade union means, either through pre-existing machinery or through a fresh organising exercise.

#### Structure of the thesis

In order to utilise Marx's description of the labour process, and to place it in its research context, the thesis is structured in eight chapters, which commenced in this chapter with a review of the small firms and labour process literature. Chapter 2 sets out the research objectives and then considers the methodological choices made within the overall context of a qualitative research strategy and design. Chapter 3 sets out the structure of the industry, encompassing the many bodies that make up the racing industry, and setting out relevant statistical information regarding racing stables and their development as small firms. Chapter 4 addresses the context of employment relations in which the racing labour process is located. It finds that there has been a long history of union involvement in racing stables, including industrial action in 1975, but that contemporary employment relations involve a weak, employer-dominated staff association and national bargaining machinery. Chapter 5 discusses the labour process in small firms, and the labour process in racehorse

training. It contextualizes this with statistics on industry employment and data on pay and other employment conditions. It finds that there is a common labour process shared by all racing stables which reflects Marx's (1976) original description. This labour process has been shaped by its rural location, its industry context and the development of racing since the 18<sup>th</sup> century. It also finds that there are long standing worker grievances over pay, working hours and intensification of the labour process.

Chapter 6 discusses subordination and domination of the labour process by employers and how they are able to secure worker consent to the employment relationship, despite the grievances referred to above. It finds that in racing stables trainers adopt a range of control mechanisms, including simple direct control, paternalism and responsible autonomy. In the racing labour process, employers have a particular opportunity to manufacture consent through the racehorse and the affinity of their workers to the horse.

Chapter 7 finds that conflict is present but is not articulated through formal voice mechanisms. There is little obvious worker support for the existing voice mechanism but there is no evidence that they are seeking an alternative. Workers have a particular difficulty arising from their emotional labour with horses, which inhibits strong expression of voice. Nevertheless, workers do on occasion attempt to resist the demands of capital, displaying individual agency and informal collectivism. It is also found that it might be possible to mobilize this labour force but that, currently, there is a lack of understanding of trade unions and what advantages mobilization might bring to these small firm workers.

Chapter 8 presents a final set of conclusions with regard to the development of insights into the labour process in small firms. It finds that a labour process framework not only provides important insights not only into racing stables but also sets out the industry and historical contexts in which these small firms developed. In particular the chapter points to

areas for further research, such as support workers in sport, breakaway unions, and the emotional labour of working with animals.

### Conclusion

The central aim of this thesis is to understand how the labour process influences employment relations in the small firm. The review of the literature places the study of small firms in the context of small firms' employment relations, employment in the racing industry and the labour process in racing stables. It identifies that there is a rural dimension to the racing labour process which must be explored. It finds that the small firms literature has developed considerably since the publication of the Bolton report in 1971 and that the Bolton thesis that there is an absence of conflict in small firms has been substantially challenged. It is clear that there is now an acceptance in the small firms' literature that the employment relationship is not automatically a harmonious one and that the possibility for antagonism between capital and labour exists here, just as it does in large organisations. However, there is also an identifiable gap in the small firms' research, since a general interest in small firms has developed from an interest in the contribution that entrepreneurial small firms may make to the economy. Research has therefore concentrated on the experiences of owner-managers to the neglect of the experiences of workers (Marlow and Patton 2002). It was argued by Ram (1991) and Marlow and Patton (2002) that this is because of problems of access to the small firms' workforce. It is therefore not clear the degree to which workers in small firms adopt strategies of resistance to the demands of capital and, when they do, the degree to which they are successful.

In order to engage explicitly with these issues, it is argued therefore that the way forward is to adopt the labour process as the analytical framework within which to study racing's small firms, taking up the suggestion made by Barrett and Rainnie (2002) that the labour

process holds the key to a further development of the small firms' literature. In turn 'labour' will be restored to the study of small firms, since it allows the small firms researcher to reconnect with worker agency, including resistance, exit, voice and mobilization, as well as to identify issues of management control. With regard to management control, the labour process and small firms literatures point to a number of different directions which will be explored in the fieldwork. The general approach to management control in the labour process will be examined but context specific controls such as paternalism and consent must also form part of the research.

In order to make progress with the research question, Chapter 2 now goes on to present the research design and strategy that were adopted in order to embrace a labour process framework. It will demonstrate how a progressive research strategy was developed over a period of four years, gathering data not only on the detailed labour process in racing stables but also the industry and employment relations context in which this labour process has developed.

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