The Flexible–Rigid Paradox of Employment Relations at Royal Mail (UK)

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Abstract

This article examines how flexibility and rigidity equally pose a dilemma for management and trade unions. It explores the issue by examining a range of features within the employment relationship at the Royal Mail in the UK. It seeks to demonstrate how, in practice, both management and trade unions can require, pursue and argue for different and competing combinations of flexibility and rigidity. It concludes that it is analytically more useful to examine the content and form of the 'flexible–rigid mix' and explore how this is mediated by political, social and operational/technical processes.

1. Introduction

Two stereotypes pervade media accounts of contemporary employee relations: (1) managers are always in pursuit of flexibility, while (2) trade unions are intent on maintaining rigidity. Not only do such stereotypes conceal the complexity in the notions of flexibility and rigidity, they also mask a paradox: that flexibility and rigidity equally pose a dilemma for management and trade unions, because both terms embed policies that are required by both parties at different times in the ongoing negotiation of the employment relationship. The flexible–rigid mix pursued will vary over space and time as different interest groups employ rhetoric and action to assert influence. While observers often analyse change within organizations in terms of unions defending rigid, existing employment structures and managers proposing flexible developments within the employment relationship, our research indicates that during key moments of transformation

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different calculations are made by actors regarding the combination of rigidities and flexibilities. This paper explores the issue by examining a range of features within the employment relationship at the Royal Mail in the UK. It seeks to demonstrate how, in practice, both management and trade unions can require, pursue and argue for different and competing combinations of both flexibility and rigidity.

To develop this argument, the paper is structured as follows. The literature on flexibility and rigidity is briefly reviewed, then the methods and case background to this study are outlined. The empirical data is evaluated in four sections which explore how different arguments for both flexibility and rigidity were developed by management and the trade union as they sought competing flexible–rigid mixes. The paper then discusses how the paradox has been negotiated in the specific case of the Royal Mail before concluding with more general observations.

2. Flexibility and rigidity in the new workplace

Since the early 1980s there has been considerable debate about the extent and coherence of flexibility within organizations (in particular Wood 1984; Atkinson 1984; Pollert 1988; Proctor *et al.* 1994; Hyman 1988). The proposition was that a new type of organization was emerging: the 'flexible firm', which was characterized by a strategy that established clear divisions and hierarchies within the work-force to create a core–periphery structure with the parallel development of functional and numerical flexibility. Consequently, in the late 1980s and early 1990s there was a sustained analytical and empirical critique of the assumptions and assertions underpinning the flexibility thesis (Pollert 1988). More recently, Proctor *et al.* (1994) have argued that, regardless of limitations within the uses of flexibility, many managers and organizations remain guided by the strategic attraction of a flexible organization and seem willing to develop related practices regardless of the contradictions and limitations noted by critics. This thematic persistence is evident within the Royal Mail.

A parallel debate has focused on the specific nature of functional flexibility. In particular, there was a developing management interest in attempting to replicate what were considered to be the central features of Japanese employment practice (Garrahan and Stewart 1992; Oliver and Wilkinson 1992). Such mimic management was pursued even though in Japan the empirical reality of flexibility was fundamentally different because the institutional and labour market framework of such practices had been constructed within distinct sets of political exchanges (Nakamura and Nitta 1995).[1] This feature of the changing employment relationship is clearly being viewed as central even within 'highly regulated' European contexts: even the critics of flexibility recognize it as the one area where organizations are experiencing exhaustive change. According to two leading European commentators,

Today, and particularly under Toyotaism, even in their simplest tasks the operators are constantly mentally engaged, their minds occupied by total quality, frequent changes of mode, job rotations, continuous improvement (kaizen), total productive maintenance, and the like. (Boyer and Durand 1997: 144)

Just when the Anglo-Saxon debate on flexibility enters a period of uncertainty (Legge 1994), some constituencies of academics and practitioners seem to be restating the centrality of functional flexibility. Yet there is evidence of disparate developments in questions related to rotation, multi-skilling and systematic exchange process within team structures (e.g. Elger 1991; Newell 1991; Thompson and Warhurst 1998; Stewart and Martínez Lucio 1998). The argument that job enlargement and not job enrichment has tended to prevail has become common within industrial sociology. (See Noon and Blyton 1997 for a historical discussion of this.) Moreover, even when a degree of workplace functional flexibility develops, it raises challenging organizational problems regarding the issue of skill formation and how skills are to be structured, developed and rewarded (Clark 1993). In addition, concerns are raised about how the use of functional flexibility and 'group rotation' imposes new pressures on the employee through teamworking and peer-based surveillance and control strategies (Delbridge and Turnbull 1992; Garrahan and Stewart 1992; Parker and Slaughter 1988).

The brief outline above serves to point out how the debate has developed in a binary manner: types of flexibility have been assessed in terms of whether or not they have been systematically developed within organizations, whether or not they constitute new forms of control systems, and whether or not they qualitatively enhance employee skills. Similarly, discussions of trade union approaches to flexibility mirror this tracking of developments by assessing the unions' rejection or acceptance of such workplace changes. Yet these polarities in the flexibility debate have been questioned. Geary (1992) noted that the increasing interest in flexible practices may in fact lead to a less than flexible set of outcomes in the workplace. He argued that it is too simplistic to characterize previous employment relations as having been rigid in the past, compared with contemporary experiences of 'flexibility'. The outcome of new employment measures can lead to the emergence of truncated internal labour markets (Heyes 1996) and to increasing degrees of monotony and repetitiveness within work (Elger and Fairbrother 1991). Indeed, to draw such comparisons ignores the more complex manifestation of both rigidities and flexibilities within organizations, let alone their possible combination.

Along with this set of concerns over flexibility in the workplace is the proposition that new employment practices give rise to new rigidities, and historically some types of institutional rigidity have played a part in the development of highly productive, flexible practices. Countries with a strong tradition of flexibility and multi-skilling, such as Germany, were influenced by 'institutional rigidities' in the form of strong trade unions and external

legal processes, which limited the choices employers could make over work organization (Streeck 1991; Jurgens *et al.* 1992). Highly competitive forms of flexible specialization actually necessitated rigid regulatory practices; productivity and flexibility are sustainable through the development of rigidities within the formal system of regulation (Streeck 1991). Quality-based production and employment systems in terms of worker utilization tend therefore to depend on a range of externally derived rigidities at the level of political regulation, social representation and notions of employee rights which limit the capacity of employers to develop 'flexible' procedures at work, based on low wages, job intensification and low skill investment. (For a parallel discussion with regard to the absence of such factors in the UK, see Nolan 1989.) Hence the relationship between flexibility and rigidities is of a symbiotic nature, involving distinct levels of employment regulation and a range of employment practices.

Flexibilities and rigidities interact and are combined in different ways by management and unions. This necessitates an interpretation of flexibility that acknowledges how elements in the employment relationship are combined by distinct strategic initiatives and workplace regimes (see Blyton 1992). Complex combinations of rigidities and flexibilities have to be understood in relation to each other and not merely as inherently contradictory, stand-alone concepts. In other words, across a range of areas, unions and management engage with each other on the basis of distinct combinations and meanings of flexibility and rigidity. In the Royal Mail, part of the problem has been this competing conceptualization of employment relations and their distinct articulation. We will analyse these tensions in terms of the question of work organization (teamworking), job allocation (fixed duties), shift rotation (settled attendances) and task allocation (seniority). Two sets of tensions will be pointed to: the tensions between management and unions in terms of their combinations of flexibilities and rigidities; and the tensions within management and unions themselves with regard to these combinations. Before this analysis begins, however, we give a brief explanation of our methodology and some contextual background information.

3. Methods

The research was undertaken using qualitative methods consistent with the belief that only by exploring the Royal Mail in depth can meaningful insight be acquired regarding the complex, problematic and often conflictual nature of organizational change. As qualitative methodology is very time consuming, and as the Royal Mail is a massive organization, we focused on one of the nine geographical divisions and explored six sites where various change projects had been undertaken. The division was selected in consultation with Royal Mail senior management to ensure that we would encounter a proper representation of the various initiatives being developed across the organization nationally. Access had to be negotiated at each

stage, but, having clarified our objectives and methods, we were allowed to talk with anyone we wanted. This welcome openness made the Royal Mail an excellent research environment. In return, we guaranteed full anonymity to everyone we interviewed, which also meant that we agreed not to identify the particular sites.

In terms of the specific methods, we relied heavily on face-to-face semi-structured interviews — 191 in total. These were undertaken with all levels of staff, from managers at national, divisional and local level, through to front-line staff of different grades. We also ensured that interviews were undertaken with part-time staff, women employees and people from ethnic minority backgrounds. Trade union representatives at national, regional and local level were also interviewed. All interviews lasted between 45 minutes and two hours. (A few exceptional interviews lasted longer.) Where appropriate, and when the interviewee gave approval, a tape recorder was used; otherwise extensive contemporaneous notes were taken. The interviews were transcribed and coded into a commercially available computer program designed for the analysis of qualitative data: NUD*IST (Non-numerical Unstructured Data Indexing Searching and Theorizing), published by Scolari (Sage). This software allows large amounts of interview data to be coded (categorized) and retrieved according to key themes and ideas specified by the researchers. In effect, it is an elaborate data base that replaces the need for more laborious pencil and paper methods of coding data. Like all systems, it has its limitations (and its critics), but we found it particularly useful in helping us to manage a vast amount of text (around 0.75 million words).

In addition to the in-depth interviews, informal individual and group discussions were held when the opportunity arose, along with periods of shop-floor observation where the working methods were examined. Together, these provided important contextual information to help us gain a better understanding of the workplaces. More formally, we observed some specific training sessions and attended nationally and regionally organized events such as the Royal Mail's Teamwork/Good Practice showcase and the trade union conferences.

4. Organizational background

The Royal Mail is one of the earliest forms of state intervention with a broad geographical and popular presence (Daunton 1985). From the 1960s it has been increasingly subjected to a range of pressures for change from political forums, market contexts and technological developments (Martínez Lucio and Noon 1994: 66–70). It is possible to identify five projects of change through which, since the early 1980s, the organization has passed or is still passing: modernization, separation, mechanization (later automation), commercialization and 'privatization' (Martínez Lucio *et al.* 1997). These five 'projects' illustrate some of the complex environmental factors

that contribute to the nature of the organization's workplace politics (Batstone *et al.* 1984). The first project of modernization was very much concerned with administrative reorganization; the second was based on reorganization by separating the distinct areas of the Post Office (resulting in the Royal Mail becoming a stand-alone business); the third has been to mechanize and, more recently, automate the Royal Mail, in particular through the introduction of new machinery, the construction of new sorting offices (the mechanized letter offices and now the automated processing centres) and the transformation of working practices. The fourth project has been the attempt to permeate the Post Office with a commercialist orientation and to prepare it for further marketization. Within this panorama of change there have been delays, contingencies and diversities within each phase of 'development'. The point is that the process of change has been complex, involving various reformations of the organization around distinct long-term projects.

Through the restructuring in the early 1990s, which separated the organization into different functions (processing, distribution and delivery), and then through the desire to locate employees in specific areas at specific times, management began to establish a more fragmented, yet focused, system of employment when compared with the past (Jenkins *et al.* 1995). The objectives behind such developments were varied: the possibility of breaking up the Royal Mail into distinct services (distribution, delivery and processing); the aim of franchising in specific areas such as delivery around certain clusters of employees and managers; and the objective of creating accountable and 'autonomous' units of employment managed through an increasingly pervasive (although in practice never coherent) system of performance measurement.

Underpinning all this was a management rhetoric of flexibility that was linked to business needs; this was consistent with 'popular' nostrums that flexibility is good and rigidity is bad. It is well illustrated by quotes from two internal documents:

> Flexibility is essential for the business survival in the future. All successful companies require flexibility from their employees and Royal Mail can be no different. It may mean having to work harder on occasions, but more often flexibility will be about changing how we work to meet customer needs. (internal document on proposed changes, 1995)

> The cornerstone of the Employee Agenda is the Way of Working Proposals. This will help managers enormously by removing a number of the ongoing arguments which we have about people moving from one job to another, grade demarcation, work allocation, etc. Your team's objectives and tasks will be your objectives. Your job will be about leading teams and developing them with much less emphasis on day to day issues. (internal document — briefing to Royal Mail front line managers, 1996)

However, as shall be revealed below, such rhetoric masks elements of rigidity in management policy — in many respects this strategy could be seen as one of 'controlled flexibility'. Moreover, this management strategy

stimulated debate over the very nature of flexible working within the organization as the CWU responded with its own discourse of flexibility — defending flexibilities in some areas and opposing it in others.

5. Flexibility through teamworking

Royal Mail management wanted employees to work as teams. The argument was that 'autonomous' groups of employees led by their work area team leaders (WATLs), who were in fact their supervisors, would provide the opportunity to develop the interface with the market (the external customer) and to adopt contractual relations within the workplace (the internal customer). Management believed this could be elaborated and acted upon by creating internal peer pressure, continuous improvement (innovations in working methods) and clear (measurable) objectives. Financial and organizational controls were seen as being best supported by accountable and 'measurable' units of work. Much of this interest in teamwork was also driven by the fear that extensive investment in new technology could be undermined without a controlled, focused and team-based system of workplace organization.

In addition, workers had to be employed in specific areas and during specified times. From the early 1990s the Royal Mail began to initiate a series of programmes aimed at creating a more focused work-force. Through a series of consultations over the reallocation of staff, it aimed to have a work-force that identified with and was located within specific areas of work and specific shifts. The extent of these developments varied according to the offices and their negotiation cultures.

In contrast, the unions argued that people already worked in teams — albeit ones with broader and more flexible boundaries. Many Royal Mail employees felt they worked within the team of 'the Royal Mail', while others identified a range of local 'teams' to which they belonged, for example their immediate work colleagues, their place of work or the whole sorting office. Others argued that teamworking was already in place because employees working together were 'settled' in terms of the shift and area of their work. In other words, teamworking was interpreted as 'working together': working with the same individuals, in the same area and at the same time. This benign interpretation was considerably removed from the management definition, which carried with it considerable implications for work reorganization, competitive peer pressure, extensive performance measurement and tighter surveillance through mutual dependency. Consequently, some employees used the term 'group' to distinguish their perspective on work organization from what they felt to be the more restrictive and threatening, or at least ambivalent, managerial term 'team'. This is emerging as quite a common finding in research in the area of organizational change and teamwork. Workers frequently have distinct meanings of 'teamwork' that are imbued with more solidaristic elements and relations (Rinehart *et al.* 1997: 98–107). This social dimension of traditional teams and groupwork

may extend to the external, social environment as well (see Krahn and Lowe 1993), as will be discussed below.

Among the Communication Workers Union (CWU) rank and file, the word 'team' came to symbolize a threat. Thus, at the 1996 CWU conference it became a rallying call around which opposition to specific conference proposals could be constructed — sometimes even against the recommendations of the national executive. Elsewhere we have explored the genealogy of the concept of teamworking within the CWU and noted the way it became a symbol of contestation (Martínez Lucio *et al*. 2000). The important point for this discussion is that management's fixation with teamworking helped focus the union on the need to develop a counter-strategy. This led to an anxious internal union debate on flexibility and teamwork as management's obsessions (shrouded in the highly charged discourse of total quality management) came to be seen by key constituencies within the union as central to the broader commercialization of the Royal Mail and a subsequent intensification of work. In part, this can be explained by the way teamworking was linked with cultural change and the broader organizational projects of the Royal Mail, such as functionalization and privatization. More importantly, teamwork was seen as part of a strategy to undermine the traditional mechanisms of union regulation, voice and participation. Activists in the CWU had local links with their counterparts from unions in the private sector and began to fear that teamworking could become the first stage of marginalizing the CWU.

The pursuit of teamworking by management was therefore greatly influenced by the commercial imperative. The strategic direction of the organization was shifting away from the public sector towards a more commercial orientation — a trend that continued even after it became clear that the organization would not be privatized. The 'customer' became a focal point, and, understandably, concepts from the private sector, such as teamworking, began to permeate management thinking. Consequently, the management goal was to steer the organization towards team-based working and thereby increase functional flexibility in the longer term. In contrast, the union's response was to maintain the status quo and thereby consolidate the rigidity of existing job descriptions. However, this predictably traditional approach to the flexible and rigid orientations of management and unions respectively is immediately overturned when the issue of job allocation and shift rotation is explored. We shall explore the details of this in due course, but first it is important to explain why rigidity also became inscribed into the change processes at the Royal Mail, thereby challenging the traditionally more flexible work patterns.

6. The pressures for rigidity

The decision to develop a more task-dedicated work-force was driven in the early 1990s by a conviction among senior managers that the organization

would be steadily fragmented into different businesses — delivery, distribution and processing — each with a range of internal cost centres and teams. A massive restructuring of the organization along functional lines was undertaken, which meant a reduction in the traditional flexibility that allowed employees to transfer across various functions within the Royal Mail. However, this meant that when the privatization plans were subsequently dropped by the government the organization was left with a new structure that was essentially geared to a specific and inappropriate strategic agenda of privatization through fragmentation (Jenkins *et al.* 1995). In this manner, the nature of corporate strategy influenced the structure of employment relations — a finding that is in line with Purcell and Ahlstrand's (1994) theorizing. In addition, the relevance of the political contingency (Batstone *et al.* 1984) is apparent, since the agenda set by the government became the foundation for much of the rationale for greater rigidity. In other words, the implementation of structural change, in a laudable attempt by senior managers to be proactive, produced reductions in traditional work flexibility. Therefore, it can be argued that an important source of the new rigidities proposed by management within the workplace is the political imperative.

Part of the rationale for greater rigidity also lies with the introduction of new technology: a technological imperative. The automation policy of the Royal Mail has resulted in substantial investment in capital equipment and in a range of change projects associated with the new technology. It is beyond the remit of this paper to explore the full implication of technological change, but it is important to recognize that, typically, the technology projects required the redesign of work, thus challenging traditional methods of working. However, emerging from this were competing notions of work design that emphasized both flexibility and rigidity.

This is well illustrated with the example of two large initiatives implemented in each of the nine regional divisions in Royal Mail: total productive maintenance (TPM) and technical centres of excellence (TECEX). (For a full discussion see Noon *et al.* 2000.) The starting point of both projects is the efficient use of equipment, but this is achieved through different means. The TPM project is concerned principally with 'people management', because the sub-optimum performance of the equipment is thought to be due to a skills gap and the need for an attitudinal (cultural) shift. In contrast, the TECEX project is concerned with 'configuration management', because it is believed that a lack of benchmarks leads to different processing centres and to work-groups becoming unaware of how to operate the equipment for optimum performance. In defining the problems differently, the two projects consequently arrive at very different solutions as to how to optimize technology and labour, and ultimately demand different human resource strategies. TPM suggests the need to develop a large core of functionally flexible employees who work as teams, are committed to the workplace, have internalized corporate values, and use their knowledge of the work process and machines to improve productivity. TECEX requires a large,

numerically flexible pool of workers from which the requisite skills can be drawn to meet fluctuation in demand; standardized procedures and a limited task range would ensure productivity. Yet, although the underlying management ideologies are fundamentally different, both projects emphasized rigidity within job allocations and shifts: in the case of TPM, it was to consolidate teams around pieces of machinery; in the case of TECEX, to specify job tasks through more traditionally Tayloristic mechanisms of control.

Ironically, therefore, at strategic level there was pressure for rigidity resulting from political and technological imperatives for change, while the commercial imperative seemed to imply the pursuit of flexibility through teamwork. However, this disguises the extent to which the successful implementation of teamworking also required the adoption of new rigidities, thereby steering the organization away from the traditional functional flexibility within the Royal Mail.

7. The pursuit of new rigidities

An ironic twist in the policy of teamworking was that it required managers to pursue greater rigidity in the allocation of work and the organization of shifts. In effect, managers sought to establish 'fixed duties', whereby employees would remain in the same job rather than moving to different tasks across the workplace, and 'settled attendances', whereby employees sign up to a regular shift, rather than rotating across shifts. The underlying logic was that, in order to build up team identity and commitment, employees had to be dedicated to specific work areas and put on regular shift patterns. Thus, rigidity in the space (location) and time (shift) of working was the prerequisite for flexibility within that space and time. It was a tortuous logic, which the CWU were eventually to seize upon and claim the flexibility initiative back from management.

At strategic levels of management, the whole question of teamwork became a fixation partly confirming Proctor *et al.*'s (1994) thesis regarding the ongoing attraction of such approaches to organizational change within various management circles. At operational level, higher tiers of management saw it as necessary to facilitate functional flexibility, but the supervisors were far more despondent about the value of teamworking — not least because of the rigidities that it imposed. In many instances, supervisors were highly critical of the way they were being forced to work with settled teams of employees and develop new methods of working. For example, one supervisor identified the dilemma of fixing people in a team to get the work done yet requiring them to help other, less efficient, teams.

> Do you turn round and say right, we've got this to do, let's get it done, and when they've done it you then say 'You've got to go on the letters now' [another work area]. They'll say, 'That's a different team, that's nothing to do with us'. (supervisor)

Various workers articulated this in the same manner, noting how the existing co-operation between employees in different areas would be undermined by the formalized 'team' frameworks suggested by management. For example:

> Personally, I think it's daft [teamwork] because we've got it anyhow. We are working until 9.15pm tonight and then the 'Mech. Team' will help the team on the 'Forward Roads', but if people say you are definitely a Mech. team [member] . . . they will say, 'Why should we go and help them? We've done our work.' In that case we'll slow our work down and finish at 10pm. At the moment they've got everyone going across helping, [but if] you start putting constraints on it people will say, 'I'm not doing it'. It seems a bit daft really, when they've already got teamworking here. (supervisor)

This sort of viewpoint not only illustrates the rigidities of management change initiatives, but also reveals how the concept of 'team' is socially constructed among employees: it is associated more with co-operative and supportive patterns of work than with formalized arrangements that allow for performance measurement and competition within, and between, teams.

The increase in rigidities as a consequence of staffing ratios and fixed shift patterns was also giving supervisors some basic operational concerns:

> What Royal Mail is failing to recognize is . . . that we are not a production industry ... My traffic on my shift can fluctuate by 60% overnight. I need to be able to deal with that. I need to have contingencies in place to deal with that. And if I have a rigid situation, with my core staff fixed at my highest level, I'd have too many staff. That's why I need flexibility: to enable me to be productive and to meet the cost.

Other supervisors also pointed out the longer-term consequences of these new rigid practices for skill formation. They argued that fixing employees in established, set shifts and specific, narrow areas of work within the organization was unnecessary. For instance, one work area team leader (WATL) commented:

> I don't think that having one person on a machine makes them an expert because the people I've got here swap around anyway. If they want to swap they can swap because I feel sorry for them. I find that with the people I get, as long as they have had the initial training they are fine.

Similarly, another WATL's attitude to settled attendances typified the dilemma:

> Being honest. . . I think all you are doing is you are blinkering yourself to one job and I think you can get tired of just doing one job. As we are now split into processing, distribution and delivery [the main three functions in the Royal Mail], I think [employees] should be allowed to rotate . . . in their own areas . . . because, as I said, the processing and distribution does cover early, lates and nights [shifts], and I think that would be the way forward [to work] not just on one job, because you get a better knowledge of doing more jobs than just sticking to one.

There was also concern about the impact of fixed duties and settled attendances on staff motivation and morale. It is typified by the following quotations, the first from a supervisor and the second from an engineer:

> At the end of the day if somebody is unhappy, then they will go for change, the only person who is happy working a fixed duty is the person who wants to work that fixed duty... I mean you will get a lot of people who want to do permanent afternoons, want to do permanent nights and mornings, [but] when you start enforcing people on those duties ... they are doing the same job week in week out, it's got to be monotonous. When I was a PHG [Postal Higher Grade] not so long ago, I was on the foreign [type of mail], on afternoons, and I used to do a good job, I did it very well; but, at the end of the day, you just get bored with it, and from a manager's point of view, I can sympathize now.

> I believe that variety is the spice of life. To stay on the same job, day in day out is morale destroying. ... Some of the staff who are there have got jobs they really enjoy and would do it until doomsday and they wouldn't mind, but then you've got the mundane jobs. For every fixed one on a good job there's got to be someone on a mundane job that's going to be fixed as well. It's soul destroying. To try and get them to improve their performance is an impossibility, unless you give an incentive... What they want ... is to rotate.

The Communication Managers' Association (the trade union representing the supervisors) originally expressed grave concerns about the inflexible nature of the new working regimes and the stress levels it gave rise to in lower and middle management. They sponsored research into the area and came up with a set of studies highlighting the impact of fixed duties on stress levels among supervisors.

The important point is that higher tiers of management nationally and regionally required rigidities which they steadily, although unevenly, according to our research, began to achieve in the early 1990s. For teamwork to be effective, management needed to develop fixed duties in terms of job allocation, and settled attendances in terms of shift systems. While this was negotiated and agreed in different ways throughout delivery and processing offices in the Royal Mail, it led to a number of disputes in the 1990s, with the union condemning it as a more rigid approach to employment, thus strategically appropriating the 'flexibility' discourse from management. Trade unionists argued that the right to change shifts and perform work tasks across the organization was a key feature of the 'traditional' flexibility in the Royal Mail. They emphasized that the traditional Royal Mail employee was someone who, once trained, could perform a vast range of tasks throughout the organization and that this functional flexibility increased with experience and length of service. They criticized management proposals on teamworking for limiting this flexibility — and in particular pointed out the negative effects on the job content and satisfaction of established employees.

This was clearly articulated in the 1993 Cardiff dispute, among others, where the union emphasized in its campaign in the local communities that the new shift systems would impact on family life. On the awareness-raising

demonstrations during the Cardiff dispute and on its picket lines, children of employees held posters proclaiming that with the new working practices they would see their parents less often. Within the case studies, the fixed duties and settled attendances created new points of contestation and problems regarding the relations between work, family, leisure and home. A frequent theme from supervisors was the tension between the need to gain expertise on a job that comes through fixed duties and settled attendance and the motivational problems and social consequences. The dilemma is illustrated by this quotation from a supervisor:

> [Problems arise] when you've got young boys of 18 or 19, who play football, who've got girlfriends and all their mates go out to soccer matches on a weeknight and they're stuck in here ... at times, they're really cheesed off. Well you can't really motivate them, can you? You can just sympathize with them really... Phil was put into afternoons, he had no say really in it. He wanted the promotion [and] that was his job. Now he's got three young children, and he's been on afternoons now for four years, and his son likes to play soccer, and as I say, his wife Catherine she's got to do it all... That's the minus side of dedicated duties, but the plus side is the expertise... From an employer's point of view, I can see the benefits, but from a personal point of view, then ... you're looking at the personal issues which you've got to take into consideration.

In another case, a supervisor stated:

> I would assume there are people who are happy to do permanent shifts, if it suits their home life, but I can't see a vast lot of people wanting to do it. Or if they do want to work permanent shifts then they want the flexibility to change... If you put an argument against fixed duties, people [in support of fixed duties] say, 'but there are people swapping to do permanent shifts'. That's fair enough, but my point is they always had the choice... I broke up with my girlfriend two years ago and I know that it was solely because of the hours.

These social issues, in terms of work and non-work activity, were echoed by employees. Few of those we interviewed said that the changes benefited them, although most were resigned to its inevitability. In particular, it was the more experienced workers (the postal higher grades — PHGs) who were most critical. These two quotations are typical of the sentiments expressed:

> The afternoon shift is probably the worst, because a lot of people who are on it, you have got 90% of people who do afternoons, ...they are all junior grades... Anybody outside our section, probably the majority of them, are not there by choice, they are there because they are stuck there. (employee, PHG)

> There's never been as much automation as there is now, they are all pretty new machines. The shift patterns have changed; now we do 6 day and night turns. It's not for the better...we used to have a three man rotation in the old days ... so it wasn't too bad. And you were left alone on the shifts. When I did my driving duties, they never knew where I was... Nobody is happy. It was a disaster not to alternate people. We are not like machines, we need rotation. (employee, PHG)

In terms of how teamwork and flexibility were historically understood, the interviews with employees, trade unionists and managers revealed the sheer variety of jobs that individuals had undertaken during their careers within the Royal Mail. The remarkable diversity encouraged personal identification with the organization's own historical development — although this was clearly beginning to give way to a more instrumental attitude with regards to recent developments. Older employees had worked in a range of sections and commented on their experiences in areas of postal delivery, different areas of processing, code desk operations (where letters not read by machines were coded), sorting on the Royal Mail trains, driving the vans and so forth. Such diverse working arrangements would not be readily available to younger workers.

The traditional approach to workplace flexibility limited the possibility of control and of developing a more systematic approach to teamwork. Fixed duties and settled attendances became a necessary break with historically rooted systems of flexibility — an agenda that placed Royal Mail management in the somewhat awkward position of arguing for greater rigidity against the CWU's claims for flexibility. However, Royal Mail management reclaimed the flexibility initiative with an attack on seniority.

8. Flexibility through the abolition of seniority

The traditional system of work allocation in the Royal Mail was based on seniority. This meant that preference was given to the allocation of duties, 'acting up' responsibilities, shifts, access to overtime, holidays and so forth on the basis of the length of full-time service to the organization. In the situation of 'traditional' flexibility, this system provided a transparent and relatively straightforward mechanism for the rational allocation of work and promotion opportunities. However, Royal Mail management at the higher tiers began to question the role of seniority, owing to the way in which it limited the movement and locating of workers with 'necessary competencies' within specific areas. Management's critique of seniority was central to its aim to introduce functional flexibility and exercise discretion and control over the labour process. Royal Mail management wanted to exercise a greater prerogative over the suitability of worker qualities with specific fixed duties. In the words of one internal document, in which management outlined the need for change:

> Royal Mail values experience greatly and will regard appropriate experience as one of the key deciding factors when employees are considered for new jobs. But experience is not the only factor, and we must consider other issues such as maintaining a balance of skills in an office, offering opportunities for career development, and making best use of employees who lose a duty through no fault of their own. (internal document 1995)

The management argument was that there had to be more flexibility within the system of work allocation: seniority represented a rigidity that was

inappropriate to developing and recognizing the competence of individuals. It was also antithetical to the required functional flexibility within teams.

The CWU's response was to resist any attempt to change the system of seniority. While accepting that it provided an element of rigidity, the unions argued that seniority guaranteed the rights of workers within the employment relationship because it represented a way of preventing arbitrary management decisions and unfairness with regard to the allocation of preferential work. Seniority provided a transparent rule-based approach to work allocation. The union argued that management's desire to eradicate seniority was related to management policies of teamworking, and that line management's selection of teams would lead to favouritism and unfairness. According to one senior executive member of the CWU's postal section, seniority represented one of the union's main and final mechanisms for influencing management decision making in the workplace.

The CWU saw seniority as central to the 'just' ordering of flexibility in terms of job rotation, task allocation and shift systems, even if it was a rigid element of the employment relationship. However, one of the main problems with the system of seniority is that it is based on a 'male working paradigm', which tends to privilege those workers with unbroken, full-time length of service (Jenkins *et al.* 1997). It has not benefited women workers with interrupted employment patterns across the life cycle. As a consequence, there is an important gender impact in arguing for its retention, and interestingly, management has illustrated the unfairness of the system of seniority as part of the rationale for its eradication. Again it is an argument for flexibility — this time in the gender mix of employees in accordance with the allocation of work based on skill competencies.

The CWU's response has been to suggest that the real motive behind the attack on seniority is to casualize the work-force. They point to the increasing numbers of part-time and temporary staff. Walsh (1997: 15) noted a dramatic rise in the use of numerical flexibility such that 'this industry experienced the fourth highest proportionate increase in part-time jobs between 1984 and 1994 in spite of a fall in the level of total employment'. The fear is that the real flexibility will be in numerical terms, with the demise of full-time, secure jobs that have characterized the industry. The notion of a job in the Post Office being a job for life has been challenged in the 1990s, and the prospect of insecurity through non-standard employment is perceived by the CWU to be a real threat. It is eloquently summed up by the interviewee who commented, 'If the job goes, then you've gone! That's the major reason why people don't want the changes.'

The issue of seniority in the Royal Mail is central to its workplace politics. It has become the focus of a management strategy for greater 'functional flexibility', while the unions have responded through a defence of seniority which raises a series of issues with respect to worker representation as seen above. For the CWU, seniority was a rigidity essential for a distinct understanding and practice of functional flexibility and rotation within work, one that management had steadily moved away from since the late 1980s.

9. The story so far: the flexible-rigid paradox

The above discussion has shown how union and management promoted different systems of flexibility, distinct conceptualizations of teamwork and opposing forms of rigidity. Underpinning the general differences within the Royal Mail have been very distinct combinations and articulations of flexibility and rigidity. The response of the union to the way management has steadily altered the elements of the workplace and internal labour market has been based on a defence of an alternative — albeit historically traditional — approach to flexibility. The full extent of the difference is understandable only when we realize how it was based on these calculations of interest within the broad format of the workplace and employment: the differences were substantive not solely in content, but also in form. It is precisely the flexible–rigid policy mix discussed above that influences many of the internal differences that exist within management and trade unions. The CWU and management were proposing different combinations of flexibilities and rigidities, yet these combinations were also the subject of internal organizational processes and politics.

10. Negotiating the paradox

Different aspects of flexibility and rigidity have been privileged and combined at different times, and this serves to mask their interdependency. Within the labour process and the negotiation of the employment relationship, the paradox surfaces. Industrial relations institutions and actors are having to cope with transformations which involve a broader set of exchanges across elements of the employment relation that have not generally been the subject of systematic negotiation.

   The development of the Royal Mail's Employee Agenda policy document in the mid-1990s was an attempt to resolve within one framework the kinds of tension we have identified with regard to issues such as functional flexibility, grading, participation and seniority. The Employee Agenda sought to construct a new, 'coherent' set of terms and conditions of employment, elements of which had already emerged in an *ad hoc* manner. However, agreement proved elusive because issues such as teamwork, grading and payment systems were unacceptable to the CWU, many of whose rank and file were deeply distrustful of management motives. The resultant industrial action in 1996 might therefore be interpreted as the outcome of an increasing demoralization within the work-force owing to organizational uncertainty, a complex external political environment and increasing distrust in the way new managerial projects were implemented to elicit the support of employees for change. This internal demoralization was recognized by the Royal Mail from its annual employee attitude survey. The outcome of the 1996 national dispute — a 'fudged compromise' drawn over a long period of time — was predictable, given the

complexities of the changes and exchanges across the flexibilities and rigidities being proposed.

As the previous section pointed out, the way features of rigidities and flexibilities were combined within distinct approaches was such that trade-offs between features were not feasible. Management was constrained by external politics and the financial restriction requiring surpluses to be transferred to the Treasury, thereby obliging savings in the workplace to be made in order to create extra income for investment. This meant that there was neither the material basis for adequate financial compensation to be offered by management, nor the consistency across organizational change programmes for building trust among the work-force and the union. For two years after the dispute, there remained no agreement on questions of further workplace reform such as the development of teamwork. The internal sensitivity on such issues within the union influenced negotiations, as did ongoing managerial obsessions, even if a broad consensus has begun to emerge within negotiations — albeit one resulting from the changing external environment rather than from any internal changes within work-place relations and union–management negotiations.

The new governmental context since May 1997 could contribute to the way such tensions are resolved. In theory, the increasing amount of political influence of the union, added to the eventual industrial relations guarantees in terms of union representation, may allow compromises to be made across the range of issues outlined above. However, even if a long-term com-promise does emerge, the case is not that clear, for four reasons. First, the increasing formalization of industrial relations is not central to the government's agenda even if this has been a factor that has compounded the distrust between management and unions. The decision not to reverse Conservative legislation on industrial action is critical in the case of the Royal Mail because of the extensive use of legislation and injunctions by management during various disputes. This has previously contributed to developments such as teamworking being seen as part of an anti-union agenda.

The second reason for continued tensions is that the CWU voice that is heard in government committees and influencing backroom debates comes from the wing of the union that is convinced of the inevitability of new management practices — in particular teamworking. However, internal union divisions remain a significant feature of the CWU. Ironically, the change of government may contribute to the complexity of bargaining and flexibility outlined above, especially in the light of the informal relations between elements of the current and previous executive and Royal Mail management — an ongoing factor that derives from earlier periods when the union was in broad terms aligned to the right wing of the Labour movement. The question of workplace reform and the adoption of market-driven views of the Royal Mail is premised on providing broader parameters and guarantees in industrial relations terms, which effectively seal the exchanges regarding flexibility in the workplace. The divisions

within the union, and within management, with regard to these issues may however undermine the parameters of any broad national 'agreement', or could even lead to a less open debate within the union.

Third, the continuing interest in some type of privatization and commercialization, which was successfully delayed by the CWU and anti-privatization campaigners in 1994, might erode the parameters of macro-level agreements on the issues discussed above. It is for these reasons that the desire for bargained exchanges across the range of flexibilities and rigidities outlined above may continue to prove problematic even in what presumably is a changing and 'supportive' political context — political contingencies remain a significant feature (Batstone *et al.* 1984). This leads to the much broader issue of how distinct understandings of the market continue to be the subject of debate within the Royal Mail. Management programmes to reform and restructure the organization can be seen as a response to the recognition of an increasingly fragmented market. The 'inevitable' move to the private sector and the attempt to dis-establish a public ethos is premised on the assumptions that the organization must mirror increasingly diverse postal markets and demands in social, geographic and economic terms (see Jenkins *et al.* 1995). These are, ironically, quite rigid views of how markets are changing. However, counter to this argument is the support for a 'nationally accountable' (if not nationalized), integrated postal service that is globally orientated and has the resources and freedom to raise private capital, cross-subsidize its operations and penetrate new markets. In some instances such a view also calls for the reassembly of the Post Office, reconstituting the Royal Mail, Post Office Counters and Parcel Force as one organization with a quasi-public-sector status. Hence the question of general organizational structure has not been resolved around any common position on external economic and market changes, and this is further complicated by the competing visions between unions and higher management concerning the public-sector position of the organization.

The fourth issue concerns the feasibility of a stable and real agreement (as opposed to a nominal agreement). The combinations of flexibilities and rigidities are such that they are increasingly varied in scope and nature between different processing and delivery centres within the organization as unions and managers deal with the problems of change at the local level. If such diversification is occurring — and our research suggests that it is, even among new wave automated processing centres — then to what extent does it challenge the effectiveness of the national framework of negotiation? Moreover, to what extent can the national level be seen as attempting to provide coherency to what is an increasing degree of fragmentation in employment and organizational terms as expressed through local agreements on staffing arrangements and employment policies generally? In this respect, future research and analysis has to address the question of fragmentation and decentralization and its complex development in the Royal Mail.

11. Conclusion

This paper has attempted to draw out the complex question of flexibility, its manifestation at different levels of the employment relationship and organizational structure, and the political processes that combine these within different union and management agendas. It suggests that we should not continue to consider flexibility as a coherent and systematic phenomenon. Neither can we simply locate 'flexibility' within a specific historical context, typically with rigidity being seen as the precursor. Through an examination of a range of features within the employment relationship at the Royal Mail, it can be shown that there is notable variability — some aspects being rigidly structured while others are more flexible — and that such combinations have always been the case (as Hyman 1987, has theorized). Furthermore, the way in which distinct features of the employment relationship are combined within political projects and negotiating agendas must be understood. Thus, traditional views of flexibility mask the complexity of the particular case of the Royal Mail and allow for the dogma that managers are always in pursuit of flexibility while trade unions are intent on maintaining rigidity. Para- doxically, managers and unions both want flexibility *and* rigidity. The problem for the Royal Mail was that there were fundamental differences over the content and form of the flexible–rigid mix.

The paper argues that the relationship between management and unions within such a broad context of change can be understood only if we explain the way in which distinct elements of the employment relationship are com- bined and articulated in different forms by unions and managers (including groups internal and external to both). It is this articulatory element within the employment relationship in terms of flexibilities and rigidities that needs to be further developed within the debate on flexibility, and which allows the nature of exchanges and conflict to be appreciated more fully. Different languages of flexibility are constituted which are influenced by the com- peting interests and experiences of workers within the structure of the labour process.

While we emphasize that the emergence of flexible practices in part depends on the way they are related to rigidities within competing sets of strategic projects, we also point to the way in which distinct combinations of flexibility and rigidity become articulated by different categories of workers, as well as between the unions and management. In the Royal Mail, the types of functional flexibility proposed by management have been contested because of the way they undermine previous forms of allocating tasks and hours through the system of seniority. This traditional system of regulation has itself been contentious, given the way it privileges some workers over others — an issue that in particular lays it open to the charge that it disadvantages women employees. Different combinations of rigidities and flexibilities emerge which reflect both the vested interests and the social dimension that envelops the operational and political processes of exchange.

Therefore, this complex process of relating rigidities and flexibilities has to be understood in terms of these social tensions.

Acknowledgements

Note

1. In the case of the UK, Lovering (1990) argued that the move away from traditional internal labour markets and the emergence of new forms of workplace flexibility have led to changes in terms of workplace and labour market relations, but these have not resulted in any enhanced processes of skill formation and job enrichment.

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