

Towards a Union Theory of Management

Drawing from his work in social theory (combining sociology and philosophy), [Dr. Conor Cradden](#) kicks off our series of articles by members of the New Unionism Network on the general theme: 'Towards a Union Theory of Management'.



Beyond Hierarchy: Managing without the right to manage

Unions have never been slow to say to what they do not want for their members, but are always more reticent when it comes to proposing a positive vision of management and organisation. Although they are usually happy to talk about national or regional level policies on work and employment, it is very difficult to get union activists and officers to commit themselves to particular management strategies or approaches in particular organisations. This begs the question, what exactly do unions want from managers? What type of management is compatible with unions' most fundamental goals and values, and what would be the conditions for implementing it?

What do unions want?

There are probably two overarching goals that unite unions the world over: social justice and the democratisation of the workplace. These goals are closely linked, of course, since giving people a genuinely influential voice at work is not only an end in itself – it is inherently unjust to deny workers a voice – but is also the single most important means to prevent social injustice. Nevertheless, democracy and justice are not the same thing, and democracy does not in itself guarantee that an organisation will behave justly. For that reason I want to look separately at the *process* of organisational decision-making – democratic or undemocratic – and the *substance* of what is decided – just or unjust.

Can we justify 'management's right to manage'?

For well over a century, unions have been arguing that rights to participate in politics and government are pointless without similar rights in the economic sphere. Opinions have always been divided on what form those economic rights should take, but there is extraordinarily wide agreement that democracy should not end at the factory gate. This immediately raises the question of whether unions should ever accept that a self-selecting, self-perpetuating body of managers should have the right to control

organisations and the people that work within them. The first question I want to try to answer, then, is whether permanent management hierarchies can be justified at all.¹

There is one way of approaching this question that we can dismiss immediately, which is that ‘management’s right to manage’ arises from the property rights of the owners of the means of production. According to this view, managers are the agents of whoever owns the capital of the organisation, and their right to command is derived from the rights of the owners to use their property however they want. But this rather Victorian perspective only makes any sense if we accept that workers are genuinely free to decide whether to accept an employment contract. In reality, the overwhelming majority of workers are obliged to accept whatever contract they are offered because they have no property and have to work for a living. The enormous imbalance in economic power that results entirely undermines the ‘property rights’ justification for management authority. Justifying social and economic control on the basis of differences in wealth is utterly at odds with the principles of natural justice and democracy.

The other important possibility for grounding management authority is technical expertise. This one is not so easy to dismiss. The point of any kind of organisation is to do things that individuals cannot manage on their own. Organisations *organise* groups of people so that by working together they can achieve something that would be much more difficult if they were working alone. So the actions of people working in organisations are ‘coordinated’ – the job that each person does is one element in a bigger picture. Now, the process of action coordination doesn’t have to be complicated or difficult, nor for that matter does it have to be hierarchical. It can be as simple and obvious as saying ‘why don’t you look for firewood while I fetch some water?’. It does not have to involve dividing the members of the organisation into leaders and followers, and it does not mean that one individual has to have a better grasp on what the organisation is trying to do than anyone else.

But once organisations get past a certain size, or once what they are trying to do gets past a certain level of complexity, it starts to be necessary to think more systematically about coordination – about what exactly needs to be done, about how best to break the job down into person-sized parts, about which part should be done by which member of the organisation, and about how to put the parts back together again in order to produce coherent, effective collective action.

Many people think that the coordination of action within organisations is management’s main job. Management is seen as the structural glue that holds the organisation together, making sure that what each person does is properly linked to

¹ This is a surprisingly sensitive subject. When I was doing the initial research for my PhD thesis, I read over 500 documents about industrial relations and personnel management policy written between the late 1960s and the late 1990s by unions, employer organisations, governments and political parties in the UK and Ireland. Only one of these – an article by the leader of Ireland’s employers’ organisation written in 1969 – directly and openly addressed the question of who had the right to decide what organisations did. More usually the issue is dealt with obliquely, if at all.

what every other person does. So ‘management’s right to manage’ is based on its capacity to do this job effectively. This view, that managerial authority is derived from its technical expertise, is appealing in some ways. There is an obvious need for experts and specialists of various kinds in organisations. With the best will in the world, you and I and our friends could not organise ourselves into a car-making company overnight. Complex production processes obviously need to be designed by people who have the right kind of technical knowledge.

However, there are two serious problems with the idea that management authority is grounded on technical expertise. The first is deciding where the authority of experts starts and ends. For example, doctors and biomedical scientists can tell us about the characteristics of the HIV virus and how it is transmitted, but they cannot tell us how we as a society should go about responding to it. Should we put the emphasis (and the corresponding resources) on prevention or on treatment? Should we be spending billions on an all-out effort to find a vaccine, or should we focus on developing social strategies for preventing the transmission of the virus? The point is that the scientific evidence only gets you so far in all of this. Strictly speaking, making HIV testing compulsory and putting everyone who is HIV positive in quarantine for the rest of their lives would be a logical strategy, but it is not one that any reasonable individual would accept. So what action we take on the basis of the scientific or other objective evidence does not depend *solely* on that evidence. There are a whole series of other factors involved – political and ethical factors – that have nothing to do with science and that scientists and other experts have no more of an angle on than anyone else. To paraphrase the 18th century Scottish philosopher David Hume, you cannot derive an ‘ought’ from an ‘is’.

But what about when the kind of expertise we are talking about is expertise in the methods, structures and processes of organisation – expertise in management itself? This is the second problem with expertise in organisations, and this one is more difficult to get a grip on. As I said above, organisations are nothing more than a chain of coordinated or pre-planned interactions between people (yes, there are interactions with technology too, but they are a different matter). When I post a letter I expect it to arrive at the address on the envelope within a couple of days. This is not due to any unchanging laws of the universe but to a large number of people all following the same plan. Everyone has agreed that they will respond to the actions of other people in a pre-set way. If I go into the post office and buy a stamp, a chain of events is set in motion that, as far as I am concerned, is entirely predictable. But this predictability relies on all of the workers involved in sorting and delivering the post following a plan. If they *do not* follow the plan then they are likely to be excluded from participation in the organisation, i.e. fired. The worker at the desk cannot refuse to sell me a stamp without reason, nor can they refuse to allow me to put the stamped envelope in the post box. Other workers are obliged to open the box and to respond to the address on each letter in the appropriate way by sorting the post for distribution, and so on until the letters all get to where they are supposed to be. The point here is that the workers do not make the process up as they go along and as long as they want to remain within the organisation, they cannot refuse to play their pre-determined part.

Managers like to claim that all of these pre-determined parts and the processes that link them together are as they are because, in some technical sense, it is the best way to organise the job in hand. University business schools teach techniques of organisation and management as if these techniques were scientifically proven. The research that goes on in these business schools is the 'science' that underpins this teaching. It supposedly identifies the most effective techniques so that these that can be taught to managers on MBA and other courses. But all of this leaves out of the equation both the fact that organisations are made up of people and the fact that people are not robots. The social, cultural and personal cues and motivations for human action are extraordinarily complex and it is easy to misunderstand or misjudge people, even when you know them well. More importantly, in the final analysis people are always able to choose *not* to do what they are asked or told to do, even where there are serious consequences attached to doing so. Even where they do not feel they can openly resist management, employees' capacity for passive resistance is enormous and well-proven.

In short, employees will not necessarily do exactly what they are told. Although as we will see in a moment there are plenty of circumstances in which they will fall in line with what managers want, they may also interpret instructions in a way that their boss had not anticipated; they may nod in agreement but then carry on doing their job in exactly the same way as before; or they may simply refuse to do the things their boss wants them to do. What all this means is that management plans and techniques will not necessarily have the intended result. Even where they do it cannot be guaranteed that things will go as planned next year, or even next week. Although they might not admit it – even to themselves – most managers are perfectly aware of this. In fact, organisations compensate for it in a variety of different ways:

- breaking down the different tasks that need to be done into the smallest possible components, which among other things makes it easier for managers to see whether or not a job is being done in the intended way (the classic 'scientific management' or 'fordist' approach);
- ensuring that managers have the unilateral ability to impose heavy sanctions on workers who do not do exactly what they are told ('command and control' or 'macho' management);
- trying to persuade workers to *accept* that doing things management's way is a good idea (internal communication strategies and the 'management of values').

It is obvious that the first two of these techniques take no account of workers' opinions, but in fact neither does the third. The interesting thing about this approach is that it always avoids any kind of genuine engagement with the issue of whether or not doing things management's way actually *is* a good idea. Communication is all in one direction. It is all about 'getting our message across' and is not a genuine attempt to engage workers in a dialogue. These three approaches are very different, but the point

of them all is the same: to make sure that the organisation works predictably by getting workers to take certain actions and to behave in certain ways *regardless of what they themselves think about what they are required to do and how they are required to do it.*

Now, it may well be the case that workers are happy to do what their employers tell them to do. However, it hardly needs to be said that disagreement between workers and managers about what workers should do is very, very common. While this disagreement can sometimes become overt, in the majority of cases conflict between managers and workers is simply channelled into resentment and passive resistance because, after all, managers have their 'right to manage' and there is not much that workers can do about it.

So management expertise is less about designing structures and processes than it is about achieving worker compliance without stirring up too much conflict. Management techniques are less about effective action coordination than they are about getting people to do what managers want – even when they do not agree that it is a good idea. In the overwhelming majority of firms, management is less about coordination than it is about maintaining control. While managers try to keep up the pretence that they are implementing sophisticated technologies of organisation, they are in fact concentrating most of their efforts on trying to keep any kind of grip at all on what is going on.

But this is still only one element in the illusion of management expertise. Think about each of the links in the organisational chain of action. In the wider social context of the organisation, each of these tasks and interactions and relationships is surely either right (or legitimate or acceptable or decent – choose whichever word you like) or it is not. In fact there are certain types of organisational relationship that are universally recognised as wrong, and are thus illegal. Making people work 14 hours a day, for example, or employing children, or paying women less than other workers. But there are plenty of other ethically dubious practices that are perfectly legal. The standard protections afforded to workers, even where they are effectively enforced, still leave plenty of room for low wages, poor working conditions, insecurity and the absence of prospects for personal and professional development. There's also the ordinary tedium, daily humiliation or sheer back-breaking effort that are the lot of the majority of workers around the world. And all this is without even talking about what organisations actually do – about whether their contribution to society is worthwhile or pointless, sustainable or environmentally damaging, uplifting or culturally bankrupt.

This brings us back to management expertise. In a nutshell, what I have said so far is that the central job of management is to ensure that the links in the chain of organisational action coordination are accepted in practice by the workers involved, even where they would probably be *unacceptable* if judged according to the standards of dignity and decency that apply outside work. But it also now seems to be the role of management to dress up this unilateral application of raw economic power as the

legitimate exercise of a technical profession. Certain types of work, certain types of relationship and certain ways of doing things that would be shocking, offensive or even just ridiculous if they were proposed in non-work situations have come to seem entirely normal. This is because they are seen to be the rational consequences of our chosen mode of economic organisation. The few genuinely technical elements of action coordination in business organisations have been mixed in with fads (such as ‘total quality management’) and manipulation (based on research in social and cognitive psychology). The elements are artfully placed to hide the fact that, in many cases, all that is behind management authority is the power to fire workers if they do not fall into line.

What I have argued so far is that the two most commonly-cited arguments for the existence of legally-backed management authority are baseless. However, the bare fact that the existing justifications for management authority do not stand up does not in itself mean that it cannot be justified at all. Nevertheless, I believe that *any union theory of management should begin by entirely rejecting ‘management’s right to manage’*. In the next section I want to show how *any* kind of permanent hierarchy within organisations is not only undemocratic but leads to a higher risk of poor performance and socially damaging business practices. Certainly, there may need to be employees within organisations whose role is to ensure that action is properly coordinated. However, I do believe that dividing organisations into leaders (who have the *right* to decide how action will be coordinated) and followers (who have the *duty* to go along with whatever plans they produce) is both ethically unjustifiable and socially and economically counterproductive.

Against hierarchy

Before we start thinking about action coordination within organisations, though, it might be useful to take a look at the subject from a more general perspective. Every human being has an innate capacity for social action coordination. This innate ability is called rational argument and is more sophisticated and effective than any management technique. It involves trying to persuade people that you are right about something without having the power to force them to agree with you – by threatening to sack you, for example. There is a German philosopher called Jürgen Habermas who argues that this kind of unforced communication is how we come to know *everything* that we know – not only what is true about the physical world, but also what is the right way for people to interact and behave towards each other. Habermas argues that this type of communication is so fundamental that it is built into the very structure of language. The argument he makes is complex, but it is worth taking a close look at it.

In essence Habermas’s conception of rational argument comes down to two things. First of all, we recognise that the things people say are true or right or reasonable because they fit the evidence. They are built on facts we know to be true about the physical world and reflect moral codes, ethical standards, conventions and customs that we know are accepted within our social world. Second, what we understand when we hear some statement depends not just on the words themselves but on what we believe about the attitude of the person we are dealing with. If we do not immediately

recognise that what is being said is true or right or reasonable, then our first intuition is to question the *assumptions* that underpin what the speaker is saying. What happens next depends crucially on whether the speaker is willing to enter into an open-ended discussion about these assumptions, having accepted the possibility that they might be wrong about them. At issue here is the sincerity of their attempt to communicate – whether they are aiming to say what they say and nothing more, or whether they are trying to have some other effect on us. If they are not willing to discuss the basis of their argument, then this casts doubt on their motives.

Let's go back to the example I used earlier. If your friend and camping partner says to you 'why don't you get the firewood while I fetch some water?' then you will go along with this as long as three things are the case.

- First, getting firewood and water is physically possible and feasible.
- Second, getting them is what needs to be done for your collective good (you are in fact camping out that night rather than simply going for a walk; you agree that sharing the work needed to make sure you don't get cold and hungry is the right thing to do).
- Third, your friend doesn't have some hidden reason for sending you off to get firewood.

If these conditions all hold, getting the firewood is the only thing that makes sense. What your friend is suggesting is an entirely rational response to the situation in which you find yourselves. If you do not agree with what your friend is suggesting, it will be because you reckon that one or more of these three conditions is not in place. First, she might be mistaken about the physical/objective aspects of your situation. You might say, 'No, let's both go and get the water – we're going to need more than just one of us can carry'. In this case you are highlighting some objective physical facts of the case that make a difference to what makes for a rational way of organising yourselves, but which your friend has overlooked. Second, you could also argue with the moral or ethical basis of your friend's suggestion. You might say 'Come on, you know I hate collecting wood *and* I did it yesterday – let me get the water instead'. In this second case you are suggesting that there are certain ethical principles (about sharing work fairly and trying to accommodate reasonable preferences as far as possible) that your friend has not taken properly into account in her suggested work plan.

But, third, you might also object to what your friend is suggesting because you suspect that she has some motive other than your joint need for firewood. You might reply, "Hang on, are you trying to get me away from the tent?" You might suspect that her suggestion is not a sincere 'offer' of communication; rather it is an attempt to get you to do what she wants for some reason *other* than its simply being a good idea. She suggests that you get the firewood in the hope that you will assume that she is

suggesting it *only* because it is a good idea. In fact, she wants to get you out of the way so she can steal your chocolate or read your private diary.

In the first two cases you have the right to expect that she will discuss the issue you raise in good faith. She might well disagree with you, but that in itself says nothing about her motives. The point is that she should be willing to try to resolve that disagreement. In the third case, where you do not trust your friend, you are not issuing a challenge to the objective or ethical foundation of her suggestion for action (taken at face value), but to her motives in suggesting it. You are *not* taking her suggestion at face value. Whether going to get firewood is a good idea in itself is either irrelevant or serves only as an argument for or against the transparency of her motives.² If your friend is willing to talk, the discussion will be about her motives, not about the plan of action she has just proposed.

In any of the cases, however, if your friend refuses to discuss your problem with her suggestion then you have good reason to think one of two things: Either she is so disdainful of your views and opinions that she thinks it is not worth her while to discuss her plan with you; or, alternatively, she has some hidden agenda. In the first case your friend is arrogantly refusing to treat you as an adult. She is assuming that she has such a perfect grasp of your joint situation that there is no need to enter into a discussion about any aspect of it. In the second case, your friend may be trying to manipulate you for her own advantage – to achieve something *other* than the bare content of her words. She is trying to have an effect on your actions by the words that she uses, but the effect she seeks is different from the meaning of her words. There is no *logical* connection between you gathering firewood and her eating your chocolate (imagine if she had said “you go and gather firewood because I want to eat your chocolate” – it’s a complete non sequitur). Rather, the connection is imposed from the outside, by the fact of your friend’s manipulation. Her eating your chocolate is not part of the social world that you share and agree on.

Returning to our postal service example, although there is a similar lack of any inherent logical connection between putting a letter through a slot in a metal box and that letter arriving at the address written on it, the idea of a postal service is part of our shared, consensual social world. First, we all know how a postal service is physically provided (different means of transport, sorting offices and so on). Second, we all know what a postal service is for. We also agree that it is a valuable social institution and that being a postal worker is a decent and useful way to earn a living. Finally, we do not believe that the real reasons why postal services exist are hidden from us. For example, we do not believe that they are in fact government inventions designed to spy on private communication. All of this shared knowledge makes posting a letter a rational thing to do.

2 For example, one could easily imagine a situation in which the physical or ethical implausibility of some suggestion for coordinated action is part of what raises suspicions about the motives of the person suggesting it.

After that rather extended digression we can get back to management. For our purposes, the most important point that Habermas is making in all of this is that *we intuitively expect there to be a direct, rational relationship between what we all know about the physical and social world and the coordinated action we participate in.* This means that we intuitively want to question any proposed action where this connection is not obvious. For Habermas, there is a very strictly logical connection between refusing to respond to this kind of questioning and the attitudes and motives of the person who is unwilling to talk.

This has serious implications for conventional approaches to management and organisation. Formal hierarchies are precisely designed to allow debate to be closed down – if it is even allowed to begin. Hierarchical social structures like conventional organisations *officially, compulsorily and permanently* accord greater weight to the opinions of certain individuals and groups, giving them the power to impose their assessment of the situation, regardless of what the majority within the group think and believe.³

If we are right to say that hierarchy is about closing down debate, then there are two important consequences. The first is that within hierarchically-organised social structures, criteria other than what can be *shown* to be true and right can count in the search for what *is* true and right. Hierarchy allows action which is rational from *everyone's* perspective to be set aside. Instead, action can be designed to suit the purposes of smaller groups, or can be based on a worldview which is not widely shared. The Roman Catholic Church did not try to silence Galileo because it honestly disagreed with his views on whether the sun moved around the earth or vice versa. Quite aside from the fact that honest disagreement never involves trying to silence anyone, whether Galileo was right was not the point. The point was that his views were a threat to the power of the Church and it had the authority to stop him stating them. It did not have to bother to take his claims seriously. At the other end of the spectrum, Trofim Lysenko's theories about agriculture were supported by the Soviet government not because they were effective – they were mostly fraudulent nonsense – but because they were politically convenient. Stalin had awarded his government the right to pronounce on what scientific research was valid and what was not, regardless of what that research was actually saying.

The Lysenko and Galileo cases involve the suppression of demonstrably true facts about the physical world. Probably for this reason they seem extreme, but formal hierarchies perform exactly the same kind of suppression on political, ethical, moral and social facts and arguments. Because they are not denying physically demonstrable

3 The word 'permanently' is important here because it distinguishes management from other types of authority, notably the authority of the state and the forces of order. Citizens are obliged to obey members of the police force, for example, and particularly in situations of urgency the police are under no immediate obligation to explain or justify their commands. However, the obligation to comply is based on the assumption that the police could in principle justify their requests, and that if there is any question about the legitimacy of their actions they will do exactly that at some point after the urgency has passed. Managers, on the other hand, are not accountable to employees even in principle.

facts, it is harder to see that they are inflicting exactly the same kind of violence on the truth. The thing is that this is not just something that happens in some organisations at certain times. Rather, as we have seen, it is what organisational hierarchies are for.

The second consequence of this idea that hierarchy is about closing down debate is that subordinates are more likely to question the motives and/or the competence of their superiors. The use of the formal right to command actually makes it more difficult for those responsible for action coordination to succeed in their task, particularly when the situation is new or difficult. In most organisations, openly questioning management plans and instructions is just not done. Employees simply have to accept that whatever management says is what will happen. But, as we have just seen, the refusal to engage in debate about coordinated action sends a strong social signal. On the one hand, employees can interpret the refusal to debate as evidence that their managers think that talking to them is not worth the trouble, even though there may be serious problems with the plans they are proposing. On this basis, they may conclude that managers are arrogant, stupid or both at once. On the other hand, the refusal to debate might equally well be interpreted as evidence that managerial plans and strategies are not designed as a contribution to the pursuit of the common good. Instead they are taken as a means to promote some narrower or even hidden agenda. It makes perfect sense to believe that managers are avoiding discussion because it involves the risk that this agenda will be exposed.

Even where action plans could in principle be fully supported by rational argument, subordinates do not what they are told for this reason alone. It would certainly not be true to say that employees follow directions from management *only* because if they do not they risk being disciplined or dismissed. Although in fact it has often been said, it seems to me to be ridiculous to argue that management plans, strategies and instructions *never* have any foundation in a wider rationality that employees can recognise. There are bound to be a fair number of cases in which employees accept that management plans and instructions are right and reasonable. After all, the normal state of affairs in most organisations is not open conflict. At the same time, it would be difficult to argue that employees' opinions and attitudes are not coloured by the fact that if they refuse to do what they are told, or if they question management decisions in other ways, then they may ultimately be sacked. I would suggest that in the face of the possibilities for economic and psychological coercion that managers have at their disposal, workers have a tendency to make the best of a bad situation by *applying a different set of standards at work to those they would apply in ordinary life*. So rather than complying with plans and instructions that they positively accept as right and reasonable, they may (for example) fall in line when they recognise in management's commands an established way of doing things that in the past has not had obviously bad consequences. The threshold at which they will actively resist management unless certain questions are adequately addressed is pushed back beyond where it would be outside of work. Unfortunately, this is usually enough to ensure that bad decisions go unquestioned and that partial interests dominate the development of organisational plans and strategies.

Of all the aspects of organisational life that workers learn to accept as normal, perhaps the most important is their very subordination to management. They are excluded from participating in the construction of the social structures of their organisations. When they make plans and issue instructions, managers are claiming a *right* to command that workers are obliged to recognise. But as I argued earlier, it is impossible to defend this right by reference to some real, substantial social or economic standard – something beyond the brute legal right of managers to discipline employees.

Pulling this all together, what I want to suggest is that coordinating action via formal hierarchy exposes organisations not only to a higher risk that wrong decisions will be taken, but also to a higher risk that even when decisions are rationally defensible – when they are based on true facts and morally and ethically sound values and principles – the members of the organisation who are excluded from the decision-making process will not willingly accept them.

The process of action coordination: how should organisations decide what to do?

What I have argued so far is that management's 'right to manage' has no convincing ethical foundation and that managerial hierarchy increases the risk that bad decisions will be taken. The only possible conclusion we can draw from this is that the management function as we know it should be left behind. Instead, the process of organisational decision-making should be democratised.

Democracy or self-determination is a fundamental human right, recognised in every important statement of international law. None of these statements make any exception for economic activity. What is more, if we are abandoning hierarchy then democracy is the only way of coordinating action. Exactly what form this new organisational democracy could or should take is a big question, but certain principles are clear. At the root of it all is the notion that the coordinating function within organisations – the role currently played by managers – should not have the power to close down debate about what the organisation should do and how it should do it. This in turn means that our new coordinators should ideally have no formal power whatsoever over the actions of other members of the organisation. If this is to be the case in practice then there are two conditions that need to be fulfilled. First of all, the enforcement of worker discipline and decisions about career progression must be separate from the coordinating function, based on open and transparent procedures and (of course) compatible with the principles of natural justice. The second condition is that both levels of pay and the distribution of profits or surpluses between those who contribute capital and those who contribute labour must be determined on the basis of open and transparent procedures, and agreed by all members. Beyond these basic and universal principles, the way in which democratic organisations might function and develop seems to me to be entirely open. Any arrangements that meet with the approval of the members of organisations (via sound procedures) would obviously be acceptable.

The substance of action coordination – what should organisations do?

I said at the beginning of this piece that I wanted to treat questions of substance and procedure separately because procedural democracy is in itself no guarantee that organisations will do good things. In fact, many trade unionists are intuitively suspicious of positive forms of workplace democracy, in which workers have the right and duty to participate in decision-making about what will be done rather than the negative right merely to refuse to accept some decision that has already been taken. They believe that business organisations can *never* do the right thing as long as the logic that drives production is profit rather than need. They believe that regardless of who is making the decisions or how they are made, the logic of competitiveness within the market economy is the same and cannot be resisted. Organisational behaviour always converges on a pattern which in the long term is damaging to society as a whole. Those organisations that attempt to resist this pattern will ultimately be driven out of business. However, since workers are powerless to resist the system as a whole, they are obliged to participate in the market economy. Those who take this view argue that positive forms of workplace democracy make workers complicit in their own exploitation. They believe that any form of workplace democracy that goes beyond the right to organise and to say ‘no’ actually prevents workers from resisting the demands of the market, leaving society powerless in the face of uncontrollable and unpredictable economic forces. Since ultimately the only choices available to business organisations concern the detail of how to bend to the demands of the market, it is better for workers not to be distracted by the illusion of liberty that participating in the making of these choices provides.

This is a view that needs to be taken seriously, but addressing it properly would require engaging with a series of complex theoretical issues that we have discussed in detail elsewhere.⁴ At this point all I want to say is that I believe that the market economy *need not* have negative effects.⁵ Whatever the nature of the organisation, it seems to me that in principle it is plausible and viable for all its members to agree on underlying goals for their coordinated action. These could be something like the following:

- making a good quality product or delivering a decent service at a reasonable price;
- organising production or service delivery effectively, in a way that makes best use of the available technology and the talents of those involved;

4 For our earlier discussion of these issues see ‘The New Unionism: A Social Dialogue’, Conor Cradden 2008, available at: <http://www.newunionism.net/library/organizing/Hololog%20-%20New%20Unionism%20-%202007.htm>

5 Although on this subject, Michel Aglietta draws a crucial distinction between the capitalism that we currently have and the (theoretical) market economy: “A market economy and capitalism are linked but not identical. The market paradigm is one of exchange among equals; it can be formalized as competitive equilibrium. Capitalism is a force of accumulation. It is not self-regulating and does not converge to any ideal model. Inequality is its essence.” *New Left Review* 54 (November-December 2008), p.62. I believe that we can have a market economy that is just and sustainable, but that it would not closely resemble what we currently have.

- avoiding causing environmental or other social problems;
- distributing the profits among the organisation's members in a way that fairly reflects their contribution to production.

These goals may seem banal, but they frame the basic aims of the organisation in a way that makes it clear that its activities are primarily intended to maintain or improve the general level of social well-being rather than, for example, simply enriching a certain category of organisation member (the owners of its capital). If all business organisations were honestly and genuinely run along these lines, it is difficult to see how the ultimate outcomes could be negative. Perhaps even more important, though, is simply believing that it is possible for business organisations to make a consistently positive contribution to the societies in which they operate.

Finally, democratising decision-making procedures within organisations is in itself very likely to have a positive effect on the 'ethical quality' of organisation behaviour. This is because it blurs the line between the organisation and the rest of society. Opening decision-making procedures up to *any* reason for action that any member of the organisation wants to put on the table is a way of pushing the threshold at which proposals are questioned back to where it would be outside the economic context. It ensures that strategies, plans and actions and the effect these have both within and beyond the organisation meet the same moral and ethical standards that apply beyond the world of work and business.

Conclusion: three principles for a union theory of management

Existing, hierarchical types of management serve to close down rational discussion. We have seen that this allows partial interests to dominate organisational decision-making. We have seen that managerial authority gets in the way of effective organisational action by sending signals that workers are likely to interpret either as condescension or contempt. It is hierarchy itself that is at the root of these problems, and only abandoning 'management's right to manage' will solve them. In practice, this means three things:

- The management function as we currently understand it should be replaced by a democratic form of action coordination.
- This new action coordination should be entirely separate from worker discipline and reward.
- Rather than profit, the primary goal of the organisation should be to make an honest and sustainable contribution to the society in which its members live.

This paper should be referenced as "Cradden, Conor (2009) *Beyond hierarchy: managing without the right to manage*, Newunionism.net. Available at <http://www.newunionism.net/redirects/hierarchy.htm>"