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Excerpt

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## Introduction

Capitalism is a system prone to periodic bursts of technological and structural change provoked by the chaotic competitive movements of the world marketplace. Organisations, especially large-scale ones, manage and are managed by these forces, the relationship between involuntary and strategic change being a complex one. Business policies reflect fashion as well as the prevailing balance of power between leading nations and dominant firms in industrial sectors. However, corporations are not uniform in their response to crises; they have their distinctive histories, competences and specific management–labour dynamics which mediate change. This book explores how such factors mediated the restructuring of work organisation through the 1970s and 1980s within the specific context of one industrial sector and a major multinational company within this sector.

The book attempts to balance the influence of the forces of structure and of history on work innovation. It recognises the inherent determination of oppositional social relations within capitalism, but also that these are mediated through layers of concrete practice. We have avoided a blanket structuralism, where human action is subordinated to the power of blind forces or abstract processes that shape the direction of capitalism in some automatic manner. Likewise, voluntarism, where contingency and variety are somehow limitless, is rejected, because the choices available to management have definite limits and are made within identifiable parameters.

The book is about organisational change. It is about the planning of change within Cadbury Ltd, and in particular the company's Bournville Factory in Birmingham. It charts the decision-making process behind and within a major capital investment programme initiated in the mid 1970s and implemented throughout the late 1970s and early 1980s. It looks at strategy formation and implementation, in particular its impact on employment, occupations, skills and work organisation. It offers an interpretation of these questions through an in-depth, contextual analysis of Cadbury Ltd in

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its historical setting, its industrial sector, and the power relations within management and between management and organised workers.

The book began life as one of several case studies of the process of work restructuring within the Work Organisation Research Centre (WORC), established in April 1982 at Aston University by the then Social Science Research Council. Research commenced at Cadbury Ltd because it was undergoing the largest capital investment programme in its history, because access appeared forthcoming and because WORC was committed to examining the impact of major structural change on work. Through a process of evolution rather than design, through hours of meetings, discussions and argument, WORC eventually emerged with an intellectual project: to examine, through several in-depth case studies, major examples of successful or failed strategic initiatives which impacted on the organisation of work in Britain in the 1980s. The case studies were all of large organisations, and the sectors chosen for investigation constituted a 'typical variety' which WORC members perceived to characterise employment in contemporary Britain. Cadburys became 'the food case', alongside the cars, electrical, hospitals, construction, coal, and newspaper cases.

Through a sometimes arduous learning experience, WORC developed a conceptual language of investigation that members began to use, although it cannot be said that this became a common currency or dominant practice amongst all members or projects within WORC's output. The projects were broadly consistent in studying the 'design process', stepping back from the immediate point of production or delivery into the relationships between organisations and the network of equipment suppliers and plant contractors whose decisions structured work relations before any 'work' took place. The projects were also united in studying organisations or firms within a 'sector', which included suppliers and customers in addition to competing companies within the same product market. They were united by a 'structural' approach to work organisation, in which markets, sectors, and capital-labour relations are seen to be major forces shaping individual and collective action. However, there was also recognition of the part played by 'key actors' in shaping strategy and articulating policy that may be drawn from wider sector trends but nevertheless has to be mobilised within the internal decision-making processes of organisations. This book endeavours to balance the role of individual action and wider structural forces. Finally, the studies undertaken by WORC were also broadly uniform in focussing on management processes rather than the actions, aspirations and perceptions of workers, although trade unionists and industrial relations did receive attention.

Concepts like 'firm-in-sector' or 'historical reconstruction' were developed and entered the Centre's currency. They became in time sufficiently

### *Introduction*

articulated and embedded within the WORC 'team' to be defensible. As an early project within WORC, what is here called a study of *Reshaping Work* utilised several ideas, a central one being the 'firm-in-sector' perspective discussed in chapter 1 and more fully in chapter 9, which gives the work a distinctive Aston or WORC identity beyond that of the authors of the book. The book is concerned with the historical reconstruction of strategic ideas, tracing the paths of strategies, policies and individuals or 'key actors' through the course of work organisation at Cadbury Ltd as it was created over a twenty-year period.

The book is based on over sixty extended interviews with managers and trade unionists conducted between 1982 and 1985 together with many more shorter contacts. It also utilised company archives, Long-Range Plans, the minutes of Management Committee and project meetings, reports of factory visits by engineers and Cadbury managers, and a plethora of technical documentation relating to the capital investment projects that were introduced in the company from the late 1970s.

The book divides into three broad parts: the context of the company; the capital investment programme; and the relationship between the planning and implementation of work reorganisation at Cadburys and wider theoretical debates. The analysis moves from the general to the concrete, each chapter exposing different layers of contextual meaning through which to understand the process of work reorganisation which the company undertook from the late 1970s.

Chapter 1 locates Cadbury Ltd within its industrial sector, presenting a detailed analysis of the food industry and the dynamics within it. In particular it highlights Britain's key place in the global industry, and also its specific market, production and labour process features, which contrast with the dominant American pattern of mass production and consumption. Cadburys are seen as sharing many typically British sector characteristics, but also moving closer to the American model of production from the late 1970s.

Moving to a greater degree of specificity, chapter 2 explores the historical foundation and evolution of Cadburys and their Bournville Factory. Against the widely held assumption that Cadburys were anti-Taylorian welfare paternalists within a British Quaker mould, we argue that definite elements of Taylorism were incorporated into management thinking at an early period. These were mediated by other well-established company practices, such as support for trade unionism, industrial welfare and participation. We consider the major continuing strength of the company to be its ability to learn from abroad, and to search out new innovations in personnel, organisational and technical fields, and apply them in a coherent and systematic way at Bournville. The managers had an ability to synthesise and

### *Introduction*

package ideas as their own, and foster a distinct company ethos or culture that we call Cadburyism.

The development of Cadburys in the post-war period is described in chapter 3. Expansion through acquisitions and the merger with Schweppes in the late 1960s was followed by two distinct corporate strategies. The first was an attempt to enlarge the confectionery market through expanding new products; the second, a rationalisation of the firm's portfolio and a concentration on core brands which were supported by new manufacturing plant and more concentrated advertising budgets. The latter strategy formed the basis for the company to embark upon a major capital investment programme with important implications for the number and quality of products, plants and people required for profitable confectionery production in an increasingly global market.

Chapter 4 examines the detail and rationale for the capital investment programme. It brings out the competition between different management factions over the best way forward for the company, and explains why huge capital investment became the preferred solution. It then examines the nature of the changes to work organisation involved with the investment programme. Continuing with the social implications of the investment, the following chapter highlights the effects on intermediate, specialist workers – engineers, accountants and skilled manual groups – of changes to management structure that immediately preceded the investment. These autonomous groups of employees had their own career paths, occupationally based management hierarchies and a general independence from the regulation of production as it applied to the majority of Cadbury workers. However, prior to and during the investment period, these 'privileges' were removed and their occupational authority and autonomy undermined, replaced by new methods of regulation that we suggest subordinate these workers to the rhythms of production in a mass production company. In these changes we see the moves towards controlling specialist occupations through market contractualism rather than bureaucratic integration.

The changes we describe were not imposed. It was not part of the Cadbury ethos to coerce their employees. Change was negotiated, but there are sharp differences of management industrial relations style in the 1970s, and this is charted in chapter 6. Of special significance is the rising tide of industrial unrest as the scale of restructuring increases. Not only does the company witness its first major confrontation with production unions in its history, but it also sees such thoroughly entrenched institutions as the Works Council, established in 1919, dismantled and reconstituted in a form which radically reduces the strength of organised workers. Cadbury management considered the reform of industrial relations necessary in order to get full value out of their capital investment. We describe the shifts in style

### *Introduction*

from macho management back to a consensus, polar moves which were possible because styles were personified by individual managers whose entry and exits were coordinated by senior management at Bournville. Cadburyism, as an essentially consensual ideology, was not replaced or eliminated during these radical reforms of industrial relations; rather styles changed, but the company ethos continued to be reproduced through institutionalised practices.

Chapters 7 and 8 present two cameos of work reorganisation from the investment programme. Both follow a similar format, examining the stages of the design process from the conception of new production facilities to the implementation and staffing of plants. In contrast with much writing on the labour process which regards the search for and supply of equipment as unproblematical, these chapters emphasise these dimensions and the way that the design parameters within a firm are informed by sector practice, the dominance of particular occupations in project teams and the organising themes taken from corporate strategy. Both chapters highlight the moves towards more intensive, flexible and computer-controlled forms of labour regulation, and the decline in job demarcations, supervisory hierarchies and labour-intensive, small-scale production systems.

In part 3 of the book we step back to explore wider theoretical linkages between work reorganisation at Cadburys and developments in the literature on organisational transitions and managerial strategies. Chapter 9 elaborates the 'firm-in-sector' perspective used in the book. As against environmental determinist models of firm behaviour, we argue that organisational change is mediated by the objective requirements given by sectors, the actions of firm managers who select and amplify sector knowledge, and the cooperative networks between the various corporate agents within sectors. The *process* of change, we suggest, proceeds through distinct and identifiable phases, but without clear beginnings and ends. And while we are careful to delineate periods of stability and transformation in Cadburys' history, continuity exists alongside change, as organisations rarely completely eliminate the sources of routine even when experiencing significant systemic or radical restructuring. Our account therefore weaves the threads of continuity and discontinuity, and generally cautions against the all too pervasive trait within organisational literature of emphasising the new against the old, promoting and projecting the innovative without assessing its mediation through the layers of firm practice that modify and accommodate radical change.

The final chapter addresses the question of managerial strategies towards work organisation. It argues that far from such strategies switching between polar positions of coercion and consent, direct and indirect control, there is rather a continuing conflict within management over the appropriate ways

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of managing work and workers. This conflict is premised on competing occupational ideologies used by management specialists to advance their career tracks through the organisational hierarchy. Only occasionally are these conflicts fashioned into a strategy capable of uniting several management specialisms around a common policy objective. The chapter examines how within Cadburys different models for production, product range and work organisation reflected different occupational ideologies and periods of dominance by different functional groups. It explains the rise of a manufacturing coalition following the failure of product proliferation in the early 1970s, and how this group was central in defining and directing work restructuring during the capital investment it had struggled to get introduced.

The key conclusion from both chapters, and indeed the whole book, is the importance of understanding firm behaviour in terms of the interaction between sector dynamics and the actions of key change agents who select, amplify and mobilise ideas for change within the structures they manage.

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## PART I

# Cadbury Ltd and its context

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# 1

## Cadbury Ltd in its sector

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### Introduction

All large [food] companies have broken out of their product boundaries. They are no longer the bread, beer, meat, milk or confectionery companies they were a relatively short time ago – they are food and drink companies. Sir Adrian Cadbury

Until the 1960s Cadburys were primarily a chocolate and confectionery manufacturer. In the course of the 1960s, through acquisitions and mergers the product range and identity of the company changed towards those of a food and drinks manufacturer. This transition, as Sir Adrian Cadbury makes clear above, has characterised all the large food and drinks producers, diversification being a central business strategy in the food industry from the 1960s. As Cadburys have followed similar product patterns to those of large food manufacturers, it is legitimate to begin our discussion of the company with a portrait of the structure and nature of the UK food manufacturing industry. Indeed Cadbury, although long identified with chocolate and a distinctive brand of welfare management, does not seem so unusual when looked at through the perspective of sector.

The expansion in scale of production, the growth of mass markets, nationally branded products, and the rapid concentration and structuring of most segments of food manufacture into giant firms are all features common to the history of chocolate and most other segments of the UK food industry. This chapter is concerned to explore these linkages between the company and its wider industrial sector, in order to isolate general sector trends from more distinctive firm behaviour and action.

What characterises most economic introductions to the food industry is the remark that as a sector it has been badly neglected by economists (Burns, 1983; Maunder, 1980; Ashby, 1983). One could add that social science as a whole has ignored food manufacture, distribution and retailing,



### *Cadbury Ltd and its context*

preferring more sophisticated, technologically exciting industries such as chemicals, cars and engineering products in general. The reasons are not hard to find. Food manufacturing is generally regarded as producing simple products, incorporating unskilled tasks and, an important point, using predominantly female labour. This lack of attention to food manufacture has created a number of paradoxes.

Technologically food manufacturing probably contains more assembly lines than any other sector, although it is the car industry that has emerged as the major stereotype of routinised, alienated and fragmented labour in the twentieth century. Mass-production systems in food manufacturing are almost exclusively populated by female workers, although it has not been their words, actions and experience that have entered the general textbooks of work. This lacuna has not been filled despite recent accounts by feminist writers of women workers' experience of assembly-line work (Pollert, 1981; Cavendish, 1982; Coyle, 1984; Liff, 1986).

Secondly, it was the food industry that pioneered the early use of conveyor-belt methods for the production of biscuits for the English navy in the early nineteenth century, and dis-assembly lines for pig-processing in the US of the 1870s (Hirschhorn, 1984: 9). It was also the food industry that developed a model of mass production in which luxury products became cheaper and were produced for mass markets in concentrated, integrated factories using dedicated equipment and de-skilled labour. The American confectionery firm Hershey exhibited a commitment to mass production and marketing of a single item and embraced a 'philosophy of changelessness' (Tolliday, 1986: 32), supposedly characteristic of Ford, a decade before production of the Model 'T' (Shippen and Wallace, 1959: 115; Wagner, 1987: 17). Despite these precedents, it has been the car industry and ubiquitous 'Fordism' that have come to represent the archetype of this kind of mass production (Palloix, 1976; Aglietta, 1979; Sabel, 1982).

Thirdly, historical accounts of the rise of managerialism have discovered that sophisticated and enlightened employment practices were most often associated with large firms employing female workers (Nelson, 1975, 1980). Although food, drink and tobacco manufacturers are well represented within this category, it has nevertheless been engineering and male-dominated industries which have attracted most attention in discussions of the growth and diffusion of Taylorism, for example. More recent analysis of the correlation between company performance and labour management policies have stressed the importance of paternalism, personal control, consultation and cooperative arrangements, which have been found most frequently amongst process industries, especially the large food, drink and tobacco companies (Sisson and Purcell, 1983; Edwards, 1987). Yet such sectors remain under-researched.

### *Cadbury Ltd in its sector*

So whether the focus is the experience of work, managerial ideologies or production regimes, serious attention to the place of food manufacturing is long overdue. In locating Cadburys within the large food-firm sector it is our intention to draw attention to the wider significance of the sector for understanding the nature of work in contemporary capitalism. This chapter begins with a discussion of the different routes to industrialisation in the food industry, and the significant divergence within monopoly capital sectors between British and American companies. We then examine growth strategies within the sector and the distinctive work organisation and labour-market features of the industry and how these compare with the situation at Cadburys.

### **Approaches to the analysis of the food industry**

It is now generally recognised that the best way of understanding the character of food manufacturing or processing is to examine it within the context of the food chain or system (Burns, 1983; Jenkins, 1986; Wiggins, 1986). That is to say, the food industry consists of agriculture, manufacture, retail and distribution, and catering and consumption, and no one part is independent of the others. The stages between primary production and consumption vary according to the nature of the product, some foods necessitating secondary processing, others existing in raw and refined forms. Because of the versatility of food it has been argued that the system as a whole has certain features not present in other manufacturing sectors. This is because food, unlike chemicals, cars and machine tools, can often be consumed in several forms, and processing can be organised within a variety of production systems – the household, a small factory or a giant organisation. The industrialisation of food manufacture has not eliminated less-developed or pre-industrial production forms, such as handicraft or household economies, from all parts of the sector. Jenkins (1985) put it this way:

The food production chain is not like the car production chain. All cars are made by the same technological chain, from mining metal ores through to the finished car. Food is consumed raw, fresh, cooked, canned, frozen, dehydrated, processed, refined, etc. Whilst a tomato requires primary production, transport and retailing and nothing else, a canned tomato requires primary and secondary processing, preserving in cans, etc., yet the market for one is often at the expense of the other. Because food is sold and eaten at all stages of preparation and processing, the food companies are constantly threatened by consumer preferences.