



OXFORD

# Organizational Behaviour and Work

A CRITICAL INTRODUCTION

Fiona M. Wilson

SECOND EDITION

# **Organizational Behaviour and Work: A Critical Introduction**

---

**Fiona M. Wilson**

Professor of Organizational  
Behaviour, Department of Business and  
Management, University of Glasgow

**OXFORD**  
UNIVERSITY PRESS

**DEDICATION**

*For my closest relatives and friends on whose love and support I depend.*

## ■ ACKNOWLEDGEMENTS

Thanks must be extended to Stewart Clegg who was instrumental and inspirational in helping design the original course from which this book has developed. The first set of reviewers, Chris Grey and David Wilson provided much support and enthusiasm at the proposal and later stages of the book that motivated me in the writing. For the second edition six new anonymous reviewers have provided the most positive and constructive feedback a prospective author could wish for—many thanks to them.

## ■ CONTENTS

INTRODUCTION	1
1. Scene Setting	7
2. Rationality: From Founding Fathers to Eugenics. Is it all about Fitting Workers to Jobs?	25
3. Rationality and Bureaucracy	49
4. What Work Means	65
5. The View from Below	73
6. Sexuality, Sex Typing, Managing Emotions, and Feeling in Control	91
7. When Organizational Behaviour is not so 'Good'	105
8. The View from Above: What Managers Do	127
9. Motivation	145
10. Power, Control, and Resistance	163
11. Culture	179
12. Teams and Teamworking	205
13. Organizational Learning	223
14. Leadership	237
15. Health, Well-Being, and Stress	253
16. Being Unemployed, Being a Volunteer, and Being 'on the Fiddle'	265
17. All Change?	277
18. Alternative Organizations	297
INDEX	309

## ■ INTRODUCTION

Work occupies a substantial proportion of most of our lives. It can be a symbol of personal value, provide status, economic reward, and a potential. It can also be regarded as a punishment. Work and employment structure our lives and shape inequalities of condition and opportunity.

Work can be divided into four types. The first is recognized and rewarded work which is paid. This takes the individual into a labour market to sell their skills, time, and energy to an employer like a university, a private or public company, or their family, if they work in their family business. The second type is reproductive labour and concerns the efforts involved in raising one or more children to adulthood. A third type of work is maintenance labour, the chores necessary to maintain yourself and other members of your family by cooking, paying the bills, food shopping, gardening, laundry, and so on. The fourth type is unpaid work, voluntary work for charities, churches and other religious groups, hospitals, and political parties. Levels of voluntary activity are high and there has been a rapid growth in the number of charities (Halfpenny and Reid 2002).

Women still take the major share of housework and childcare even when both partners work (Gershuny 1997; Mihill 1997; Bianchi et al. 1999). Women on average do about 70 per cent of household work (Baxter 2000). They do the lion's share of domestic work even when husbands are retired or unemployed. Husbands' household labour is 'remarkably unresponsive' to decreases in their overall working hours, to increases in their wives' working hours, and to the fact that their wife is a high earner (Kynaston 1996). Men's lives 'continue to be consistently enhanced by their appropriation of female labour' (Kynaston 1996: 233). Little mention is made of this in books on work or organizational behaviour. The context in which work is defined as men's or women's work must be considered. The all-pervasive influence of culture and social structure on organizational behaviour needs to be explored.

The book is designed to challenge what constitutes organizational behaviour (OB). The meaning of the term is far from clear. Is it behaviour that occurs in some specified place and not in others or behaviour controlled by an organization (Weick 1969: 25)? Should we only be interested in behaviour that happens within organizations? What happens within organizations affects what happens outside and vice versa. Organizational behaviour is seen here chiefly as being about the particular ways that individuals' dispositions are expressed in an organizational setting and about the effects of this expression. While at work there is rest and play. What happens in rest and play, both inside and outside the organization, impacts on organizational life.

We also can gain insight into organizational behaviour by looking at less organized work, like work 'on the fiddle', which has been examined by both psychologists and social anthropologists, and what work means to the unemployed. This book would ask you to question what organizational behaviour is and how it is influenced. What are the common characteristics to be found in organizations and what behaviour draws our attention? For you is it all about work, or do rest and play have a part too?

## 2 INTRODUCTION

Textbooks on organizational behaviour usually include chapters on perception, personality, motivation, job satisfaction, job design, leadership, learning, and socialization. We seem to have accepted the litany of topics which fall under the heading of OB. This litany does not reflect the much wider range of issues and topics under discussion in management and OB journals. Nor are these topics usually dealt with from a critical perspective, examining for example the weaknesses in the research from the 'gurus' like Herzberg and Belbin. Organizational or occupational psychology has mainly informed the discipline that is cited in textbooks, yet is only one small part of what currently is recognized as constituting OB. The psychology approach has a 'scientific' view, a mission to construct and validate theories that can explain and predict organizational behaviour. Science provides a justification for believing there is no problem with the status of knowledge. Knowledge produced through scientific methods is unproblematically true and scientists are potentially neutral agents in the process (Hollway 1991). The individual is usually the unit of analysis. Theory construction in organizational psychology is based on a highly analytic and experiment-based form of science, rooted in the natural sciences. There has, in the past, been an unwillingness to reflect on and critique the discipline (Steffy and Grimes 1992), though there are now books which treat psychology critically (e.g. Fox and Prilleltensky 1997; Trew and Kremer 1998). The bulk of the research in organizational psychology does not focus on dynamic issues like organizational power, conflict, class, politics, and ideology. As a result there is a very tidy and sanitized view of what goes on in organizations, yet we all know that work issues and behaviour in organizations are much more than this. There is uncertainty, chaos, and confusion in organizing. There is control and resistance, work being degraded and deskilled too. Workplaces are not peopled by high-performing, highly committed individuals bound together in a common cause by a corporate mission enshrined within a strong organizational culture (Noon and Blyton 2002). Workplaces are sites of inequalities, divided by class, levels of education, race, and gender. Workplaces are places where romance takes place, where people find others they develop relationships with, outside work. They are also places where harassment, bullying, and other behaviours take place. We need then a critical approach, taking a critical or radical view of contemporary behaviour in organizations, an approach that considers fun, exploitation, repression, unfairness, and unequal power relations. Sociology must inform what Organizational Behaviour is in textbooks too.

Much of what we read in textbooks about work is about men and their work, how they are motivated, how they gain job satisfaction, are stressed, and so on. As Crompton (1989: 129) too has noted, much of the empirical research and theorizing on work, particularly in sociology, is derived from outdated studies of predominantly white male production workers. The theory of organizations and work is mainly a chronology of men's writings, research, and theory. Female management theorists, like Mary Parker Follett (Graham 1995), Joan Woodward (Tancred-Sheriff and Campbell 1992), and Simone Weil (Grey 1996) have been written out of, or marginalized from, the history and development of management ideas. Classical theory comes from the intellectual 'fathers' like Weber and Taylor. The fathers' ideas formed the foundation for the theory and research methods of organizational behaviour. Women's experiences are conspicuously absent from theory, methods, and data. Practically all organizational behaviour, analysis, and theory is about the male world. The topics that preoccupy it are topics which preoccupy men—power,

leadership, technology, stress, the world of the (mainly male) manager and the work he does, and so on, with women only as adjuncts to men. If women are dealt with it is usually in a chapter thrown in as an extra, almost as beside the point rather than as an intrinsic component of behaviour in organizations. Half the population of organizations is left at the edge or just tagged onto OB texts (Wilson 1996). Very little in organizational behaviour texts deals with the nature, structure, and functioning of female-dominated jobs. Despite the fact that authors such as Richard Brown (1976) and Janet Wolff (1977) argued nearly three decades ago that gender should figure more largely in organizational analysis, little progress has been made (Wilson 2003). A great deal of research focuses on men with no reference at all to women but when research is focused on women, it is almost always with reference to men. If comparisons are not made with men, the research is viewed as incomplete (Bernard 1998). Research on women in their own right is not worthy of male attention.

#### A PERSONAL EXPERIENCE

A Ph.D. student had an experience where this view became a reality for her. She presented her research proposal and methodology—on women entrepreneurs (women who own and manage bed and breakfast establishments) to a group of academics and found that they did not think that she should limit her study to women. What about men who own and manage bed and breakfast establishments, they asked? Would the same question have been asked if she had designed her research on male managers or male entrepreneurs?

I published a book *Organizational Behaviour and Gender* (in 1995 and 2003) to try to begin to redress the balance. Gender is not just about women, but also about men. Gender is more than an individual trait or set of roles. The differences between women and men are not essential to either sex. This book is written, as others like Grint (1998) and Noon and Blyton (2002) have begun to do, to discuss women's work in balance with men's, to think about the implications of unpaid domestic work, to consider issues of ethnicity as well as gender. (If, when reading this book you think there is too much on women and work, ask yourself why this is the case when about half the population of organizations is female.) Gender is systematically and inextricably tied to other inequality issues like race, sexual orientation, and class.

The issues of the racial and ethical foundations of organizational power and control are only just beginning to emerge in the literature (Reed 1996). Race, like gender, offers itself as a kind of performance, a set of practices, and language. If we were to 'colour' organizational studies, we would need to think more about what colour means and take apart the grammars of race (black/white, African/American/Asian American, native/indigenous) to track racial identity and search ideological commitments (Ferguson 1994: 93).

Another area from which OB could profitably draw is emotion and feeling. As Fineman (1996) notes, a scan of the indexes of textbooks on organizational behaviour and theory reveals few, if any, entries under emotions or feelings. Yet gripes, joy, drudgery, anger, anxiety, frustrations, glee, embarrassment, and tedium are part of the social creation and



## 4 INTRODUCTION

personal expression of work and organizational life. Activities like recruiting, firing, negotiating, and persuading are felt and shaped by feelings. Emotion emerges as an issue in many of the chapters here; you are asked to consider the place of emotion in organizations.

This book also asks you to look outside what are normally thought of as organizations and how we usually think of work. What can be learnt from 'deviant' work, work in the sex industry, like prostitution, for example? Everett Hughes, a sociologist, encouraged his students to look at 'dirty' or deviant types of occupations. These occupations are interesting in their own right and can help highlight factors of general relevance to work experience which we might not notice in conventional work where we too easily take them for granted (Watson 1997). Why is there so little mention of sex, violence, pain, and power in organizational life (Burrell 1997: 52)? Gibson Burrell would say that organization studies tend to ignore or hide that which is thought to be unacceptable in polite company and management writers have acted like funeral directors or morticians, using cosmetics and 'rouge of excellence' to cover 'necrotic collapse' of organizational structures. There is plenty of research which reveals the difficulties, problems, and realities of organizational life, and plenty from outside organizations that could help inform our understanding about what happens in organizations, but so far little of it has appeared in mainstream management textbooks.

The book has been written as an alternative to the standard introductory texts in management. The purpose was to provide a fresh critical look at management and organizations, to uncover the issues and assumptions underlying the world of management and subject them to scrutiny. The emphasis here has been on exposing and discussing deep-seated features of organizational life like inequality, conflict, domination, subordination, and manipulation. It was written particularly for those people who acknowledge that there are few certainties about how to manage and many difficulties, uncertain tensions, irrationalities, and dilemmas to face in the mundane realities of work.

This book is designed to offer an introduction to a view of organizational behaviour that has a long history but, as yet, has not been included in many of the introductory texts. The style of writing is deliberately simple and straightforward in order to encourage students to grasp the basic ideas, arguments, and controversies before moving on to more complex levels of analysis and explanatory theory. Some of the chapters are longer than others; for example the chapter on meaning of work is short while the one on culture is long. This should not lead students to assume that the longer the chapter, the more important the subject. Shorter chapters may occur as there is less research currently on the topic or if there is much more which is closely related; for example in the case of meaning of work there are close links with the view from below and unemployment chapters.

Lecturers who want to use this book as a basis of their course design have some choices to make. They could lecture, using some of the sources here or from elsewhere, having the book as mandatory or supplementary reading, using the questions for further research (now simply called 'questions') and reading for tutorials, assignments, and exam questions. Or they could abandon the lecture/tutorial mode of teaching in favour of using the book as essential reading and the questions for further research as a basis for student projects for class, assignment, and exam. What was lecture time could be used for exercises

like stress testing, or for excerpts from films or video as a means of getting attention for the subject. You choose.

## ■ QUESTIONS

1. Where does student work fit in? What category would you need to add? Why isn't the work you do as a student defined as 'work'? Look at the contents pages of other management and organizational behaviour texts and see what kind of work is typically discussed.
2. How do Organizational Behaviour books usually treat behaviour. Whose approach is being used? Is it useful to a practising manager? If you were a practising manager, what would you want to know?

## ■ SUGGESTIONS FOR FURTHER READING

There are other textbooks that encourage critical thinking in management, for example L. Fulop and S. Linstead (1999), *Management: A Critical Introduction*, Houndmills: Macmillan and A. B. Thomas (2003), *Controversies in Management: Issues, Debates, Answers*, London: Routledge. Similarly P. Thompson and D. McHugh (2002), *Work Organizations*, Houndmills: Palgrave and T. Watson (2002), *Organising and Managing Work*, Harlow: Pearson Education Ltd., and J. Barry et al. (2000), *Organization and Management: A Critical Text*, London: Thomson Learning help develop a more critical approach to the realities of work organization.

## ■ REFERENCES

- Baxter, J. (2000), 'The Joys and Justice of Housework', *Sociology*, 34/4: 609–31.
- Bernard, J. (1998), 'My Four Revolutions: An Autobiographical History of the ASA', in K. A. Myers, C. D. Anderson, and B. J. Risman (eds.), *Feminist Foundations: Towards Transforming Sociology*, London: Sage, ch. 1.
- Bianchi, S., Robinson, J. P., Sayer, L., and Milkie, M. (1999), 'Is Anyone Cleaning the Bathroom? Trends in Gender Differentials in Housework', paper presented at the American Sociological Association Meetings, Chicago, August.
- Brown, R. (1976), 'Women as Employees: Some Comments on Research in Industrial Sociology', ch. 2 in D. L. Barker and S. Allen (eds.), *Dependence and Exploitation in Work and Marriage*, Harlow: Longman.
- Burrell, G. (1997), *Pandemonium: Towards a Retro-Organizational Theory*, London: Sage.
- Crompton, R. (1989), Review of Y. Gabriel (1988), *Working Lives in Catering*, in *Work, Employment and Society*, 3/1: 129–30.
- Ferguson, K. (1994), 'On Bringing More Theory, More Voices, More Politics to the Study of Organization', *Organization*, 1/1: 81–100.
- Fineman, S. (1996), 'Emotion and Organizing', in S. R. Clegg, C. Hardy, and W. R. Nord (eds.), *Handbook of Organization Studies*. London: Sage Publications, ch. 3.3.
- Fox, D., and Prilleltensky, I. (1997), *Critical Psychology: An Introduction*, London: Sage Publications.

## 6 INTRODUCTION

- Gershuny, J. (1997), 'The Changing Nature of Work', press release, ESRC Research Centre on Micro-Social Change, University of Essex.
- Graham, P. (1995), (ed.), *Mary Parker Follett: Prophet of Management*, Boston, Mass.: Harvard Business School Press.
- Grey, C. (1996), 'Towards a Critique of Managerialism: The Contribution of Simone Weil', *Journal of Management Studies*, 33/5: 591–611.
- Grint, K. (1998), *The Sociology of Work: An Introduction* (2nd edn.), Cambridge: Polity.
- Halfpenny, P., and Reid, M. (2002), 'Research on the Voluntary Sector: An Overview', *Policy and Politics*, 30/4: 533–50.
- Hollway, W. (1991), *Work Psychology and Organizational Behaviour: Managing the Individual at Work*, London: Sage.
- Kynaston, C. (1996), 'The Everyday Exploitation of Women: Housework and the Patriarchal Mode of Production', *Women's Studies International Forum*, 19/3: 228, 232–3.
- Mihill, C. (1997), 'New Man is Shunning Equal Shares of Chores', *Guardian*, 8 Sep.
- Noon, M., and Blyton, P. (2002), *The Realities of Work* (2nd edn.), Basingstoke: Palgrave Macmillan Press.
- Reed, M. (1996), 'Organizational Theorizing: A Historically Contested Terrain', in S. R. Clegg, C. Hardy, and W. R. Nord (eds.), *Handbook of Organization Studies*. London: Sage. ch. 1.1.
- Steffy, B. D., and Grimes, A. J. (1992), 'Personnel/Organizational Psychology: A Critique of the Discipline', in M. Alvesson and H. Wilmott (eds.), *Critical Management Studies*, London: Sage, ch. 9.
- Tancred-Sheriff, P., and Campbell, E. J. (1992), 'Room for Women: A Case Study in the Sociology of Organizations', ch. 2 in A. J. Mills and P. Tancred, *Gendering Organizational Analysis*, London: Sage.
- Trew, K., and Kremer, J. (1998), (eds.), *Gender and Psychology*, London: Arnold Publishers.
- Watson, T. J. (1997), *Sociology, Work and Industry*, London: Routledge.
- Weick, K. E. (1969), *The Social Psychology of Organizing*, Reading, Mass.: Addison-Wesley Publishing Company.
- Wilson, F. M. (2003), *Organizational Behaviour and Gender* (2nd edn.), Aldershot: Ashgate.
- (1996), 'Research Note: Organizational Theory. Blind and Deaf to Gender?', *Organization Studies*, 17/5: 825–42.
- Wolff, J. (1977), 'Women in Organizations', in S. Clegg and D. Dunkerley (eds.), *Critical issues in Organizations*, London: Routledge & Kegan Paul, pp. 7–20.

# 1

## Scene Setting

This chapter aims to provide a context for understanding behaviour in organizations. While other textbooks might wish to describe the environment in which organizations operate in terms of finance, stakeholders, and other influences or constraints on organizational behaviour, this chapter aims to describe key facts about people and work in order to set the scene for the rest of the book. It wants you to think about what information would be useful to you when you are a manager.

---

Chapters on the business environment in management textbooks tend to concentrate on background information on how to analyse the general business environment and identifying environmental influences—the political, legal, economic, socio-cultural, and technological influences. The examples given are usually of manufacturing organizations. Rarely do examples include the farming industry, service organizations, or charities.

If you work for a charity, you will want to know about how to boost donations against a backdrop of statistics that suggest that individual giving is lower now than it was ten years ago (NCVO 2001). Further it might be useful to know that the worse off give proportionately more than the better off. The richest 20 per cent of households give less than 1 per cent of their household expenditure to charities. Seven hundred thousand top-rate taxpayers gave nothing to charity in 2001 (*Observer*, 5 May 2002). The poorest give 3 per cent (Banks and Tanner 1997). Some research demonstrates a larger discrepancy (Egan 2001). The reasons for lack of giving by the rich are explored by Edwards (2002). If you are a manager in the Department of Social Security, you might need to know that there is an increase in the numbers of those in poverty despite the national minimum wage and the working families tax credit (*Guardian* 2001).

The farming industry receives a lot of media attention but virtually no attention in mainstream management texts. Farming is increasingly being dominated by large corporations who have an interest, for example, in promoting genetically modified (GM) crops. Interesting questions for managers are 'Could better management reduce the reality of hunger for over 800 million people in the world?' 'Will GM crops stop hundreds of millions going without enough to eat?' If you manage a charity like Christian Aid, this is a crucial question. Christian Aid believes that GM crops are irrelevant to ending hunger (Christian Aid Reports 2000: 2). One way it is managing its campaign is by gaining the support of over forty organizations ranging from the Iceland Foods retail chain to the

Townswomen's Guilds. Famine could be a management problem. In 1995 India exported 5 million tonnes of rice and \$625 million worth of wheat and flour. At the same time, more than one in five Indians went hungry (Christian Aid Reports 2000: 6). There is more food available but more people are going hungry. For example the food available to each person in Latin America increased by 8 per cent between 1970 and 1990 but the number of those going hungry increased by 19 per cent (Christian Aid Reports 2000: 6). Is this a situation that could be managed? Has the promise of globalization, which was to lift underdeveloped economies onto a level playing field with the developed ones, failed?

## Globalization

This is a term originally used to describe the gradual connection between different societies. Globalization now usually refers to the global presence and expansion of organizations like Christian Dior, McDonald's, or Exxon and products like Coke as well as global production methods like Just in Time, Total Quality, and Lean Production. Coupled with the increasing role of worldwide telecommunications and e-commerce, there is an unprecedented rate of internationalization happening. This is the case with new ventures as well as old (Oviatt and McDougall 1995).

Many scholars make the mistake of equating large organizations with globalization. For example, while Walmart (who operate Asda in Britain) is the biggest company in the world, as measured by sales, it is not a global company; it is primarily a North American business with only 9.6 per cent of its stores being outside its home region. Similarly Carrefour of France has 9,200 stores but only 19 per cent of Carrefour's revenues originate from outside Europe so it cannot be called a global company (Rugman and Girod 2003).

Globalization is a strongly contested concept, one reason being that there is no consensus as to its meaning and significance. It is thought, for example by Steeten (2001) to lead not to bland sameness across countries, but to sharpened social-spatial inequalities. Sociologists are concerned that national and regional cultures may be submerged by a common global capitalist culture and that globalization will increase existing inequalities as well as the pace of growth of individualism (Herriot and Scott-Jackson 2002). So much for the global situation but what would you need to know about the working population in Britain?

## The Working Population in Britain

As the general population in Britain is gradually rising so the number of those of working age is increasing. The population is expected to rise from 59.2 million in 1998 to over 63.5 million by 2021 and to peak around 2036, then gradually fall. With the increase in the state retirement age of women from 60 to 65 (expected between the years 2010 and 2020) the working age population will further rise in numbers (Population Trends 2000). The prevalence of disability increases with age. Currently 19 per cent of the working age

population are long-term disabled (Labour Force Survey 2001). The number of children parents have is also changing; instead of the average family having 2.5 children it is expected that they will have 1.8. (Evandrou and Falkingham 2000). Data on ethnic origin of the population in the UK show that 92 per cent are white. Only 3.5 per cent are Asian or Asian British while 2 per cent are black or black British. Chinese make up just 0.3 per cent (Labour Force Survey 2001).

#### **Thinking about Cloning and the Reproduction of Sameness**

**Essed and Goldberg (2002) provocatively ask who, in the future, will be biologically cloned? It seems likely that in the biological cloning of humans the preference will be for male, white, able-bodied, heterosexual, and highly intelligent beings. Whilst biological cloning is still to be realized, cultural cloning brings exclusion into focus. The preference for reproducing white (Euro) masculine privileges in terms of race, ethnicity, gender, or profession is not contested with the same force of indignation as might be found in the case of biological cloning. The exclusiveness of the whiteness of the highest European echelons remains silenced. Thirty years of equal opportunities has done little to change the reproduction of sameness (see also Special Report on Race in the Boardroom 2002). Preferences for sameness are also embedded in our allegiance to copy culture, mass produce, consumerism, and the promise of eternal growth (Schwarz 1996; Klein 1999).**

The working population is ageing so will today's youth have to support an increasingly large elderly population? Is age discrimination stopping older workers supporting themselves? These are all questions that are regularly raised in the media. There have been some alarmist projections of demographic 'time-bombs' in Britain arising from population ageing and declining fertility. There are more older people in our society; in 1901 nearly one in seven were aged over 50 but by 1997 this had doubled to one in three (ONS 1999). The state retirement age for women is going to be increased from 60 to 65; this is going to be phased in by 2020 so the size of the female working age population will increase. The older population is heterogeneous with substantial differences in socio-economic status, employment patterns and stability, education, ethnicity, and gender (Bernard et al. 1995; Elman and O'Rand 1998; Phillipson 1998).

The working population is gradually becoming older. By 2008 it is expected that the population of pensionable age will exceed the number of children (Shaw 2000). One reason for this is increased life expectancy, which is expected to rise from 74.9 years for men to 78.5 and from 79.7 years to 82.7 for women by 2020. As people live longer and medical advances help older people lead active lives, they may want to work longer or may welcome early retirement as a time to establish their own business and a means of gaining control over their lives. Will the increase in pensioners bring increased pressure on health and social services or will tomorrow's older population be wealthier and healthier? Research indicates that as life expectancy increases there will be a rise in the proportion of people experiencing light to moderate disabilities but a fall in those with severe disabilities (Evandrou and Falkingham 2000).

The alarmist projections were fuelled by a growing trend of older people, particularly older men (over 50 years old) leaving their jobs prematurely. Early exit from employment

accelerated during the 1980s and 1990s. The early exit phenomenon has been described as 'one of the most dramatic economic transformations of labour markets in modern industrial economies' (Rein and Jacobs 1993: 53). It entails a number of routes out of employment including early retirement, voluntary or compulsory redundancy, dismissal and retirement on grounds of ill health. Early exit in most cases proves permanent (Duncan 2003); it is widespread across both the public and private sectors, in growth industries as well as those experiencing employment decline (Campbell 1999). At one stage it was thought that this trend would create jobs for the young and reduce official rates of unemployment. In fact it was discovered that older workers should be persuaded to stay at work in order to offset the impending shortage of young workers (House of Commons 1989). Early exit is now seen as a phenomenon derived from age prejudice.

The issue of age prejudice and age discrimination remains under-researched. The definition of who is an older worker is ambiguous and contingent. It varies with industry, occupation, and gender. For example women report experiencing age discrimination or being considered too old for employment at earlier ages than men (Encel and Studencki 1997; Ginn and Arber 1995; Onyx 1998).

## Ageism

The term 'ageism' came into existence around the same time as 'sexism', in the late 1960s in the USA but only entered public discourse in Britain in the 1980s. It refers to the systematic stereotyping of, and discrimination against, people because they are old (Loretto et al. 2000). Research has clearly shown that older workers experience ageism.

Recent research for the Department for Education and Employment finds widespread evidence of discrimination against older workers (DfEE 2001*b*). Around one in four older workers report experiencing age discrimination in relation to job applications. One in twenty report experiencing age discrimination with respect to promotions, training, and development as well as compulsory retirement. Employers dispense with workers aged 50 and over through voluntary or compulsory redundancy on grounds of age or costs (Parsons and Mayle 1996). Studies of performance appraisal show older workers receiving lower performance ratings than their younger counterparts (e.g. Saks and Waldman 1998) and pay discrimination when compared with younger colleagues (Barnum et al. 1995). Career progression is also limited (Cox and Nkomo 1992).

Attempts to counter ageism have been made by the British government, who set up an Advisory Forum on Older Workers in 1992. An Employers' Forum on Age followed this in 1996, aimed at persuading employers to jettison ageist practices. These initiatives have tried to discourage discrimination in terms of exit, recruitment, training, and promotion practices. The way the argument has developed is that discrimination on the grounds of age is only ageist if guided by irrational prejudice and mistaken beliefs rather than by commercial criteria (Campbell 1999). Employers, it has been found, think that older workers are less productive and have less relevant skills. They think they are resistant to

change and new technology, are less trainable, leave employment sooner so that training them has a lower rate of return, and are more prone to absenteeism and ill health (Taylor and Walker 1993, 1995). Older workers are less likely to undergo training and less likely to be offered training by employers (Taylor and Urwin 2001). Yet age has been found to be a poor proxy for performance (Grimley Evans et al. 1992). Discrimination against older workers can lead to sub-optimal use of human resources and a narrow pool of talent on which to draw. Early exit due to discrimination has resulted in skill shortages, a loss of 'collective memory', and the good relations, coupled with an understanding of the ageing market, generated by ageing workers with ageing customers.

It is not just those in the older age groups who are discriminated against in employment. A quarter of those between 16 and 24 claimed to have experienced age discrimination in employment (Age Concern 1998). Upper age bars in some recruitment advertisements for professional posts are set as low as 30 and training and promotion opportunities tend to diminish rapidly after 40 years of age (Trinder et al. 1992). A survey of workplaces found that 40 per cent have formal written equal opportunities policies that included reference to age (Culley et al. 1998: 13).

## STOP

#### **An Example of Ageism**

**Generation Xers—those born in the 1970s and 1980s are seen as fickle. They are stereotyped as inexperienced, lacking in responsibility and dependability, disloyal, and more interested in their social lives than work. Half of those under 25 say they have been discriminated against because of their age, claims a survey by the Chartered Institute of Personnel Development (Hilpern 2003). If you are 'youthful' is this your experience?**

## **The Ageing Population and Business Ownership**

Recent government initiatives have encouraged older people to remain economically active. Initiatives aimed at getting people back into employment, promoting self-employment and business ownership amongst older people include PRIME, New Deal 50+ scheme, and the Employment Zones initiative (DfEE 2001*b*). Of those aged 65 or over, who are economically active, a quarter are self-employed (Tilsey 1995). Older people seem to run successful businesses. Cressy and Storey (1995) found that only 19 per cent of start-ups survived after six years, but 70 per cent of the businesses, with owner managers over 55, were still in business. Older people are more likely to have the experience and assets for business ownership than younger age groups (Fry 1997). One would expect older people's motivation for setting up a business to be a strong desire for independence and control. Maybe it is because they face discrimination in employment, but there is a dearth of research on motivation to set up a business amongst the older group.



## The Growth of the Enterprise Economy

Small and medium sized-businesses (those with less than 250 employees) account for 99 per cent of all businesses in the UK (Department of Trade and Industry 1997). While the importance of new firms to economic growth and competitiveness has been widely recognized (Hay and Kamshad 1994) and the encouragement of enterprise has been central to the economic strategies of successive governments, the success of the 'enterprise economy' depends on a flow of individuals willing and able to start up in business. There has been a substantial increase in the number of mid-life small business start-ups (Fuller 1994). Widowed women have been found to exhibit higher entrepreneurial rates than any other category (Goffee and Scase 1985). Many individuals invest redundancy payments or occupational pensions providing themselves with a business that they envisage will provide them with stable employment until the end of their working life (Fuller 1994).

## Unemployment, Employment, and Race

Since 1997 unemployment has continued to fall. One of the reasons for this has been changes made to the benefit system (Nickell and Quintini 2002). Unemployment benefits have declined and the whole benefit system has become more focused on getting the unemployed back into work.

When the male partner in a couple becomes unemployed, you might expect that the female partner will find a job to supplement the household income. However research has indicated the opposite (McGinnity 2002). In Britain the employment rate of the wives of unemployed men is considerably lower than the employment rate of the wives of employed men. There has been a rise in both 'work rich' households and 'work poor' (Gregg and Wadsworth 1999). This may be because both partners lack education or that the leisure times of husbands and wives complement each other and so the couple may prefer to spend time together rather than the wife working when the man is unemployed. Alternatively it may be that they negatively view the prospect of the woman becoming the breadwinner.

Despite legislation to combat racial discrimination, Britain's non-white ethnic minority do not appear to face a level playing field in the labour market. Within this group unemployment is higher for Pakistani, Bangladeshi, African, and Afro-Caribbean women and men (Sly 1996); the lowest rates are for Chinese men and women (Bhavnani 1994). Their relative position does not appear to have improved since the 1970s. Native ethnic minorities appear to be faring little better than their parents (Blackaby et al. 2002). National figures for unemployment show high rates for those from ethnic minorities. For example 21 per cent of Pakistani and Bangladeshi women are registered as unemployed compared to 4.9 per cent for white women (Dale et al. 2002a). Even with higher-level qualifications Pakistani and Bangladeshi women experience considerable barriers to employment and have high levels of unemployment. There are major differences in the