# Social Partnership and the Mutual Gains Organization: Remaking Involvement and Trust at the British Workplace

Mark Stuart and Miguel Martinez Lucio
Leeds University Business School

This article explores the development of partnership-based approaches to industrial relations at the British workplace. Drawing empirically from a unique data set of Manufacturing, Science and Finance Union (MSF) workplace representatives and a workplace case study, the article explores the attitudes and experiences of trade unionists to partnership and assesses the level of support and voice mechanisms open to them in furthering the partnership agenda. The study shows that while MSF representatives appear open to the responsibilities placed upon them in the rhetoric of partnership, there is little evidence to suggest that management has reciprocated.

*Keywords:* involvement, mutuality, partnership, trade unions, voice

## Introduction

The concept of partnership has, in recent years, dominated the discourse of industrial relations. In the UK, the USA and also at the European level, policy-makers have sought to advocate the reconstruction of labour–capital relations around a new form of partnership-based, pluralist dialogue that is alert to the demands of the enterprise and the need for common solutions to employment issues. This 'modernization' of employment relations is underpinned by a desire to replace the legacies of 'hostile' industrial relations with a new era of consensus. The aspirations and supposed benefits of the 'new agenda' are eloquently captured in the European Commission's Green (consultative) Paper on the organization of work:

*Economic and Industrial Democracy* © 2002 (SAGE, London, Thousand Oaks and New Delhi), Vol. 23(2): 177–200.
[0143–831X(200205)23:2;177–200;022935]

> The concept of partnership includes . . . workers and mangers in the firm. The renewal of the organisation of work can only be achieved by the firms themselves, involving management workers and their representatives. . . . This could lead towards a partnership for the development of a new framework for the modernisation of the organisation of work, taking account of the interests of both business and workers. . . . Such a partnership could make a significant contribution to achieving the objective of a productive, learning and participative organisation of work. (European Commission, 1997: 22)

The potential of the partnership approach is clearly an important European strategy (and research priority), yet, to date, little empirical work has been conducted on the practical utility of the concept and significant research questions remain unaddressed.[1] How, for example, is the partnership approach to be developed and implemented at industry and workplace level? How will this process of implementation be shaped or constrained by national-specific legacies of social dialogue? Crucially, given the emphasis on trade unions to adopt new bargaining issues and approaches, what are the attitudes, experiences and concerns of actual workplace trade union representatives to the partnership agenda?

This article examines the partnership approach by focusing specifically on the British case. It draws empirically from a unique survey of workplace representatives of a large British trade union, the Manufacturing, Science and Finance Union (MSF), and a workplace case study. The argument presented here focuses principally on the issue of voice mechanisms (Hirschman, 1970). One of the preconditions for the development of 'effective' partnership, so the argument runs, is the establishment of clearly delineated and sustainable negotiating partners and constituencies. To what extent, however, are trade unionists entering into the new terrain of partnership with the necessary support mechanisms and established voice mechanisms that will allow them to make a series of complex exchanges with management? The article begins by outlining the context and meanings of partnership. After a discussion on methodology, the empirical findings are then presented. In conclusion, concerns are raised with regards to the paucity of voice mechanisms within British industrial relations and the concerns trade unionists have regarding such issues (Towers, 1997). The article argues that the main challenge for the evolution of partnership at the British workplace is the ability of the social partners to remake industrial relations around a more proactive pluralist dialogue without the economic and institutional guarantees of the postwar era. Hence

the idiosyncrasies and legacies of Britain's involvement culture continue to frame the nature of contemporary strategies at work and their acutely political character.

## The Context of Partnership: The Third Way

The mid- to late 1990s represented a turning point in the political and ideological climate of industrial relations. The re-emergence of centre and centre-left governments in parts of Europe and the USA pointed to a putative rejection of 'New Right' hegemony. Instead, a new political discourse, based around 'The Third Way', began to emerge, which questioned the economic privileging of market forces and the ideology of individualism.[2] In simple terms, the consequences for labour relations are twofold (albeit inferred rather than explicit). First, it allows more space for state intervention in the arena of labour relations, in order to ensure that support mechanisms exist for the most disadvantaged and unrepresented in society. In the UK, for example, this is evident in the introduction of the National Minimum Wage and Statutory Trade Union Recognition procedures. Second, it lays the basis for a 'new' pluralist dialogue between employers and unions by emphasizing the importance of *consensual* workplace relations to economic development. Of key concern here is the perceived need for the social actors to shift the locus of engagement away from *distributive* sectional interests to *integrative* mutual-sum issues such as training and development (see Stuart, 1996).

While the politics of the Third Way is more sensitive to the requirements and rights of labour it is underpinned by a framework of reciprocal responsibilities. In this respect, the dialogue between labour and capital within the employment relationship has to be premised on a shared understanding of the 'threats' confronting them. Capital has to provide the opportunities for employee development, while labour has to recognize the 'business case' and amend its demands accordingly. In essence, then, advocates of the Third Way propose a 'coerced pluralism', whereby the social partners recognize that they are not independent, but mutually dependent. This is a key part of the communitarian philosophy that underpins the Third Way (Smith, 1997). Labour has a role to play, as does the enhancing of worker rights, so long as it is recognized that the common goal is economic efficiency and flexibility.

In this respect, some argue that this political development carries elements of the New Right legacy (Driver and Martell, 1998).

## The Labour Relations of Partnership: Some American and British Influences

Partnership as a practice and ideology has various origins and precedents. It cannot simply be reduced to the transfer of a series of techniques and 'philosophical' concepts from the USA. The changing political context, transformations in management strategy and the ongoing challenge to western economies are all seen to necessitate a new dialogue within the employment relationship based on an awareness of 'either side's' contribution. Nonetheless, it is possible to identify a number of important reference points. The publication of Kochan and Osterman's (1994) *The Mutual Gains Enterprise*, for example, offers an analytical framework that provides a legitimate role for trade unions in the management of change in (traditionally anti-union) American businesses. This analysis emerges out of the strategic choice literature of the 1980s, which, broadly speaking, argued that regardless of the problematic economic context of the decade, managers and unions could strategically develop alternatives and responses at various levels of the organization (Kochan et al., 1986). The literature on partnership continues this trajectory, arguing that there are a range of 'excellent' firms in the USA that have achieved this status due to their collaboration with unions (Kochan and Osterman, 1994). For Kochan and Osterman, mutual gains enterprises train their staff more, involve them more in decision-making and treat them in accordance with a broad set of principles that are based on social justice. Trade unions have an important role to play in facilitating this. Crucially, the constituent elements of the mutual gains enterprise can only be delivered, according to Kochan and Osterman, if mutual trust exists between an employer and its workforce.

Kochan and Osterman's account is as much prescriptive as descriptive: it calls to the attention of managerial constituencies the benefits of sustaining dialogue with unions. Within the UK context, the emergence of interest in, and enthusiasm for, partnership has been summarized by Ackers and Payne (1998). For them, partnership provides trade unions with a historic opportunity to 'come in from the cold'. Their argument rests on the fact that the

concept of partnership should not be seen as being politically closed. Partnership can be contested and engaged with by unions: it can be used to deepen their institutional role at various levels of the employment relation and the state. In effect, unions should 'play back the rhetoric of employee involvement and become active agents in the workplace and wider society' (Ackers and Payne, 1998: 529). This leitmotif of mutuality has not, however, been without its critics, with a number of commentators identifying significant difficulties, and dangers, for trade unions in adopting the partnership approach (Kelly, 1996; Marks et al., 1998; Taylor and Ramsey, 1998). Kelly (1996), for example, notes that the espousal of cooperation rings somewhat hollow compared to the hostility and marginalization experienced by unions in recent years. He therefore makes a passionate plea for more militant, and active, union strategies, rooted around mobilization rather than cooperation. Nonetheless, at a national level it is clear that the British union movement has promoted the partnership agenda as the basis for union 'renewal'. As yet, however, it is unclear how this is to be achieved at the workplace level. Indeed, research by Taylor and Ramsey (1998) reveals that in practice partnership can cause significant problems for the vitality and legitimacy of workplace unionism.

Even within Kochan and Osterman's supportive work on partnership there is, however, a fundamental caveat – a reservation – that is present in much of Kochan's earlier work as well. For partnership strategies to work in such a way that they allow for the development of a systematic link between workplace flexibility and employment security, the broader voice of labour has to be extended and institutionalized:

> At the macro level the new system would involve a greater acceptance of unions in society and meaningful labor law reform and a growth oriented macroeconomic and industrial policy, all derived from a rebirth of the political influence of the labour movement. (Kochan, 1985: 345)

Kochan and Osterman (1994) reiterate these concerns by pointing to the need to develop German-style works council systems, greater trade union and employee representation on boards, greater employee financial stake-holding and a greater public commitment to training (Kochan and Osterman, 1994: 125–35). These dimensions are seen as vital preconditions for partnership to develop as a socially and economically 'beneficial' strategy (Martinez Lucio and Stuart, 2000). Within the Anglo-Saxon world of industrial

relations this desire to complete the modernization of industrial relations along the lines witnessed within key parts of Europe is apparent. Yet these preconditions are rarely discussed as central features of the partnership debate, both in academic and practitioner circles.

## Methodology

The article draws from ongoing research into the evolution and politics of partnership-based approaches to industrial relations. At a quantitative level, the article presents data from a workplace survey of MSF trade union representatives. The MSF is one of the UK's largest trade unions, with 425,000 members. While it mainly represents skilled and professional workers (mainly technical and scientific), it covers a wide range of industries and services in the public and private sectors and has a reputation for developing innovative trade union strategies (for example, around training and development and organizing). Its workplace representatives provide, therefore, an excellent data source for exploring the development of partnership-type approaches.

The purpose of the survey was descriptive, rather than explanatory (Saunders et al., 2000), aimed at providing an up-to-date snapshot of the changing nature and forms of industrial relations across MSF's key sectors and the extent to which partnership-based approaches are taking root at the workplace level. To this end, the survey sought to elicit the attitudes and experiences of MSF representatives to the changing terrain of industrial relations and the principles and practices of social partnership. It is acknowledged that the reliance on single respondents does impose certain limitations on the significance of the findings (see Benkoff, 1997), but as Bacon and Blyton (1999: 642) note it is common practice for studies to rely 'solely on individual human resource managers as the source of industrial relations information and opinion'. Large-scale studies of workplace trade unionists are less common, despite the fact that union representatives 'play a critical role in shaping and mediating relationships between managers and employees' (Bacon and Blyton, 1999: 642). Given the emphasis the partnership approach places on the changing roles of trade unions at the workplace level, the focus of the current article on the attitudes and experiences of work-

place representatives towards industrial relations change is a particularly worthy and topical area of study.

The survey sample was drawn from the MSF membership database and included the most senior MSF representative at each workplace across eight key industrial sectors: airlines, aerospace, chemicals, education, finance, health, manufacturing and voluntary. After piloting the survey instrument at a number of MSF training schools, all questionnaires were distributed and returned through the MSF head office during April and May 2000, with a follow-up survey of non-respondents during July. The number of questionnaires distributed was 2084, with 353 returns. Some returns had to be rejected, however, as they were incomplete or from extraneous sectors, leaving 317 useable responses. The distribution of returns presented in Appendix 1 shows that the response rate varied by sector, from a low of 10 percent in manufacturing to a high of 26 percent in health, a distribution that is in line with recent multi-sector surveys (see Arrowsmith and Sisson, 1999). The overall response rate was just over 15 percent. While this is low, such response rates are not uncommon for postal questionnaires (see Saunders et al., 2000). The accuracy of the MSF database could also have influenced the response rate, as not all questionnaires were distributed to named individuals and there may also have been instances where named representatives had either retired from work or given up their union positions. Two important points, however, can justify the relevance of the data. First, while the response rate is low the number of returns (at 317 workplaces) is high, allowing us to undertake a meaningful statistical analysis. Second, the spread of respondents by sector, firm size and MSF union representation was reasonably representative of the original sample population.[3]

Some of the themes raised by the survey are investigated more thoroughly through a brief case study of a National Health Service trust hospital. The case study draws upon exploratory research interviews and our attendance at meetings between management and unions on the subject of partnership.

## The Principles of Partnership and the Question of 'Voice'

In the UK, the Trades Union Congress (TUC) has set out what it regards as the six key principles of partnership. These principles

can be understood as the necessary building blocks and preconditions for the successful development of partnership at the workplace. The principles represent an attempt by the TUC to develop a common partnership strategy that can bind trade union action in Britain together. The principles extend the interest of the TUC in constructing a new agenda of bargaining and industrial relations that allows for a greater trade union role at work. This strategy evolves out of the ongoing concern within key areas of the labour movement to extend their role and remit over a range of employment and work-related issues (Martinez Lucio and Weston, 1992; Stuart, 1996). The principles also act as important benchmarks for the development of a strategy of partnership that is meaningful and that does not compromise the trade union movement.

Principle 1: A shared commitment to the success of the organization;
Principle 2: Recognition of the legitimate roles of employer and trade union;
Principle 3: A commitment by the employer to employment security for all workers and a commitment by the union to engage positively in the process of change;
Principle 4: A focus on the quality of working life;
Principle 5: Openness on both sides and a willingness by the employer to discuss plans and thoughts about the future when they are at the 'glint in the eye' stage; and
Principle 6: A shared understanding that the partnership is delivering measurable improvements for all parties (source: TUC, 1999).

The six principles have proved influential at the workplace level as UK companies attempt to introduce partnership-type approaches and agreements, they also inform the consultancy activities of the TUC through its recently launched Partnership Institute. Furthermore, as they are expected to provide the basic rules of engagement (for the development of 'legitimate' partnerships) for trade unionists, it is worth subjecting the principles to empirical scrutiny in order to ascertain their utility. Accordingly, the questionnaire unpacked the principles into 16 questions and sought to assess how strongly MSF representatives agreed or disagreed with them. The findings are presented in Table 1.

The balance between general levels of agreement and disagreement was evenly distributed across the 16 variables. That is, eight variables elicited responses that were in agreement, and eight elicited

responses that led to disagreement.[4] Positive responses were most likely with regard to questions on the 'nature' of industrial relations. For instance, 84 percent of respondents agreed with the statement that 'effective industrial relations are based on a shared understanding of the business goals of the organization', with just 7 percent disagreeing. Similarly, 57 percent agreed that employee commitment is dependent upon non-adversarial industrial relations. Such attitudes are exemplified by the following comment from an MSF representative working in the aerospace sector:

> The trade union has a new lease of life: not wholly down to a change of government. Changes in lifestyle over the last generation have created a need to avoid conflict. Trade unions have learned the lessons of the past.

These perceptions were supported by what could generally be considered to be a pluralistic approach to industrial relations. Approximately six out of every ten MSF representatives reported that management at their workplace recognizes that at certain times there might be legitimate differences in the interests of the employer and employee. This is an important building block for the development of partnership and mutuality at the workplace, in contrast to the more unitaristic approaches – exemplified in so-called 'sweetheart' deals – that deny differences of interest and hence compromise the position of unions.

The findings also suggest that MSF representatives are engaging with concerns relating to the management of change: or, as an MSF representative from the chemical sector put it, 'issues must be faced'. For instance, 40 percent of representatives responded that employment security should be dependent upon the development of greater flexibility, with just under a quarter of respondents disagreeing with this statement. In addition, just under half of the sample reported that training and development are regarded as non-conflictual issues between unions and management at their organization, with just 27 percent of respondents stating that this was not the case. So, in theory, the possibility of facilitating a deeper role for unions in the development of skills and qualifications is likely to be supported. At a more practical level, positive levels of involvement are visible in relation to the development of business issues. Respondents were more likely to agree (46 percent) than disagree (29 percent) that the business goals of their organization are clearly explained to the union and its members.

**TABLE 1**
**MSF Representatives' Attitudes to the Principles of Partnership (Valid Percentage)**

| | Strongly Agree | Agree | Neutral | Disagree | Strongly Disagree | Mean Score |
|---|---|---|---|---|---|---|
| Effective industrial relations are based on a shared understanding of the business goals of the organization | 39 | 45 | 9 | 4 | 3 | 1.86 |
| The business goals of this organization are clearly explained to the union and its members | 12 | 34 | 26 | 18 | 11 | 2.82 |
| Management has become more willing to share, and develop jointly, the future business goals of this organization | 5 | 29 | 25 | 23 | 18 | 3.21 |
| Management recognizes that at certain times there might be legitimate differences in the interests of the employer and employee | 9 | 48 | 20 | 17 | 7 | 2.64 |
| There is a high degree of mutual trust between management and unions at this organization | 5 | 14 | 25 | 30 | 26 | 3.57 |
| Employment security should be dependent upon the development of greater flexibility | 6 | 34 | 37 | 15 | 9 | 2.88 |
| Management has become more committed to employment security | 5 | 18 | 35 | 26 | 16 | 3.30 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Measures to improve the employability of staff have become an increasing priority | 2 | 23 | 34 | 26 | 15 | 3.30 |
| There has been an increased investment by the organization in the quality of members' working lives | 1 | 10 | 29 | 39 | 22 | 3.69 |
| Training and development are regarded as non-conflictual issues between unions and management at this organization | 6 | 40 | 28 | 20 | 7 | 2.82 |
| Opportunities for non-vocational training exist at this workplace | 4 | 24 | 20 | 30 | 23 | 3.43 |
| Management shares information, and discusses openly, the future plans of the business | 4 | 29 | 21 | 24 | 23 | 3.33 |
| Unions have the opportunity to express their members' views on key business issues | 10 | 45 | 16 | 16 | 14 | 2.80 |
| Unions may have to accept conditions of confidentiality on certain issues and manage their membership communications in new ways | 18 | 48 | 21 | 8 | 5 | 2.33 |
| Employee commitment is dependent upon non-adversarial industrial relations | 16 | 41 | 24 | 15 | 4 | 2.50 |
| The future role of the union at this organization should be dependent upon its success in contributing to performance improvements. | 6 | 23 | 27 | 29 | 16 | 3.26 |

Similarly, 55 percent of respondents claimed that the union was afforded the opportunity to express their members' views on key business issues, compared to 30 percent who felt that this was not the case. The flow of information from management to union may, however, affect the traditional methods of communication between the union and its membership. Two-thirds of MSF representatives agreed with the statement that 'unions may have to accept conditions of confidentiality on certain issues and manage their membership communications in new ways'. As the following quote explains, such an approach can, in certain circumstance, prove problematic:

> In recent times MSF reps have under the idea of confidentiality worked on projects of releasing various work projects to other sites and subcontractors. The management then claim union approval to loss of work and jobs. If these projects had been open the concerns of the results of these projects would have stopped the union being tarnished. (MSF representative, aerospace)

While these findings provide some tentative support for the TUC's six principles, the evidence on the underpinning conditions for partnership is less positive. Thus, even though MSF members have had some input and exposure to the development of organizational goals, it is clear that this information sharing is rather limited and unidirectional. MSF representatives were far more likely to disagree (47 percent) than agree (33 percent) with the statement that 'management shares information, and discusses openly, the future plans of the business'. Similarly, respondents were generally less (41 percent) rather than more likely (34 percent) to have had the opportunity to jointly develop the business goals of the organization with management.

The supports for partnership were, however, least visible with regard to working conditions and investments in human capital. Fewer than a quarter of respondents felt that management at their organization had become more committed to employment security, compared to 42 percent who reported that this was not the case. A finding that is far from surprising given the fact that six out of every ten trade union representatives claimed that security of employment had decreased during the previous three years. In addition, measures to improve the employability of staff had become an increasing priority in just a quarter of cases, and opportunities for the furtherance of non-vocational training was limited to just over a quarter of the sample. It is unsurprising, therefore, that six out

of every ten MSF representatives disagreed with the statement that 'there has been an increased investment by the organization in the quality of members' working lives'. This lack of investment contrasts starkly with the increased expectations put on MSF members. For example, when asked about the changing nature of working conditions during the previous three years, 89 percent of respondents reported that the intensity of work had increased.

The limited nature of involvement with regard to business decisions and the lack of investment in human capital can clearly influence 'mutual trust' at the workplace and 'hold back' the development of genuine partnership relations. Fewer than a fifth of MSF representatives claimed that there was a high degree of mutual trust between management and unions at their organization, compared to 56 percent of respondents who reported that this was not the case. Perhaps as a consequence, MSF representatives were more likely to disagree (45 percent) than agree (29 percent) with the statement that 'the future role of the union at this organization should be dependent upon its success in contributing to performance improvements'.

In summary, the findings suggest that MSF representatives appear to be sensitive to the changing context and needs of contemporary organizations. In this regard, they are open to the concerns of workplace change and are realistic about management constraints. Yet as far as involvement, information sharing and the working environment are concerned, MSF representatives are much more ambivalent as to whether there has been any significant developments and change. These concerns are explored in more detail in the next section, which deals explicitly with the issue of voice.

## Involvement and Communication

Successful organizations, it is often argued, are known for the way they communicate to, and incorporate, employees into decision-making processes. The philosophy of partnership draws from this interest in employee involvement. However, this renewed interest necessitates fundamental developments in the culture and practice of involvement and communication within organizations (see Ackers and Payne, 1998). As the Involvement and Participation Association (IPA) note:

> Debates about company performance, awareness of investment and divestment, the state of the marketplace, training and personal development policies, redundancies and cutbacks are all central to the agenda of any effective forum. Building employee awareness of these issues and getting employees' views ensures that better decisions are made. (IPA, 1997: 16)

The questionnaire investigated the extent of MSF involvement across a range of key workplace issues. Involvement was defined in terms of negotiation, consultation and information, and respondents were asked to give preference to the *highest* level of involvement in relation to the issues outlined in Table 2. MSF involvement was most prevalent in terms of pay and working conditions, and least prevalent with regard to business investment decisions: 65 percent of representatives claimed that pay and working conditions were the subject of negotiation, while just over a half reported no involvement what so ever with regard to business investment decisions. Health and safety issues recorded the second highest level of negotiation, and were the issues least subject to non-involvement. Just 10 percent of respondents reported that they were not involved in health and safety issues.

**TABLE 2**
**Levels of Union Involvement (Valid Percentage)**

| | Negotiate | Consult | Inform | Not Involve | Mean[a] |
|---|---|---|---|---|---|
| Pay and working conditions | **65** | 13 | 11 | 12 | 1.69 |
| Health and safety | 32 | **45** | 13 | 10 | 2.01 |
| Equal opportunities | 23 | **36** | 21 | 21 | 2.40 |
| Levels of training investment | 5 | 22 | **38** | 36 | 3.04 |
| Training opportunities | 7 | 29 | **34** | 29 | 2.86 |
| Performance appraisal | 17 | **33** | 21 | 29 | 2.62 |
| Staff and human resources planning | 7 | 21 | 34 | **39** | 3.04 |
| Business investment decisions | 1 | 11 | 32 | **56** | 3.43 |
| Family-friendly policies | 26 | 25 | 18 | **31** | 2.54 |

[a] The higher the mean the lower the level of involvement (where 1 = negotiate and 4 = not involve).

It often argued that training and development issues could act as the basis for the development of the 'new bargaining agenda'. The consensual nature of training and development, it is suggested, provides fertile ground for increased union involvement at the workplace; which, in turn, will allow access to broader business investment decisions. This is because if trade unions are to *bargain over skills* they will require deeper contextual information on staff and business planning. The survey findings provide little support for this thesis. Just 7 percent of respondents claimed to negotiate over the levels of training opportunities and staff planning, with even fewer (5 percent) negotiating over levels of training investment. Involvement in training opportunities (34 percent) and the levels of training investment (38 percent) was most likely to be restricted to the receipt of information; 39 percent of respondents claimed to have no involvement at all with regard to staff and human resources planning.

The degree of involvement over equal opportunities, performance appraisal and family-friendly policies provides slightly more positive reading, being the subject of negotiation in 23 percent, 17 percent and 26 percent of cases respectively. The most frequent type of involvement reported, however, was consultation in the case of equal opportunities (36 percent) and performance appraisal (33 percent) and no involvement in the area of family-friendly policies (31 percent). These 'new' industrial relations issues may provide trade unionists with an opportunity to increase their role at the workplace and negotiate greater benefits for members. Much may depend on how the MSF and other unions use these strategic opportunities to widen the industrial relations agenda. However, the overall story does not point to any major inroads in the involvement culture of British industrial relations (see also Cully et al., 1999).

The issue of involvement was also considered in terms of the mechanisms used by management to communicate with MSF members. To this end, questions were asked about the types of organizational practices and forms of employee involvement in operation. A prime concern here was to assess the extent of penetration into the workplace of a variety of human resource management practices. Again, such practices are often recognized as an important underpinning to partnership-based approaches.

Commentators often distinguish between 'types' of management communication depending on the degree of participation they afford employees (Marchington and Wilkinson, 2000). The findings

**TABLE 3**
**Communication Mechanisms Used by Management to Communicate with MSF Members (Valid Percentage)**

| Communication mechanism | % |
|---|---|
| Team meetings (D) | 84 |
| Notice board (D) | 85 |
| Newsletters (D) | 77 |
| Video communications (D) | 25 |
| Suggestions schemes (U) | 44 |
| Staff attitude surveys (U) | 49 |
| Quality circles (U) | 22 |
| Performance appraisal (U and D) | 79 |
| Works consultation committee (C) | 53 |
| Regular factory meetings (C) | 33 |
| European works council (C) | 19 |

*Note:* U = upward communication, D = downward communication, C = collective communication.

presented in Table 3 reveal that direct, downward forms of communication were, in general, found to be the most pervasive. MSF representatives reported that management communicated to their members via the use of factory noticeboards in 85 percent of cases and via newsletters in just over three- quarters of cases. Team meetings, which typically involve a passive flow of information rather than engagement and discussion, were reported by 84 percent of respondents. The least frequent method of downward communication was the use of video communications, which was present in only a quarter of cases.

Upward forms of communication and problem solving were less common. Staff attitude surveys were reported by nearly half of all respondents and suggestion schemes by 44 percent of MSF representatives. As Marchington and Wilkinson (2000: 347) note, initiatives such as suggestion schemes 'are a relatively marginal form of employee involvement' and are clearly individually focused. Quality circles may be thought of as a more collective form of involvement – albeit directly related to improving the production facilities of an organization – but were found to be less pervasive. Just 22 percent of respondents reported the use of quality circles at their place of work. Collective forms of information disclosure and communication were, in general, less common than individual forms.

Accordingly, regular factory meetings were used as a mechanism for communicating with employees in just a third of cases. The existence of a works consultation committee was more common, reported by over half of respondents. European works councils (EWC) were the least common mechanism for communication. Just 19 percent of MSF representatives reported that there was an EWC in operation at their company. It should be noted, however, that the existence of a works council was not relevant to those representatives from the education, health and voluntary sectors. Where EWCs were of relevance, 34 percent of respondents reported that they had been introduced. The majority of respondents, however, reported that they had no effect (66 percent) on the levels of information received by the union on production and employment issues.

In summary, the data reveal an extensive presence of involvement and communication mechanisms. In the case of communications, however, direct mechanisms predominate, while as far as the issues of engagement are concerned, the bargaining agenda is relatively free of 'new' industrial relations issues. At a basic level, this suggests a series of 'involvement gaps' (Cully et al., 1999; Towers, 1997). The following case study shows how these involvement gaps can stymie the evolution of partnership arrangements at the level of the workplace.

## Remaking Involvement and Trust at the Workplace: A Case Study

'Northern Trust' is one of the leading National Health Service (NHS) trusts in the UK. As a teaching-based trust, it employs over 15,500 staff and offers a very wide range of general and specialist health services. It has a complex industrial relations structure with a strong trade union tradition of negotiation and recognizes 15 trade unions. The MSF represents 600 members across a variety of professional and technical grades. Historically, employment regulation has been far more developed in British public sector organizations compared to their private sector counterparts, so the issue of 'voice' should, in theory, be less problematic. Our case study offers insights, therefore, into the development of partnership within a supposedly 'best practice' involvement culture. Any problems identified with regard to the implementation of partnership in the NHS case would be far more pronounced, we would argue, in the less regulated culture of the private sector.

In accordance with the Labour government's human resource management and modernization strategy for the NHS (see Stuart and Martinez Lucio, 2000), Northern Trust has attempted to introduce a culture of partnership. Thus, it has sought to follow the set timetables established centrally for the introduction of partnership, and a joint management–trade union committee was established to oversee the development of partnership. The committee held joint training days on the nature of the partnership approach, and was assisted by the IPA in this process. Negotiations over the establishment of 'partnership forums' proved, however, unable to deliver an agreement within the nationally established guidelines. Instead, a number of problems emerged which offer useful insights into the potential constraints on the development of partnership in the NHS.

First, the trade union side was concerned that the introduction of partnership could undermine the existing institutional relations and collective forms of representation within the organization. The increasing management interest in partnership was perceived, by the unions, to be centrally driven and at a tangent with the broad management approach operating at the Trust level, which was more concerned with 'mimicking' the private sector. The head of human resource management, for example, was regarded as obsessed, at least in rhetorical terms, with the common adage of 'tearing up the rule books and starting again'. Hence there was an element of concern as to how any new partnership forums between management and unions would impact on the traditional remit of union involvement – there were doubts about the way partnership would be structured in terms of its involvement processes. The broad management view of partnership was that it represented a much more generic set of changes to the relations between managers and employees, e.g. developments in individual relations among staff and management, a change in the 'them and us' mentality and the adoption of a new commitment to joint problem sharing. This view of partnership as a change in the culture of industrial relations did not coincide with the 'harder' concerns of the unions, which, instead, viewed partnership as an opportunity to increase the levels of traditional structures of consultation and access to information afforded to them.

Second, and relatedly, the limited emphasis on transparency and involvement – which is often considered pivotal to the development of partnership and 'new' industrial relations – hamstrung the evolution of the Trust's partnership structure. During the negotiations for

the establishment of partnership structures, management attempted to outsource 750 staff in areas such as estates, security and catering as part of the Private Finance Initiative (PFI). This issue was to have significant ramifications for the emerging partnership approach. The lack of consultation with unions on the nature and content of outsourcing, perhaps due to the sheer sensitivity and complex accounting issues related to it, meant that the rhetoric of improving employee and union involvement through the adoption of partnership was exposed as being contradictory. The manner in which PFI was introduced undermined and delayed the negotiations on partnership, as the unions were forced to be assertive in their demands for information on the PFI initiative. Not only did dealing with PFI demand a lot of institutional attention and resources, it also raised a series of anomalies regarding the style of new managerialism within the NHS and the ongoing impact of marketization.

Third, this issue of involvement and transparency also emerged at the workplace level itself. Unions were aware that one of the main problems within the Trust was the attitude of lower tiers of management. Line management was seen as antipathetic towards employee involvement. For example, the implementation of an agreement on employee involvement and transparency at every level of the Trust – signed by the Trust's management and unions – was delayed due to the perceived need to train frontline management in such matters. Union representatives argued that any developments related to involvement would have to be 'rolled out' and implemented through training programmes for employees and their managers that also involved trade unionists in the role of trainers. The point of reference used by trade unionists in this regard was a more positive experience with a previous agreement aimed at training frontline management in health and safety issues. This concern with frontline management reflected the belief that the Trust, while maintaining its broad corpus of traditional union involvement mechanisms, was increasingly fragmented in departmental terms. The management of these departments and areas was operating in increasingly idiosyncratic ways as a consequence of line managers having to deal with shortages in resources, problems of labour turnover and centrally imposed service delivery measurement systems. Such issues were exacerbated by the fact that many recently promoted line managers were still having to perform their traditional duties. Hence, they were not able to develop a more proactive and inclusivist approach to employee involvement. The problems of 'gaps' in the unions'

access to information, a culture of limited transparency and an increasing pressure upon staff and management meant that a consistent basis for the development of partnership did not exist. This was the case despite the more developed system of union representation pertaining in the NHS.

## Discussion

Our survey findings reveal some broad support for the principles of partnership. On issues such as the opportunity for workplace representatives to express their members' views, the need for confidentiality (over business affairs) and the belief in non-adversarial industrial relations, the article finds significant trade union support. This degree of support is principally focused around the ideological aspirations of partnership. Given the pluralistic concerns underpinning the partnership agenda this should, obviously, come as no surprise. Yet, it is also suggestive of something more. The findings reveal that there is no inherent antagonism among workplace representatives to the basic premises of 'partnership'. This is not to suggest, however, that trade union representatives are falling prey to the seductive appeal of management rhetoric, far from it. They recognize that for partnership to emerge as an effective long-term arrangement it requires more than just a simple ideological attachment to the firm; rather, effective partnerships are predicated on stable institutional relations that deliver qualitative improvements at work and genuine material returns. It is only within this context that one can begin to discuss the benefits of mutuality as a long-term outcome. Mutuality has to be earned. It is at this level, that our findings are less optimistic.

Our findings also suggest that there is a fundamental deficit in terms of the presence and effectiveness of voice mechanisms at work. This is notable in two respects. First, there is the dominance of direct methods of communications over indirect methods. Second, there is the lack of institutional involvement over the set of issues that constitute the 'new' industrial relations. This is a worrying finding, because, for many commentators, the consensus driven, partnership approach is predicated on these very issues (see, for example, Leisink, 1993). This lack of institutional involvement is further compounded by a weak set of workplace guarantees.

For example, while union respondents generally accepted that 'employment security should be dependent upon greater flexibility', few agreed that management had become more committed to employment security. Even fewer reported that they had seen an increased investment by management in the quality of their members' working lives. In other words, while trade union representatives appear open to the responsibilities placed upon them in the Third Way rhetoric of partnership, there is little evidence to suggest that management has reciprocated.

These findings have important consequences for the likely development of partnership at the British workplace. Clearly, trade union interest in, and commitment to, partnership is not open-ended. Trade unionists make strategic calculations with regards to the effectiveness and nature of the institutional relations they enter into, not just in terms of their development but also in terms of their ability to manage difference, conflict and failure. That is, strategic calculations are made about management's interest in and ability to *deliver* on ongoing issues that are addressed by the discourse of partnership, such as training, employability and the working environment. Thus, in the British context, the issue of voice and workplace guarantees impacts on the development of partnership because of the scale of risk confronting trade unionists when engaging with partnership arrangements. As the work of Higgins (1996) reminds us, partnership relations at the workplace are contingent on the principles of 'mutual trust' and 'efficacy'. On this basis, the principle of 'mutual trust' suggests it is unfair for one party to incur significant costs and risks if other parties are not prepared to accept similar sacrifices, while the 'efficacy principle' suggests it is unfair for one party to incur risks and costs if it would only benefit those unwilling to behave in a similar manner. In the absence of such assurances, parties are more likely to engage in 'shrewd' rather than cooperative bargaining arrangements. Our findings suggest that trade unions will have to engage with the concept of partnership with some care. More significantly, they suggest that, given the lack of reciprocity on display at the British workplace, the balance of evidence to date seems to be tipped more in favour of a continuation of 'shrewd' bargaining rather than the emergence of a genuine partnership at work.

**Sectoral Breakdown of Response**

| Sector | Number Distributed | Number Returned | Response (%) | Valid (%) |
|---|---|---|---|---|
| Aerospace | 168 | 33 | 20 | 11 |
| Airlines | 70 | 10 | 14 | 3 |
| Chemicals | 190 | 22 | 12 | 7 |
| Education | 156 | 29 | 19 | 9 |
| Health | 266 | 68 | 26 | 22 |
| Finance | 228 | 34 | 15 | 11 |
| Manufacturing | 706 | 71 | 10 | 23 |
| Voluntary | 300 | 42 | 14 | 14 |
| Missing | | 8 | | |
| Total | 2084 | 317 | 15 | 100 |

## Notes

The article presents initial findings from an ongoing research project funded by the MSF.

1. In contrast to the, primarily, Anglo-American variant of partnership that is the focus of this article, it is recognized that a much broader literature exists on macro, corporatist-style social partnership (see Ferner and Hyman, 1997; Hyman, 2001; Turner, 1997).
2. Conceptually, the Third Way is associated with the work of the British sociologist Anthony Giddens (1998, 2000). At a political level, its tenets were set out in a celebrated pamphlet by Tony Blair and Gerhard Schroder.
3. The smallest workplaces surveyed employed fewer than 20 and the largest more than 5000, with the modal value between 1000 and 4999 (representing just under 30 percent). These findings are in step with the sectoral distribution of MSF representation: public sector workplaces, such as hospitals and universities, in particular, tend to be large. The density of MSF membership varied from less than 5 percent to 100 percent, with a mean of just under 60 percent.
4. By this we mean that the mean score is below 3 for agreement and above 3 for disagreement.

## References

Arrowsmith, J. and K. Sisson (1999) 'Pay and Working Time: Towards Organization-Based Systems?', *British Journal of Industrial Relations* 37(1): 51–75.

Ackers, P. and J. Payne (1998) 'British Trade Unions and Social Partnership: Rhetoric, Reality and Strategy', *International Journal of Human Resource Management* 9(3): 529–50.

Bacon, N. and P. Blyton (1999) 'Co-Operation and Conflict in Industrial Relations: What Are the Implications for Employees and Trade Unions?', *International Journal of Human Resource Management* 10(4): 638–54.

Benkhoff, B. (1997) 'Beware of Single Respondents: Signs of Self Serving Bias and Use Schemata in WIRS', paper presented at the British Universities Industrial Relations Association Annual Conference, University of Bath, July.

Cully, M., S. Woodland, A. O'Reilly and G. Dix (1999) *Britain at Work: As Depicted by the 1998 Workplace Employee Relations Survey*. London: Routledge.

Driver, S. and L. Martell (1998) *New Labour: Politics after Thatcherism*. Oxford: Polity Press.

European Commission (1997) *Partnership for a New Organisation of Work*. Luxembourg: Office for the Official Publications of the European Communities.

Ferner, A. and R. Hyman (eds) (1997) *Changing Industrial Relations in Europe*, 2nd edn. Oxford: Blackwell.

Giddens, A. (1998) *The Third Way*. Oxford: Polity Press.

Giddens, A. (2000) *The Third Way and its Critics*. Oxford: Polity Press.

Higgins, S.H. (1996) 'Towards Taming the Labor–Management Frontier: A Strategic Marketing Framework', *Journal of Business Ethics* 15: 475–85.

Hirschman, A. (1970) *Exit, Voice and Loyalty*. Cambridge, MA: Harvard University Press.

Hyman, R. (2001) 'The Problems of Partnership and Dilemmas of Dialogue', pp. 39–59 in C. Kjaergarrd and S. Westphalen (eds) *From Collective Bargaining to Social Partnership: New Roles of the Social Partners in Europe*. Copenhagen: The Copenhagen Centre.

IPA (Involvement and Participation Association) (1997) *Towards Industrial Partnership*. London: IPA.

Kelly, J. (1996) 'Union Militancy and Social Partnership', pp. 77–109 in P. Ackers, C. Smith and P. Smith (eds) *The New Workplace and Trade Unionism*. London: Routledge.

Kochan, T.A. (1985) 'Is a New Industrial Relations System Emerging?', pp. 339–45 in T.A. Kochan (ed.) *Challenges and Choices Facing American Labour*. Cambridge: MIT Press.

Kochan, T.A. and P. Osterman (1994) *The Mutual Gains Enterprise: Forging a Winning Partnership among Labour, Management and Government*. Boston, MA: Harvard University Press.

Kochan T.C., H.C. Katz and R.B. McKersie (1986) *The Transformation of American Industrial Relations*. New York: Basic Books.

Leisink, P. (1993) 'Is Innovation a Management Prerogative? Changing Employment Relationships, Innovative Unions', Leverhulme Public Lecture, University of Warwick.

Marchington, M. and A. Wilkinson (2000) 'Direct Participation', pp. 340–64 in S. Bach and K. Sisson (eds) *Personnel Management*. Oxford: Blackwell

Marks, A., P. Findlay, J. Hine, A. McKinlay and P. Thompson (1998) 'The Politics of Partnership? Innovation in Employment Relations in the Scottish Spirits Industry', *British Journal of Industrial Relations* 36(2): 206–26.

Martinez Lucio, M. and M. Stuart (2000) 'Swimming against the Tide: Social Partnership, Mutual Gains and the Revival of "Tired" HRM', Centre for Industrial Relations and HRM Working Paper 00/03, University of Leeds.

Martinez Lucio, M. and S. Weston (1992) 'Human Resource Management and Trade Union Responses: Bringing the Politics of the Workplace Back into the Debate', pp. 215–32 in P. Blyton and P. Turnbull (eds) *Reassessing Human Resource Management*. London: Sage.

Saunders, M., P. Lewis and A. Thornhill (2000) *Research Methods for Business Students*. Harlow: Financial Times/Prentice Hall.

Smith, J. (1997) 'The Ideology of ''Family and Community'': New Labour Abandons the Welfare State', pp. 176–96 in L. Panitch (ed.) *Socialist Resister 1997*. London: Merlin Press.

Stuart, M. (1996) 'The Industrial Relations of Training: A Reconsideration of Training Arrangements', *Industrial Relations Journal* 27(3): 253–66.

Stuart, M. and M. Martinez Lucio (2000) 'Renewing the Model Employer: Changing Employment Relations and ''Partnership'' in the Health and Private Sectors', *Journal of Management in Medicine* 15(5/6): 310–25.

Taylor, P. and H. Ramsay (1998) 'Unions, Partnership and HRM: Sleeping with the Enemy?', *International Journal of Employment Studies* 6(2): 115–43.

Towers, B. (1997) *The Representation Gap*: *Change and Reform in the British and American Workplace*. Oxford: Oxford University Press.

TUC (Trades Union Congress) (1999) *Partners for Progress*. London: TUC.

Turner, L. (ed.) (1997) *Negotiating the New Germany: Can Social Partnership Survive?* New York: Cornell University Press.

Mark Stuart
is a senior lecturer in the Industrial and Labour Studies Department at the University of Leeds. His current research interests include the development of social partnership at the British workplace, the political economy of skill formation and life-long and restructuring in the context of the European steel and metal sectors.

Miguel Martinez Lucio
is a senior lecturer in the Industrial and Labour Studies Department at the University of Leeds. The central concern of his research is the position and role of 'regulation' and 'organization' in the context of globalization, 'new managerialism' and uncertainty.