

Social Partnership Agreements in Britain: Labor Cooperation and Compliance

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This article reviews evidence on the outcomes of British social partnership agreements using matched comparisons. It concludes that in industries marked by employment decline, partnership firms often have shed jobs at a faster rate than nonpartnership firms. However, in expanding sectors, partnership firms have created jobs at a faster rate than nonpartnership rivals. There is no discernible impact of partnership on either wage settlements or union density. It is argued that we need evidence on information sharing, trust, and power and suggested that partnership agreements are unlikely to contribute significantly to union revitalization.

FORMAL COOPERATION AMONG WORKERS, UNIONS, AND EMPLOYERS is hardly new. The influential British-based Involvement and Participation Association, for example, has been promoting labor-management cooperation from the time of its inception in 1884. However, it seems equally apparent that during the past 20 years or so, labor-management cooperation has acquired a new prominence both in industrial relations policy debates and in academic research. Much of the debate has focused around manufacturing industry following the recession in the late 1970s and early 1980s as U.S. and U.K. manufacturers cut capacity, shut and relocated plants, and restructured work and employment practices in order to respond to heightened competitive pressures. There is now a fairly substantial body of evidence on the performance outcomes of different forms of cooperation, including lean production (Kochan, Lansbury, and MacDuffie 1997), high-performance work systems (Appelbaum et al. 2000; Cappelli and Neumark 2001; Ichniowski et al. 1996), and social partnership agreements (Guest and Peccei 2001). There is some evidence on the impact of new forms of cooperation on employees' working lives, although the results are mixed [see the very different assessments of lean production in Babson (1995)].

The purpose of this article is to examine the implications for trade unions of new forms of labor-management cooperation, a topic about which far less

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has been written (examples include Kelly 1996, 1998; Kochan and Osterman 1994; Rubinstein and Kochan 2001; Shaiken, Lopez, and Mankita 1997). The article sets out to collate and review the available evidence on partnership agreements in order to draw some preliminary conclusions about their impact on employees and unions. The issue is worth exploring because many union leaders, especially in Britain, have become committed to the idea that “social partnership” among workers, unions, and employers (a particular form of labor-management cooperation) will play a major role in revitalizing the union movement, enhancing its membership and influence (TUC 1997, 1999). This belief is yet to be examined, however, in the light of empirical evidence.

This article is divided into five sections, beginning with a review of the literature on social partnership in Britain, drawing out its main strengths and weaknesses. The second section describes the methodology used to identify case studies in social partnership, and the third section summarizes the main research findings to date, looking in turn at the impact on employment, wages and conditions, union density, and briefly, union influence. The fourth section considers the weaknesses in the evidence and then considers how the findings may be explained and discusses their implications for union revitalization. The final section sums up the main conclusions.

Social Partnership in Britain

The British term *social partnership* has no exact equivalent in the U.S. literature, but the phrase *labor-management cooperation for mutual gains* perhaps comes closest in meaning. Nonetheless, the term remains ambiguous, with many different and sometimes conflicting definitions (Ackers and Payne 1998). For the purposes of this article, we emphasize three core components: union concessions to the employer on one or more forms of flexibility (task, time, pay, or staffing levels), union rights to information and consultation over strategic business decisions, and undertakings to employees about job or employment security.

There has been a sharp debate in Britain about the value and outcomes of partnership agreements for workers and unions (as well as for employers). In support of such agreements, it has been argued first that union weakness prevents the use of traditional forms of collective action and that partnership provides an alternative means by which workers can pursue their interests. Second, it has been suggested that through partnership agreements unions can promote a broader range of issues, such as training and job security, for example, as compared with traditional collective bargaining.

Third, it has been claimed that contemporary workers have less appetite than their predecessors for traditional trade union approaches and methods and hence the need for fresh thinking to reverse the decline of union membership. Fourth, survey and case-study data have been used to show that some, perhaps many, employees would prefer a more cooperative relationship between union and employer. Finally, it also has been claimed that while many employers are understandably reluctant to negotiate with a militant union, many more might be persuaded to deal with a cooperative union, pursuing a partnership approach to industrial relations (Ackers and Payne 1998; Coupar and Stevens 1998; Guest and Peccei 1998, 2001; Haynes and Allen 2001; Thomas and Wallis 1998; TUC 1999). On the other hand, critics have argued that partnership agreements contribute to union weakness by reinforcing an ideology of common interests and thereby weakening the case for independent trade unionism. It also has been claimed that they further weaken unions by co-opting union officers into decision-making processes organized around the employers' agenda. Moreover, it has been argued that while partnership agreements often satisfy the employers' objectives, they rarely deliver on the commitment to employment security (Claydon 1998; Heery 2002; Kelly 1998; Tailby and Winchester 2000; Taylor and Ramsay 1998).

There are several problems in the British partnership literature. First, much of it is confined to developments in the 1990s, but new forms of labor-management cooperation actually emerged in the 1980s and have since evolved through a number of different forms. What we might call first-generation agreements mainly comprised *single-union*, "no strike" deals. They normally were instigated by the employers, often Japanese electrical engineering companies on greenfield sites, e.g., Sanyo and Sony, and were designed to secure union support for flexible work practices and dispute avoidance. Always relatively few in number, these agreements died away after the late 1980s. Apart from mounting Trades Union Congress (TUC) opposition, their attraction for employers probably waned as unemployment rose sharply (from 6.9 percent in 1990 to 10.3 percent by 1993), whereas the level of strike activity fell from 1344 strikes in 1981 to just 211 by 1993 (Gall 1993; Gennard 1989; Millward 1994:123–7). There is now an extensive literature assessing their impact on unions and workers (e.g., Danford 1999; Delbridge 1998). According to the most detailed study, covering 15 firms in South Wales, these agreements served primarily to secure a minimal degree of union influence both in collective bargaining and over day-to-day workplace issues, thereby facilitating high levels of both labor intensity and surveillance (Danford 1999:221). Econometric data have confirmed the superior labor productivity (measured by sales per employee) of Japanese

electronics firms in Britain compared with British- and American-owned firms in the same sector but without any corresponding higher level of hourly pay rates (Munday and Peel 1998).

Second-generation *partnership agreements*, the subject of this article, have involved the core components described earlier, namely, flexibility, rights to information and consultation, and job or employment security. There now exist at least 50 and possibly as many as 80 of these agreements (depending on the definition adopted) (see Involvement and Participation Association Web site: www.partnership-at-work.com). Many have been concluded in heavily unionized firms in industries undergoing substantial restructuring and labor shedding, such as food and drink, e.g., Allied Domecq and United Distillers (now Diageo); banking, insurance, and finance, e.g., NatWest; utilities, e.g., Hyder, Thames Water, and National Power; and motor vehicles, e.g., Rover, Leyland Trucks (Colling and Ferner 1995:497; Gall 2001b; Storey et al. 2000). Another very important route into partnership agreements has been triggered by acute industrial conflict that has led managers and some union leaders to try to construct new, more cooperative industrial relations, e.g., Borg Warner, Scottish Power, Royal Mail, Co-operative Bank, Legal and General, Barclays, Scottish Widows, and Tesco. Many of these agreements have arisen in circumstances that may be helpful in radically changing existing patterns of industrial relations. On the other hand, these same circumstances may limit the scope for mutual gains.

Third-generation agreements have emerged since the late 1990s in previously nonunion firms in both manufacturing and services. They are *union recognition agreements* in which the union is confirmed as the bargaining agent for a designated bargaining unit while at the same time pledging itself to work in “partnership” with the employer, e.g., Carillion Services and Eurotunnel (Moore 2001:22).

The second problem in the literature is the absence of any agreed body of theory that specifies the mechanisms by which partnership is supposed to produce its effects and the impact of contextual conditions such as product and labor market competition. Even the more rigorous British studies, such as Marks et al. (1998) and Taylor and Ramsay (1998) make no reference to the theoretical propositions of U.S. theorists such as Cooke (1990) and Walton, Cutcher-Gershenfeld, and McKersie (1994). Third, the level of methodologic rigor in the empirical research is sometimes poor. There are numerous widely cited case studies of partnership firms that are often uncritical and journalistic in tone, excessively reliant on the views of a handful of partisan informants, and seriously undertheorized [e.g., IPA (1996a) on Blue Circle Cement and IRS (1999b) on Tesco]. There are no comparisons between matched pairs of partnership and nonpartnership

firms presenting evidence on both mechanisms and outcomes. Fourth, and as a result of the preceding points, our knowledge of the mechanisms and outcomes of different forms of partnership arrangements is patchy and rudimentary.

To advance our understanding of social partnership, we first need to distinguish between different types of agreements and then consider theoretically how agreements may affect a number of outcome variables. Since employment relations vary in the *balance of power* between the parties, we can think of labor-management cooperation agreements in similar terms. At one end of a continuum we can posit the existence of what we might call *employer-dominant agreements* marked by a balance of power favorable to the employer, an agenda that primarily reflects the employers' interests and labor compliance rather than cooperation [see Heckscher (1996:116–7) on “false cooperation”]. At the other end of the continuum we can argue there are *labor-parity agreements*, where there is a more even balance of power. Consequently, any agenda for discussion is more likely to reflect the interests of both parties [see Crouch (1992), from whom this distinction is adapted]. A number of variables influence the power balance between the parties, in particular the tightness of labor markets, the degree of product market competition, the degree of employer dependency on labor cooperation in production, and attributes of union organization such as membership density and mobilizing capacity. The logic of the power dimension is that we would predict different sets of outcomes, with mutual gains confined to labor-parity schemes, whereas employer-dominant schemes would show more benefits for employers as compared with workers and unions.

The second issue to be addressed is theoretical. What variables should we use to explain the outcomes of partnership agreements and to design more rigorous investigations? We can identify three potentially key variables from the literature on cooperation. First, the *information-sharing* (or *cognitive*) *hypothesis* suggests that the involvement of union representatives in business decision making, coupled with information disclosure, will align their objectives more closely with those of the company (e.g., Freeman and Lazear 1995). This hypothesis could explain, for example, why union leaders involved in partnerships are willing to agree substantial job losses. Second, a *trust hypothesis* would propose a route to partnership outcomes based on changes in the cognitions and/or feelings of union and management negotiators for one another (Coupar and Stevens 1998). Theoretically, trust is most likely to be created when each party perceives the other is acting cooperatively out of choice and when cooperative moves in bargaining are reciprocated by the other side (Axelrod 1984; Cooke 1990; Kelly and Kelly 1991; Walton, Cutcher-Gershenfeld, and McKersie 1994). Third, the

power-resource hypothesis suggests that partnership will be adopted and be effective for both parties only when there is a decline in traditional power resources and their outcomes, perhaps arising from economic crisis. Both parties then may have an incentive to seek out and construct alternative ways of relating and construct new agreements around issues such as task and pay flexibility (Cooke 1990). An alternative power hypothesis is that an employer faced with a weakened union might use a “partnership” agreement to secure employer gains rather than mutual gains. Changes in power resources therefore could lead either to genuine cooperation (labor-parity agreements) or to employer coercion and union compliance (employer-dominant agreements).

What types of outcomes might we hypothesise to be associated with partnership agreements? First, we might predict that compared with non-partnership rivals, partnership firms should have better employment records, defined as either shedding fewer jobs or creating more jobs. The reasoning is twofold: A pledge of employment security is a significant element in many partnership agreements and, if acted on by the company, should offer some degree of employment protection. And insofar as labor-management cooperation helps to improve company performance, then employers should be able to afford employment protection. Alternatively, the power-resource hypothesis might predict that firms exploit union weakness to secure compliance with labor shedding. The employment record of partnership firms would be no better and could be worse than nonpartnership rivals. Second, we could hypothesise that improved company performance also should translate into higher wages and benefits for employees. This effect could reflect either an institutional gain-sharing agreement or the positive association between company profitability and pay settlements (Carruth and Oswald 1989). However, the power-resource hypothesis might suggest there would be no net gains to employees compared with nonpartnership firms. Third, union density also might be expected to increase in partnership firms as nonunion employees perceived the greater effectiveness of unions in protecting jobs, raising wages and benefits, or influencing company decisions. In the absence of such gains, density changes would not be predicted.

Methodology

The focus of this article is the second-generation social partnership agreements, signed at enterprise or establishment level between unions and employers, although “partnership agreements” also could be created at industry, sector, national, and/or international levels. The core of the

methodology was to compare a set of outcomes in partnership firms with the same outcomes from a control group of matched nonpartnership firms. This type of comparison would allow us to control for the impact of variables such as size or technology and arrive at a more accurate estimate of the effect of partnership agreements. The following journals were examined for partnership case studies: *British Journal of Industrial Relations*, *Employee Relations*, *Human Relations*, *Human Resource Management Journal*, *Incomes Data Services Studies and Reports*, *Industrial Relations*, *Industrial and Labor Relations Review*, *Industrial Relations Journal*, *International Journal of Human Resource Management*, *IRS Employment Trends*, *Journal of Management Studies*, and *Work, Employment and Society*. The Web sites of the Involvement and Participation Association (IPA) and the TUC Partnership Institute (www.partnership-institute.org.uk) also were examined. In order to qualify for inclusion, cases had to provide the following information: company name, sector, date of agreement, and numbers of employees covered.

We analyzed three sets of labor outcomes of interest to workers—employment levels; wages, hours, and holidays; and union density—and cases were included where there was information on at least two of them (there were too few cases with data on all three outcomes). These criteria yielded partnership agreements in 22 private-sector firms in both industry and services (Table 1).

If we assume the requirements for a labor parity agreement are a high level of product demand and a relatively tight labor market (with little labor shedding) at the level of the industry sector and a high level of union density within the firm, then five of these partnerships could be categorized as labor-parity agreements: Borg Warner, British Airways (pilots), FSL, Leyland Trucks, and Royal Mail. The Cooperative Bank could perhaps be added as a sixth case because of its origins as a labor movement institution and the employer's continued strong support for trade unionism (Storey et al. 2000).

Turning to outcomes, employment normally was measured as total number of manual employees, except in the banking and insurance and retail sectors, where very few employees are classified as manual. In those sectors, a measure of total employment was used. The wage measure chosen largely reflected data availability and was the union-negotiated annual percentage increase in manual hourly wage rates. The hours measure was the basic working week, and the holiday measure was total days of paid leave per year excluding statutory days. Union density was used rather than membership to control for fluctuations in employment. Figures were available for the banking and insurance and food retail sectors, where most firms are organized by a single union. All the industrial partnership firms are

TABLE 1
SOCIAL PARTNERSHIP AGREEMENTS IN BRITAIN, 1991–2000^a

Company	Sector	Date of Agreement	Employment Security Clause?	Job Losses Since Partnership?	Sources ^b
1. Blue Circle	Cement	1985	Yes	Yes	IPA 1996a; IRS 1997a
2. Welsh Water (now Hyder)	Utilities (water)	1991	Yes	Yes	IPA 1996b; IRS 1998; Thomas & Wallis 1998
3. Borg Warner	Vehicle components	1992	No	No	Knell 1999
4. Rover (now MG Rover)	Motor vehicles	1992	Yes	Yes	IRS 1997b; Scarbrough & Terry 1997
5. Leyland Trucks	Motor vehicles (trucks)	1993	No	No	Knell 1999
6. Allied Domecq	Food & drink	1994	Yes	Yes	Marks et al. 1998
7. Asda	Retail	1994	No	No	Taylor & Ramsay 1998
8. HP Bulmers	Food & drink	1994	No	Yes	Knell 1999
9. United Distillers (now Diageo)	Food & drink	1994	Yes	Yes	Marks et al. 1998
10. Scottish Power	Utilities	1995	Yes	Yes	IPA 1996c; IRS 1997c
11. NatWest	Banking & insurance	1996	Yes	Yes	Knell 1999
12. National Power	Utilities	1996	No	Yes	Bacon & Storey 2000
13. Royal Mail	Public services	1996	No	Yes	Bacon & Storey 2000; Martinez, Jenkins & Noon 2000
14. British Airways (Pilots)	Transport	1997	No	No	Harvey 2001
15. Co-operative Bank	Banking & insurance	1997	Yes	No	Bacon & Storey 2000; Storey et al. 2000
16. Legal & General	Banking & insurance	1997	No	No	IRS 1997b; Haynes & Allen 2001
17. Barclay's Bank	Banking & insurance	1998	Yes	Yes	IRS 1999a; Gall 2001b
18. Scottish Widows	Banking & insurance	1998	No	Yes	IRS 1997b
19. Tesco	Retail	1998	No	No	IRS 1999b; Haynes & Allen 2001
20. FSL (Fleet Support)	Ship-building	1998	Yes	No	IRS 1999c
21. NHS Community Health Care Trust	Public services	1999	No	No	Munro 2001
22. Thames Water	Utilities (water)	2000	Yes	No	IRS 2000

^aMost agreements postdate 1990; Blue Circle's 1985 agreement was unusually early.

^bFull bibliographic details are in the references.

multiunion, but two of their three unions—AMICUS and the Transport and General Workers' Union (TGWU)—were unable to supply reliable time-series company-level membership figures.

In order to control for prepartnership trends in these outcome variables, changes in employment and wage rates in the partnership firms were examined for 2 to 3 years prior to the partnership agreement and for the years subsequent to the agreement (reliable union density data were available only postpartnership).

The control group of nonpartnership firms consisted of a set of privately owned competitors operating in the same industrial sectors as their partnership rivals and matched for employment size, product range, and union status at the time of the partnership agreement (all the partnership firms were unionized). Corporate takeovers and restructuring meant that consistent and reliable time-series data were available for 12 of the 22 partnership firms and 26 control firms, and the details are as follows: The cement industry in Britain is dominated by just three competing firms, the partnership firm Blue Circle and two smaller rivals, Castle Cement and Rugby Cement, respectively. The partnership firm Hyder (formerly Welsh Water) belongs to the water and sewerage industry, once controlled by 10 regional, publicly owned organizations. Since deregulation in 1989, these local public monopolies have been turned into 10 regionally based private monopolies supplying similar services and products and using similar technologies, and all of them (including the partnership firm Hyder) are subject to stringent price control by a state regulator (O'Connell Davidson 1993:32–6). The three partnership banks (Barclay's: 61,700 employees at the time of its partnership agreement; Natwest: 55,800; and the Co-operative: 3900) were compared with four other national retail banks with a similar spread of employment sizes as of 1998: HSBC (44,800 employees), Halifax (24,300), Abbey National (20,300), and Nationwide (10,000). The partnership car firm Rover employed 34,960 people at the time of its 1992 agreement and was compared with Ford UK, which then had 38,400 employees. The partnership firm Leyland Trucks (630 employees in 1993) was compared with two other truck manufacturers, AGCO (1120 employees) and ERF (708 employees). The partnership car components firm Borg Warner (218 employees in 1993) was compared with three components companies: Robert Bosch (1098), Calsonic (219), and Holset Engineering (1053). In the drinks sector, the partnership firms H. P. Bulmers (860 employees) and United Distillers (3292) were compared with Tetley and Greene King, each with 370 employees in 1994. In food retailing, the two partnership firms were the market leader Tesco, employing 155,000 people in 1998, and Asda, which then employed 86,000. Comparisons were made with the three other

largest food retailers at the time: Sainsbury's (107,000 employees), Safeway (65,000 employees), and Somerfield (45,000 employees). There was no attrition from or entry to the sets of comparison firms.

Evidence on Social Partnership Agreements

Employment. Comparing the postpartnership employment change (Table 2, column 5) of each partnership firm with each of its matched nonpartnership rivals (e.g., Blue Circle compared with Castle and with Rugby Cement) shows that in 23 of these 37 company-by-company paired comparisons the partnership employment record was worse, although the distribution was not significantly different from chance ($\chi^2 = 2.19$).

For example, Blue Circle performed worse than both its rivals in cement; in the water industry, Hyder's employment record is worse than all but one of the other nonpartnership firms (Yorkshire Water); in banking, two of the three partnership firms have employment records that are worse than all their nonpartnership rivals; in drinks, one of the nonpartnership firms has performed as badly as the partnership companies; the other did better.

If we focus on the nine employer-dominant agreements—Blue Circle, Hyder, Barclays and Natwest Banks, Rover, Bulmers, United Distillers, Asda, and Tesco—we find that in 22 of the 32 paired company-by-company comparisons the partnership firm performed worse than its nonpartnership rivals, a statistically significant difference ($\chi^2 = 4.50$, $p < 0.05$).

Just four partnership firms have outperformed their rivals on our employment measure: the small niche manufacturing firms Leyland Trucks and Borg Warner (with labor parity agreements) and the retail firms Asda and Tesco. All four have expanded employment and have done so to a greater degree than their nonpartnership rivals (a point returned to later).

There are three possible explanations for the generally poor employment record of the employer-dominant partnership firms, and we look at each in turn. First, there may be selection effects; i.e., these firms may have displayed high rates of labor shedding even before they signed up to partnership with the unions. Second, partnership may have failed to improve profit margins and therefore prevented job protection. An alternative hypothesis is that labor shedding may have boosted profit margins, so the association between the two variables should be negative, not positive. Third, not all firms have adopted employment-security clauses in their agreements, and labor shedding may be concentrated among those without such clauses.

To examine selection effects, we compared employment changes in the 2 to 3 years preceding the nine employer-dominant agreements (see Table 2,

TABLE 2

MANUAL EMPLOYMENT CHANGES IN PARTNERSHIP AND NONPARTNERSHIP COMPANIES

Company (Partnership Firms in Bold)	Manual Employment Time 1 (Prepartnership)	Manual Employment Time 2 (Time of the Agreement)	Manual Employment Time 3 (2001)	Percent Change Time 1-2 Prepartnership	Percent Change Time 2-3 Postpartnership
Cement	NA	1985	2001		
Blue Circle Cement	—	5018	1580	—	-68.5
Castle Cement	—	1300	600	—	-53.8
Rugby Cement	—	850	800	—	-5.9
Water^a	1988	1991	2001		
Hyder (Welsh Water)	4618	3455	2038	-25.2	-40.1
All non- partnership water firms (means)	4875	4006	2961	-17.8	-26.1
Anglian Water	5102	3629	4000	-28.9	+10.2
North West Water	7936	6839	NA	-13.8	—
Northumbrian Water	1459	1193	1450	-18.2	+21.5
Severn Trent Water	8174	7054	4580	-13.7	-35.1
South West Water	1958	1855	NA	-5.3	—
Southern Water	3162	2259	1800	-28.6	-20.3
Thames Water	9210	7400	5500	-19.7	-25.7
Wessex Water	1891	1755	1100	-7.2	-37.3
Yorkshire Water	4981	4074	2300	-18.2	-43.5
Banking^{a,b}	1996	1998	2000		
All partnership banks (means)	40,633	40,467	36,000	-0.4	-11.0
Barclay's Bank	60,300	61,700	56,500	+2.3	-8.4
Co-operative Bank	4000	3900	4000	-2.5	+2.6
NatWest Bank	57,600	55,800	47,500	-3.1	-14.9
All non- partnership banks (means)	25,075	24,850	26,500	-0.9	+6.6
Abbey National	20,100	20,300	19,400	+1.0	-4.4
Halifax	27,000	24,300	26,100	-10.0	+7.4
HSBC	42,700	44,800	48,000	+4.9	+7.1

TABLE 2 (cont.)

Company (Partnership Firms in Bold)	Manual Employment Time 1 (Prepartnership)	Manual Employment Time 2 (Time of the Agreement)	Manual Employment Time 3 (2001)	Percent Change Time 1-2 Prepartnership	Percent Change Time 2-3 Postpartnership
Nationwide	10,500	10,000	12,500	-4.8	+25.0
Motor vehicles	1991	1993	2001		
Rover Cars	38,100	33,523	14,409	-12.0	-57.0
Ford UK	51,800	32,500	22,800	-37.3	-34.9
Vehicle	1991	1993	2001		
components					
Borg Warner	209	218	452	+4.3	+107.3
Robert Bosch	847	1098	1877	+29.6	+70.9
Calsonic	136	219	556	+61.0	+153.9
Holset	1157	1053	738	-9.0	-29.9
Engineering					
Truck	1990	1993	2001		
manufacture					
Leyland	2300	630	1000	-72.6	+59.0
Trucks					
ERF	815	708	748	-13.1	+4.7
AGCO	1300	1120	1030	-13.8	-8.0
Drinks	1992	1994	2001		
HP Bulmers	860	860	700	0.0	-18.6
Diageo (United	3799	3292	2803	-13.4	-14.9
Distillers)					
Tetley	382	370	300	-3.1	-18.9
Greene King	430	370	500	-14.0	+35.1
Retail^a	1996	1998	2001		
Asda	74,500	86,000	95,000	+15.4	+10.5
Tesco	125,000	155,000	172,000	+24.0	+11.0
Safeway	60,000	65,000	68,000	+8.3	+4.6
Sainsbury's	85,000	107,000	110,000	+25.9	+2.8
Somersetfield	35,000	45,000	39,000	+28.6	-13.3

^aFigures refer to total employment, manual and nonmanual.

^bData beyond 2000 are seriously affected by banking mergers, so time-series comparisons beyond that date are unreliable.
 SOURCES: Cement and water: Company annual reports, 1985-2002; Banks: *Annual Abstract of Banking Statistics* (London: British Bankers' Association, 2001), Table 5.1; Motor vehicles and vehicle components: Bureau van Dijk (BvD) database of British companies at www.fame.bvdep.com, individual company reports/number of employees; Trucks, drinks, and retail: Labour Research Department, *Bargaining Report* 98 (1990), 109 (1991), 120 (1992), 131 (1993), 142 (1994), 153 (1995), 164 (1996), 175 (1997), 186 (1998), 197 (1999), 208 (2000), and 219 (2001).

columns 1 and 4). Paired company-by-company comparisons within each sector showed that the partnership firms had a worse record in 15 of the 28 comparisons, a distribution not significantly different from chance ($\chi^2 = 0.005$). This evidence suggests that the poor employment record of these partnership firms cannot be explained by a prepartnership history of labor shedding.

The second possibility is that profit margins may be associated with labor shedding. The association may either be negative, because low profitability

may prevent labor protection, or positive, because labor shedding results in high profitability. Reliable and standardized data on annual company profit margins (gross profits before tax as a percentage of turnover) therefore were examined to see whether more profitable employer-dominant partnership firms shed fewer jobs. We recorded the annual profit margin for each partnership firm and each of 25 of the nonpartnership comparators and divided the observations into pre- and postpartnership periods. Within each sector, annual data then were pooled so that in banking, for instance, annual prepartnership figures from Barclays Bank and Cooperative Bank were combined to produce a single set of prepartnership banking data for partnership firms, and the same process was repeated for the comparators Abbey National, Halifax, and HSBC. Mean scores for partnership and nonpartnership firms were compared before and after partnership agreements using *t*-tests, and the results of these tests, as well as the mean annual profit margins for each company, are shown in Table 3. The *t*-statistic measures the differences between all the partnership and nonpartnership firms within a particular sector.

There are two ways of looking at what is happening in the partnership firms. One is to compare them against their nonpartnership competitors in the wake of partnership agreements; the second is to compare their post-agreement profit margins with their own preagreement margins. Taking the postpartnership data to begin with, Table 3 shows that 9 of the 11 partnership firms recorded profit margins that were no different from those of their nonpartnership rivals; the only exceptions were Blue Circle and Leyland Trucks, who outperformed their nonpartnership competitors. Yet, of these 9 firms, 6 had postpartnership employment records that were significantly worse than their nonpartnership competitors (Barclays, Cooperative Bank, NatWest, Bulmers, United Distillers, and Rover). Likewise, the two partnership firms with strong profit margins—Blue Circle and Leyland Trucks—had widely differing employment records: Blue Circle shed more jobs than its less profitable rivals Castle and Rugby Cement, whereas Leyland Trucks created more jobs than its less profitable competitors ERF and AGCO. This evidence suggests that the poorer job performance of the partnership firms cannot be accounted for easily by their weaker profit margins.

Another way of looking at the same data is to follow the partnership firms through time, and this method tells a rather different story. Putting together employment and profits data from Tables 2 and 3 shows a much stronger link between these two variables in six of the eight partnership firms. Profit-margin improvements over time were associated with better employment records in two firms (the labor-parity firms Cooperative Bank and Borg Warner), whereas declining profit margins were associated with a

TABLE 3
ANNUAL AVERAGE PROFIT MARGINS (GROSS PROFIT AS A PERCENT OF TURNOVER) IN
PARTNERSHIP AND NONPARTNERSHIP COMPANIES

Company	Prepartnership Profit Margin (Annual Average)	Postpartnership Profit Margin (Annual Average)	<i>t</i> -Statistic, Partnership versus Nonpartnership, (Preagreement Postagreement)
Cement^a	NA	1991–2001	3.29**
Blue Circle	NA	+11.08	
Castle Cement	NA	+5.46	
Rugby Cement	NA	+7.50	
Water^{a,b}	NA	1993–2000	0.15
Hyder (Welsh Water)	NA	+9.50	
Anglian Water	NA	+9.48	
North West Water	NA	+9.08	
Northumbrian Water	NA	+12.98	
Severn Trent Water	NA	+10.89	
South West Water	NA	+10.01	
Southern Water	NA	+8.59	
Thames Water	NA	+11.00	
Wessex Water	NA	+12.54	
Yorkshire Water	NA	+9.61	
Banking^b	1995–1997	1998–2001	(2.30*) 1.49
Barclay's Bank	+13.51	+12.29	
Co-operative Bank	+8.25	+20.44	
Abbey National	+5.34	+5.42	
Halifax	+53.31	+14.04	
HSBC	+28.96	+15.30	
Motor vehicles	1991–1992	1993–2000	(0.82) 0.16
Rover Cars	-7.33	-3.76	
Ford	-10.84	-2.73	
Vehicle components	1991–1993	1994–2000	(2.30*) 1.17
Borg Warner	+6.31	+7.37	
Robert Bosch	+2.09	+6.63	
Calsonic	+3.98	+3.57	
Holset Engineering	+1.1	+3.58	
Truck manufacture	NA	1994–2000	4.41**
Leyland Trucks	NA	+7.56	
AGCO	NA	+2.51	
ERF	NA	-0.86	
Drinks	1992–1993	1994–2001	(1.04) 0.06
HP Bulmers	+7.73	+7.37	
Diageo (United Distillers)	-0.03	+6.71	
Tetley	-2.36	+1.05	
Greene King	+16.05	+13.36	
Retail	1994–1997	1998–2001	(0.99) 0.04
Asda	+3.82	+3.01	
Tesco	+4.53	+4.37	
Safeway	+5.85	+4.25	
Somersetfield	+1.98	+2.15	

* $p < 0.05$.

** $p < 0.01$.

^aConsistent prepartnership figures were not available.

^bThe measure used here was return on capital employed because profit margin figures were unavailable.

SOURCES: Water: OFWAT (Office of Water Services), 2000, *Financial Performance and Expenditure of Water Companies in England and Wales: 1999–2000* (London: OFWAT), Table 10. All other industries: BvD database of British companies at www.fame.bvdep.com, individual company reports/profile/profit margin (%), 31 December each year.

deteriorating employment record in four firms (Barclays, Bulmers, Asda, and Tesco). Since two different methods produce such different results, the safest conclusion is that the profits-employment link is insufficiently robust for us to have confidence in it.

Finally, in this section we consider whether there is a link between the employment record of partnership firms and the presence of an employment security agreement. Such agreements normally took the form of a pledge to try to avoid compulsory redundancies (layoffs), and their presence in the partnership firms is shown in Table 1. Job losses, however, were recorded at 8 of the 11 companies with such agreements but at just 4 of the 11 companies without them ($\chi^2 = 36.3, p < 0.001$). This finding is consistent with evidence that suggests that the main function of “job security” agreements is to help companies jointly manage labor force reductions rather than avoid them (Cully et al. 1999:80; IRS 1997b).

To conclude this section, then, it appears that there is a tendency for employer-dominant partnership firms in declining employment sectors to shed jobs at a faster rate than nonpartnership rivals irrespective of their prepartnership history, profit margins, or employment-security policy. On the other hand, partnership firms in expanding sectors of employment appear to perform better than nonpartnership rivals, a tendency again unrelated to profit margins.

Wages and Conditions. The evidence on wage settlements is displayed in Table 4 and shows no significant differences in either prepartnership or postpartnership wage settlements with the exception of retail stores.

Wages increased faster in the partnership stores compared with nonpartnership rivals ($t = 2.39, p < 0.05$). However, data for 1995–1997 show that the partnership stores Tesco and Asda also were recording higher wage rises than their competitors before they signed partnership agreements ($t = 3.35, p < 0.01$). Data on hours and holidays showed no significant overall differences between all partnership and all nonpartnership firms (hours: $t = 0.64$; holidays: $t = 0.89$) (Table 5).

Union Membership and Density. Given the often poor employment record of partnership firms and the absence of any partnership effect on wages, hours of work, and holidays, there may be no theoretical reason to expect a partnership effect on union density. Table 6 shows union membership and density figures for banking and retail firms postpartnership.

An overall comparison of the three partnership firms (Barclays Bank, Co-operative Bank, and Tesco) with six nonpartnership rivals shows no significant difference in union-density trends between 1998 and 2001 ($U = 2.00, ns$).

TABLE 4
 CUMULATIVE MONEY WAGE RATE INCREASES (HOURLY PAY, PERCENTAGES) IN
 PARTNERSHIP AND NONPARTNERSHIP COMPANIES

Company	Cumulative Prepartnership Wage Rate Increase	Cumulative Postpartnership Wage Rate Increase	<i>t</i> -Statistic ^a (Prepartnership Figure in Parentheses)
Cement	NA	1988–2002	0.00
Blue Circle Cement ^b	—	75.7	
Castle Cement	—	77.8	
Rugby Cement	—	73.5	
Water	NA	1990–2002	0.49
Hyder (Welsh Water)	—	55.6	
Anglian Water	—	69.4	
North West Water	—	62.0	
Northumbrian Water	—	61.4	
Severn Trent Water	—	73.5	
South West Water	—	60.4	
Southern Water	—	62.6	
Thames Water	—	65.0	
Wessex Water	—	67.0	
Yorkshire Water	—	68.5	
Banking	1995–97	1998–2002	(1.04) 1.43
Barclay's Bank	9.0	16.9	
Co-operative Bank	11.7	15.5	
NatWest Bank	10.3	16.0	
Abbey National	11.7	14.6	
Halifax	9.8	18.2	
HSBC	9.0	16.3	
Nationwide	19.8	21.3	
Motor vehicles	1990–1992	1993–2002	(0.27) 1.21
Rover	21.5	39.3	
Ford	25.0	46.0	
Vehicle components	1990–1992	1993–2002	(0.40) 0.39
Borg Warner	24.3	33.6	
Robert Bosch	24.4	33.8	
Calsonic	25.1	38.8	
Holset Engineering	25.4	38.4	
Truck manufacture	1990–1992	1993–2001	(0.26) 0.96
Leyland Trucks	13.9	36.3	
ERF	15.6	40.9	
AGCO	16.3	39.0	
Drinks	1991–1993	1994–2001	(0.67) 0.82
HP Bulmers	11.1	28.3	
Diageo (United Distillers)	19.4	31.3	
Tetley	13.5	31.1	
Greene King	10.9	24.3	
Retail	1995–1997	1998–2002	(3.35**) 2.39*
Asda	11.4	16.7	
Tesco	10.7	18.0	

TABLE 4 (cont.)

Company	Cumulative Prepartnership Wage Rate Increase	Cumulative Postpartnership Wage Rate Increase	<i>t</i> -Statistic ^a (Prepartnership Figure in Parentheses)
Safeway	10.2	15.4	
Sainsbury's	8.7	13.9	
Somerfield	9.4	15.3	

^aThe *t*-statistics were calculated on the annual, not the cumulative, wage rate increases for each of the partnership and nonpartnership companies in all industry sectors apart from water. Because of the imbalance of partnership and nonpartnership companies in the water industry (one company as against nine), wage rate increases in the nonpartnership firms were averaged each year to produce a single annual observation.

^bPostpartnership pay comparisons were started in 1988 (for cement) and 1990 (for water) immediately after the abolition of industry-wide pay bargaining in the respective industries. They were started in 1998 in retail and banking and 1994 in drinks, those being the respective years by which all the partnership agreements were in place. They were started from 1993 in motor vehicles, vehicle components, and trucks because that was the first pay round under the new partnership agreements at Rover, Borg Warner, and Leyland Trucks.

**p* < 0.05.

***p* < 0.01; others ns.

SOURCES: Industrial Relations Services, "Annual Review of Private Sector Pay," *Industrial Relations Review and Report* 424 (Sept. 1988); 448 (Sept. 1989); 471 (Sept. 1990); 495 (Sept. 1991); 519 (Sept. 1992); 543 (Sept. 1993); 571 (Nov. 1994); becomes *IRS Employment Review* 595 (Nov. 1995); 619 (Nov. 1996); 643 (Nov. 1997); 667 (Nov. 1998); 692 (Nov. 1999); 716 (Nov. 2000); 740 (Nov. 2001); 764 (Nov. 2002); Labour Research Department, *Bargaining Report*, September issues, 1988–2002, 76 (1988); 87 (1989); 98 (1990); 109 (1991); 120 (1992); 131 (1993); 142 (1994); 153 (1995); 164 (1996); 175 (1997); 186 (1998); 197 (1999); 208 (2000); 219 (2001); 230 (2002).

One claim sometimes made is that partnership agreements may have protected unions against even more severe membership loss by reducing the employer's incentive to deunionize and completely eliminate trade unionism. It is true that a number of "partnership" employers either considered deunionization before opting for "partnership," namely, Legal and General, National Power, and Tesco, or threatened deunionization or plant closure in order to secure union compliance with a "partnership" agreement, namely, Allied Domecq, Blue Circle, Bulmers, Hyder, Rover, and United Distillers (Bacon and Storey 2000:413–4; Haynes and Allen 2001:172; Marks et al. 1998:213, 217). It is therefore possible that by opting for "partnership," unions did indeed protect membership and preempt their elimination as bargaining agents.

Discussion

The evidence from a small sample of matched partnership and nonpartnership firms suggests that in industries where there is significant labor shedding, employer-dominant partnership agreements often have been associated with a faster rate of job loss. On the other hand, in industries with stable or rising labor demand, both employer-dominant and labor-parity partnership firms have a better job-creation record than nonpartnership

TABLE 5
HOURS OF WORK AND HOLIDAYS IN PARTNERSHIP AND NONPARTNERSHIP FIRMS^a

	Basic Weekly Hours	Annual Holidays (Days)
Blue Circle	37	25
Castle Cement	36	25
Hyder (Welsh Water)	37	21
Anglian Water	37.5	23
North West Water	37	24
Severn Trent Water	37	25
Thames Water	37	24
Yorkshire Water	37	25
Barclay's Bank	35	21
Co-operative Bank	35	21
Abbey National	35	21
Halifax	35	23
HSBC	35	25
Nationwide	35	22
Rover	36.5	26
Ford	37.5	25
HP Bulmers	35	26
Diageo (United Distillers)	38	26
Tetley	38	26
Greene King	42	25
Asda	38	23
Tesco	39	23
Safeway	39	21
Sainsburys	39	22
Somerfield	38	22

^aPartnership firms are shown in bold; other firms are nonpartnership.

SOURCE: Incomes Data Services, *Hours and Holidays 2002* (London: IDS Study 736), September 2002, pp. 10–24.

rivals. Partnership had no discernible impact, however, on wage settlements, weekly hours, annual holidays, or union density. In this section I want to consider (1) some of the weaknesses in the empirical evidence, (2) how the outcomes might be explained, and (3) the implications for unions and for researchers.

There are certainly more than 22 partnership agreements in Britain, and it is therefore possible that the current sample is skewed in relation to the population [see Gall (2001b) on the banking and insurance sector]. The wage data do not take into account variations in earnings due to performance pay systems, and there are substantial gaps in the union membership data. We also lack valid and reliable data on worker attitudes within the partnership firms. Measured improvements in job satisfaction or quality of work life might lead to a more positive assessment of partnership compared with the data on employment, wages, and union density. While jobs and

TABLE 6
 TRADE UNION DENSITY IN PARTNERSHIP AND NONPARTNERSHIP BANKS
 AND RETAIL STORES, 1998–2001

Company (Partnership Firms in Bold)	Trade Union Density and Membership, 1998	Trade Union Density and Membership, 2001	Density Change, Percentage Points
Banking^a			
Barclay's Bank	79%, 48521	68%, 38580	-11
Co-operative Bank	70%, 2724	63%, 2526	-7
NatWest Bank	81%, 45224	83%, 39630	+2
Abbey National	37%, 7468	44%, 8514	+7
HSBC	47%, 20837	45%, 21455	-2
Retail			
Tesco	50%, 77500	50%, 86000	0
Safeway	20%, 13000	29%, 19700	+9
Sainsbury's	c10%, 10500	c10%, 11000	0
Somerfield	c10%, 4500	c10%, 4000	0

^aConsistent time-series employment data were not available for two nonpartnership banks, the Halifax and Nationwide, owing to corporate mergers.

SOURCES: Banking: Employment data from British Bankers' Association, *Abstract of Banking Statistics* (London: BBA, 2001), Table 5.1. Union membership data: written communication from John Earls, head of research, UNIFI, and from Trades Union Congress, *Annual Directory* (London: TUC, 1999–2002) inclusive. Retail: Employment data from annual company reports at www.fame.bvdep.com. Union membership data: written communication from Graham Markall, head of research, Union of Shop Distributive and Allied Workers.

wages reflect traditional union bargaining goals and are therefore important outcome variables to study, it may be that union achievements under social partnership might show up in other areas, such as training provisions or equal opportunities. Finally, the classification of firms into employer-dominant and labor-parity agreements is clearly problematic, and with such a small sample, classification errors can have an enormous impact on findings.

If there is any bias in the sample, it is likely to be overrepresentation of cases widely regarded as successful, e.g., Blue Circle, Hyder, and Tesco. A more representative cross section of cases, including failed initiatives, might well yield even an even bleaker picture of partnership outcomes. However, some of the main findings in this study are consistent with evidence from research on other kinds of employer practices that sometimes are associated with partnership agreements (Guest and Peccei 2001:223). The positive link between employer-dominant partnership and job loss and the absence of any link between either form of partnership and wage rises have both been reported in studies of high-performance work organizations, defined as self-managed work teams with job rotation, quality circles, or off-line problem-solving groups and total quality management (Osterman 2000:190).

What can we say of the possibility that rather than partnership leading to job losses, firms about to shed labor because of acute product market

difficulties may opt for partnership? In other words, the partnership firms may constitute a self-selected sample of unusually weak organizations. The evidence in Tables 2, 3, and 4, however, does not appear to support this proposition. Preexisting differences in rates of job loss, profit margins, and wage settlements were minimal and mostly nonsignificant.

How can we account for the preliminary evidence in this article? The information-sharing hypothesis is impossible to assess on the data available here. On the trust hypothesis, there is some evidence, at Barclays and Legal and General, of higher levels of trust between senior managers and their union counterparts (Samuel 2001). Theoretically, high trust requires that each party perceives the other to be acting from choice, not constraint, and that each party's cooperative moves are reciprocated by the other. The evidence to date is not very encouraging on either count. Many partnership agreements, especially in industry, have emerged under conditions of acute product market competition, suggesting that workers and union leaders may be unlikely to perceive management actions as freely chosen (Oxenbridge and Brown 2001). Job-security provisions are not especially widespread in British partnership companies, a fact that may undermine worker and union perceptions of employer reciprocity.

There is some support for the hypothesis that an imbalance of power resources may encourage employer coercion under the rubric of "partnership," albeit of the employer-dominant type. In 6 of the 22 cases reviewed in this article, the "partnership" agreement was induced by threats of union derecognition (decertification) and/or plant closure (Blue Circle, Hyder, Rover, Allied Domecq, Bulmers, and United Distillers), whereas a further 3 firms seriously considered union derecognition before opting for "partnership" (National Power, Tesco, and Legal and General). A similar pattern of "forced compliance" was reported in 9 of the 13 case studies of labor-management "cooperation" examined by Walton, Cutcher-Gershenfeld, and McKersie (1994). Many of the British partnership agreements have been signed in companies and sectors where product market competition, industrial and corporate restructuring, and labor shedding are likely to have weakened union power resources. This was arguably the case in the utilities (following the privatization program of 1986–1991), in banking and insurance (following deregulation in the late 1980s), and in motor vehicles (because of overcapacity and Japanese competition) (O'Connell Davidson 1993; Oxenbridge and Brown 2001; Storey et al. 2000; Scarbrough and Terry 1997). Although the food retail sector is expanding (with little labor shedding), there is intense competition between a small number of giant firms, and profit margins are low relative to manufacturing (see Table 3). Partnership agreements in these four sectors—utilities, banking, motor

vehicles, and retail—therefore are more likely to have taken the employer-dominant form.

By contrast, unions with more substantial power resources may have been able to secure labor-parity agreements, as at Borg Warner, British Airways (pilots), Cooperative Bank, FSL, Leyland Trucks, and Royal Mail. In the case of Royal Mail, the employer's "partnership" package of radical work practice reforms was substantially diluted by strike action in 1996 conducted by a militant and well-organized workforce in a monopoly public service (Bacon and Storey 2000; Gall 2001a). The airline pilots' union signed a partnership agreement with British Airways, but it was clear from Harvey's (2001) research that union officials continued to pursue "traditional" adversarial collective bargaining based on the power resources of union density, union control of labor supply, and high membership commitment to the union [for similar cases, see Roche and Geary (2001) and Danford, Richardson, and Upchurch (2002)].

While many of the partnership agreements (the "second generation" of labor-management cooperation) may have been of the employer-dominant type, the "third generation," union recognition agreements, may show a greater proportion of labor-parity agreements for several reasons. First, the national level of unemployment (September 2002) is just 5.3 percent, approximately half the average level of the period 1990–1995. Second, the dominant approach to securing a new recognition agreement is to build up union membership and organization, two key power resources in collective bargaining (Heery, Kelly, and Waddington 2003). Finally, union power resources have been assisted by the union recognition (certification) provisions of the Employment Relations Act (1999), which oblige the employer to negotiate with a union that has demonstrated majority support in its bargaining unit. I can sum up these points by suggesting that labor-management cooperation in Britain has taken different forms in recent years, as shown in Table 7.

There are two implications from this schema. First, generalizations about labor-management cooperation need to specify the type of agreement under investigation. Second, if we are witnessing a shift toward labor-parity agreements, then the outcomes of such arrangements may be rather different from those we have seen in the recent past and which have influenced debates in the literature. Having said this, there was no evidence from the small sample of agreements in this article that wages, hours, or holidays improved any faster under labor-parity agreements as compared with employer-dominant agreements. Whether larger samples or different outcome measures would show different results remains to be seen.

What are the implications of this material for social partnership as a route to union revitalization? The evidence from the case studies does not

TABLE 7
EVOLUTION OF LABOR-MANAGEMENT COOPERATION IN BRITAIN, 1981–2001

Timing and Nomenclature	Character	Employer and Union Objectives	Main Sector(s)
Phase 1, 1981–1989: No-strike new-style) agreements	Employer-dominant single-union agreements	Employer: Avoid conflict; secure compliant and flexible workforce Union: Increase membership	Japanese transplants in electrical engineering in areas of high unemployment
Phase 2, 1991–present: Social partnership agreements	Mostly employer-dominant social partnership agreements, some labor-parity agreements	Employer: Secure union support for job losses and flexible work practices Union: obtain job security pledge and influence over business strategy	Sectors facing intense product market competition and corporate mergers, especially utilities, motor vehicles, banking and finance, and retail
Phase 3, mid-1990s–present: Union recognition agreements	Mixture of employer-dominant and labor-parity agreements	Employer: Sign a cooperative collective agreement; secure union support for business goals Union: Increase membership; secure employer support for collective bargaining	Traditionally unionized sectors, namely, manufacturing, transport, and communications

show any clear connection between changes in union density and partnership agreements (see Table 6). The evidence on jobs and wages suggests that unions have not been significantly more effective through social partnership than under conventional nonpartnership arrangements. In Britain, the increases in aggregate union membership and density since 1998 have come about through organizing campaigns and new recognition agreements, very few of which conform to a partnership approach (Heery 2002; Heery, Kelly, and Waddington 2003). In any case, there are significant constraints on the spread of partnership agreements both in the United Kingdom and the United States. First, the volatility in many product markets may inhibit the degree of long-term planning (around employment security, for instance) that may be required for partnership agreements to be effective and sustained. Second, systems of corporate governance in both the United Kingdom and the United States are still heavily geared toward short-term cost minimization and profit maximization, attributes that appear inconsistent with the long-term commitments entailed by meaningful partnerships (Deakin et al. 2001; Heery 2002:25–6; Rubinstein and Kochan 2001:144–5). Third, to the degree that unions remain democratic organizations, membership discontent with or opposition to partnership agreements may either prevent such

agreements from being signed or, once signed, threaten their longevity [see Rubinstein and Kochan (2001) on GM's Saturn plant and Gall (2001a) on Royal Mail]. Finally, there is evidence that the impact on pay of organizational arrangements such as partnership may be swamped by sectoral product and labor market effects, thus reducing the perceived advantages of partnership (Arrowsmith and Sisson 1999). Overall, the environment for partnership agreements in Britain (and perhaps also in the United States) is not especially hospitable.

For managers, the main implication of these findings is that partnership agreements may prove highly effective in helping to shed labor. While there does not appear to be any significant improvement in profits as a result, neither is there any above-average increase in pay and conditions to compensate labor for job losses.

For researchers, one implication of these findings is the importance of investigating traditional industrial relations outcomes in addition to the performance and employee welfare measures favored in the high-performance literature. Focusing on employment, wages and conditions, and union density can help to throw light on the significance of partnership for trade unionism, as well as feeding into union policy debates. Second, the comparative method used here could usefully complement the surveys and single case studies that dominate the U.S. (and the British) literature on partnership (e.g., Appelbaum et al. 2000; Rubinstein and Kochan 2001). Comparative case-study research in North America has proved particularly illuminating on the outcomes of different union policies toward partnership (Yates 1992). Third, the similarities between the U.S. and U.K. systems of corporate and union governance and corporate-level collective bargaining suggest that the findings reported here also may apply to labor-management partnerships in the United States. Finally, in examining partnership outcomes there is a need to distinguish between different types of partnership agreements.

Conclusions

This article has reviewed the evidence on the labor outcomes of British social partnership agreements. Data on employment show that in industries marked by employment decline, partnership firms often have shed jobs at a faster rate than nonpartnership firms. In expanding sectors, by contrast, partnership firms have created jobs at a faster rate than nonpartnership rivals. However, there was no discernible impact of either employer-dominant or labor-parity partnerships on wage settlements, working time, holidays, or union density. In order to increase our understanding of partnership as a

specific form of labor-management cooperation, we need evidence on the ways in which different types of partnerships produce their effects, and information sharing, trust, and power all were discussed as possible mechanisms. Because of the evidence on labor outcomes, and given the economic and institutional constraints on partnership agreements, they seem unlikely to figure as a major component of any revitalization of the union movement.

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