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Business School

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INTRODUCTION

Industrial relation theory has tended to assume that trade unions are central to management's field of vision when it comes to organisational participation, as with much else (see Ackers and Wilkinson 2003). Either participation schemes are designed to weaken and marginalize unions or their aim is to make unions 'see sense' and behave more responsibly (Ramsay 1977). Our earlier research showed that *new* concerns about quality, customer care and employee commitment, motivated 1980s and 1990s management Employee Involvement (EI) initiatives, supplanting the traditional emphasis on industrial relations conflict resolution (Marchington *et. al.*, 1992). Social Partnership has been widely interpreted as heralding a return of trade unions to the centre of UK organisational life. However, this research suggests that, while there has been a revival of management interest in representative EI since 1997, 'partnership' will not translate into an automatic union revival. Indeed, employers may develop effective (in their eyes) non-union forms of partnership, where either unions are too weak or too adversarial to deliver employee consent. From the perspective of UK managers, the prospects for unions in the workplace will depend on their willingness and ability to contribute towards partnership between *employers and employees*. And rarely will unions be the exclusive channel for achieving this.

THE CHANGING FACE OF UK ORGANISATIONAL PARTICIPATION

Worker participation in its various guises has been a constant theme in UK industrial relations. Different historical periods have witnessed new forms of participation, sometimes in place of old, sometimes alongside those already existing. The wider political and economic climate has played a key influence in shaping particular institutional types. Our research for the Employment Department over a decade ago, was an attempt to track these developments through the 1980s into the 1990s (Marchington et al 1992). Here we present some new findings from return visits in 2001 to 7 of the 25 organisations studied in 1989-1991, to bring the story up-to-dateⁱ. The past decade has seen quite major changes in the political and legal environment of British employment. To put this in simple terms, if the 1980s saw Britain moving at some speed towards a US neo-liberal model of employment relations, the early years of the twenty-first century have seen some reorientation towards a more European social market model, underpinned by legally enforced notions of employee rights (see Ewing 2003, Marchington 1998). This article compares and contrasts the forms of employee voice being promoted by current employers with what they were doing a decade ago. The 1992 research pointed to the existence of waves of EI activity within companies, partly driven by internal dynamics, partly by changing national policies and popular management fashions. While the focus of that EI research was slightly different to this Voice project (Marchington et al 2001), it still constitutes a useful benchmark for illuminating current management practice. Our 2001 research was part of a larger study of management attitudes and choices regarding ‘employee voice’ at 18 organisations, and is therefore naturally limited in what it can say about the changing state of employee opinionⁱⁱ.

With hindsight, we can discern three quite different periods of management policy towards worker participation since the Second World War. In the first period, roughly from 1945-1979 (but beginning during the war) interest centred around notions of power sharing in industry, or *industrial democracy* centred on trade unions. The main aim was to reduce industrial relations conflict by involving unions in management decision-making (Brannen 1983). From 1979 to 1997, during a second period defined by dramatic political change, the decline of the trade union movement removed such issues from the agenda. Many commentators thought managers would lose interest in participation altogether (See Ackers *et. al.*, 1992). However, over the last twenty years, business interest in the area has never been higher. But this interest took a novel form, borrowed from America and Japan, namely *employee involvement* (EI). The associated new initiatives were management sponsored and, not surprisingly, concerned with business goals, notably employee motivation and commitment to organisational objectives (Marchington and Wilkinson 2000). Thus most EI has been limited to information sharing or localised problem solving, without granting workers much say over high-level decision-making (Wilkinson 2001). A resulting 'representation gap' (Towers 1997) was reinforced by the decline of collective bargaining and consultation committees. The current period of *social partnership*, since 1997, has seen some revival of earlier concerns with employee representation and rights at work, mainly drawn from European Social Policy and employment regulation. With the landslide re-election of New Labour in 2001 it is now appropriate to identify this as a distinctive period of some solidity, with its own specific dynamics.

TOWARDS SOCIAL PARTNERSHIP?

If EI looks set to stay, there are signs that, under New Labour, it has been joined by some revival of representative participation. For the public policy context of employee participation has changed markedly since 1997. A new language of *social partnership* (a concept rarely used in the 1980s) has accompanied the end of Conservative rule, more active government regulation of the labour market (the National Minimum Wage, Statutory Trade Union Recognition, EU Working Time Directive etc.), and a closer engagement with European social policy, including the European Works Council (EWC) initiatives (see Ackers and Payne 1998; Tailby and Winchester, 2000)ⁱⁱⁱ. The EU concept of social dialogue centres on partnership between employers and employees, *through representative bodies*, notably trades unions and works councils. It also advocates participation as an extension of *employee citizenship rights* and not just business expedience (see Martin 2003). The information and consultation Directive is the latest important development (Sisson 2002). Some British companies are responding directly to this new public policy framework. Others, such as Blue Circle and Tesco have struck voluntary partnership deals with trade unions. British Airways, following the 1997 industrial dispute, issued a statement on the principles of partnership. Still more, like the non-union Marks and Spencer, have had to accept EWCs. By and large these agreements balance the EI agenda with a greater emphasis on employment security and employee representation, through consultative committees and trade unions. The price for the latter is to eschew adversarial bargaining and reactive conflict for consultation and proactive co-operation, following the trade union style of Scandinavia and Germany.

Most significantly, social partnership may offer a new vision of the place of trade unions in participation arrangements (though there are non-union versions, as we shall see). In reality, the relationship between EI and trade unions was never straightforward. A variety of outcomes are possible, ranging from compatibility or indeed synergy, through to tension and competition between management and union representatives to secure influence. Alternatively, the relationship may be relatively unaffected, with EI and trade unions operating in quite separate zones. It has been common to suggest that EI marginalises unions, threatening their traditional role of defending and advancing worker rights. Thus, for Beale (1994: 120), EI represents:

a significant challenge to the traditional influence of trade unions in the workplace. Employee involvement programmes provide an alternative source of information, ideas and interpretation of workplace experiences, an alternative to that provided by the union. Employee involvement programmes actively promote a new culture in competition with the traditional explanations and culture communicated by the union.

However, management attempts to by-pass unions by involving employees directly have met limited success in terms of enhanced worker commitment, creating 'dualistic' union and non-union structures in many large 'mainstream' organisations (Storey and Sisson 1994). On the other hand, where unions stand outside the EI initiative, their indifference or hostility may be a major reason for its failure. Social partnership theory suggests that union involvement can make EI work better, for both management and employees.

The critical policy question concerns whether employers, unions and employees are really interested in partnership, and whether this can succeed to the mutual benefit of all. Radicals claim that consultation (short of workers control) 'incorporates' and enfeebles trade unions, while direct EI by-passes them and undermines collectivism (see Ramsay 1977). The corollary of this zero-sum analysis is that effective trade

unions weaken and discard management-led channels of EI. In our previous work, we have challenged, as over simplistic, this notion of a necessary link between waves of EI and forms of union - centred partnership (Ackers *et. al.*, 1992; Ackers and Payne, 2000). Clearly, there is a potentially problematic relationship between 'representative' and 'direct' forms of participation. Both the British Trade Union Congress (TUC) and the Involvement and Participation Association (IPA) have promoted a more positive-sum relationship between trade unions and management, one which transcends 'arms-length adversarialism' and connects representative and direct forms of participation. A practical manifestation of this is the TUC's positive attitude to European Works Councils (EWCs), notwithstanding their potentially non-union character (see Monks 1998). Our research, below, suggests that management's current rethinking of EI does not have trade unions (or industrial relations issues) at its centre - except where union strategies have engineered them into management's definition of the problem.

A decade ago, our 'Escalator of Participation' followed Pateman (1970) in charting a progressive, step-by-step advance of participation from information giving and communications to co-determination (see Marchington *et al* 1992). Recent work by Wood and Fenton O'Creevy (1999), suggests that multinationals, which relied only on direct EI, involved their employees less than those prepared to also consult or negotiate. While the union was the channel for only a limited number of issues, the overall level of involvement was still higher on average in unionised operations. This may be because unions put managers under pressure to inform and consult via other channels or because management involve staff in other channels in order to counter or bypass the union. A third possibly is that a management favourably inclined towards

unions is more likely to be well disposed to other forms of EI as well. In any case, employees enjoyed more genuine participation when trade unions were present. On the other hand, Guest and Conway (2001) have identified the 'paradox' that such unionised workers are often more dissatisfied; a finding that will hardly encourage managers to embrace union-centred participation. For, as we shall see, the place of trade unions in emerging workplace partnerships is far from assured.

Notwithstanding Hilmer and Donaldson's (1996: 198-9) plea for 'corporate uniqueness', there is also evidence that strong participation thrives in certain national cultures and regulatory regimes. And questions remain about whether the short-term, cost-minimisation culture of British business and HRM is inimical to effective participation, in contrast to other continental economies (see Cressey *et al* 1985; and also Deakin *et al*, this volume). With these thoughts in mind, we now turn to the fruits of our recent research.

THE DYNAMICS OF EI: TEN YEARS AFTER

The 1992 EI study covered 25 company cases, broadly stratified by company size, age, region and union presence (Marchington *et al* 1992). It found a wide range of management EI activity in most organisations and, with other research, identified the emergence of dual union/ non-union channels of employee participation. We identified four main types of EI: *downward communications*; *upward problem-solving*; *financial participation*; and *representative participation*. Of these, only financial participation was not germane to this study of employee voice. For while financial participation may become a subject of 'employee voice', especially where worker stakes are significant, it is not of itself a form of employee voice. To aid this longitudinal analysis, a subgroup of seven organisations was drawn directly from the

1992 study. This allowed for a direct assessment of organisational change over time, which forms the core of this chapter. However, the other cases in the background also enable some indirect assessment of how the management approach to employee voice has changed over the past decade.

INSERT TABLE 1 ABOUT HERE

Changes in business environments and new patterns of diversity

Once more, in this new study, we have found great unevenness in company approaches to participation, depending on size, sector, the presence or attitude of trade unions, company employment traditions and so on. And these have developed unevenly over time. Growing organisational size, complexity and spatial spread often lie behind a rethinking of the 1992 EI recipe. Housing Association, a suburban, estate-based body has extended its operations into a relatively distant new town and moved into various care-based activities, changing both the character and spatial distribution of staff. The care staff drew the organisation into the National Minimum Wage and the Working Time Directive and raised new problems of communicating with staff at a distance and on shifts. Moreover, staff living away from the traditional estate no longer doubled as tenants with a special relationship to the housing association. Beyond this, sheer growth in size, from 120 to over 300 employees, required more structures. In contrast, Southern Shoe has downsized radically in the UK, in terms of manufacturing work force numbers and regional spread. The result was that its comprehensive 1980s participation apparatus (see Table one) became far too elaborate in company eyes for current purposes, leading to a down-grading of the personnel function (formerly a key corporate board position) and to a much more ad hoc

approach to employee voice in the factories. At the same time, the globalisation of the business and the growing weight of its retail arm, favoured developments like the EWC (and the company council), which drew together all the functional and geographical dimensions of the business. As a result of these variations at the level of the firm, two hitherto similar manufacturing firms, Southern Shoe and Weaveco, had thus moved in diametrically opposite directions: the latter towards strong, functional, manufacturing centred forms of voice linked to UK-based teamworking; the former towards weaker, global and company-wide systems.

INSERT TABLE 2 ABOUT HERE

Whereas the micro-economic environment is necessarily highly individual, the macro-economic, political and legal environments might be expected to be more of a common influence. The election of New Labour in 1997 and greater involvement in EU social policy has seen the emergence of a more active regulatory framework. Once more, however, the impact on company choices regarding participation has been highly uneven. Some of the ‘minimum standards’, like the National Minimum Wage and the Working Time Directive , have had little or no implications for large, unionised organisations, such as Retail Bank, Midbank, Scotchem, Southern Shoe, or Weaveco. They have had a significant impact, though, on both Leisureco and Housing Association, as individual policies and as generalised regulatory pressure for professional personnel management where it had barely existed in the past. Thus Leisureco reported a major rise in labour costs from minimum wage levels and new holiday entitlements. More important for employee participation, the rising level of employment regulation was one factor in the professionalisation of the personnel function, as both Leisureco and Housing Association acquired all-round personnel

departments headed by a CIPD accredited HRM specialist. Since 1996, the Housing Association Personnel Manager, supported by the Deputy Director, had expanded the personnel function from one 'record keeper' to 'a more professional service':

It's just grown, the more we do the more we need to do, the more we are expected to do...the expectations have grown...it's partly the employment legislation that was coming in thick and fast, there was a lot more complexity to running a place like Housing Association

Likewise a personnel and senior manager combination at Leisureco had built a more active personnel function to support a stronger range of participation mechanisms centred on a new consultation system. In 1992, operational imperatives and the weakness of personnel had meant that consultation was considered impractical. As the HRM manager commented,

I think [personnel] probably had quite a high priority without the legislation, but I do think it's important that you've got at least one individual that's keeping abreast of all the employment legislation and that can interpret into the English language obviously for people on the park and make sure we are adhering to the legislation.

Another, more across-the-board set of new influences, was the rise of charter benchmarks such as Investors in People (most firms) and the CBI's manufacturing excellence standard (Weaveco). These required evidence of effective employee participation mechanisms and, in their new methodology, tested their efficacy with ordinary employees. Finally, the government has also encouraged voluntary partnership at work with a discernible impact at several companies. The result was an interesting tangle of shaping factors – product and labour market pressures, sudden business crises (Southern Shoe and Weaveco), statutory minimum standards and employee rights, voluntary benchmarking, government conceptions of best practice, management consultants, and proactive personnel managers aided by senior management sponsors – with the precise context varying from firm to firm.

The declining prominence of certain approaches to employee participation

Notwithstanding such complexity, there were some common trends. One was the decline, dismantling or recasting of the 1992 vintage of EI techniques. A clear trend is the replacement of stick-on techniques, such as quality circles, by more all-embracing participation or change management schemes. A good example of this is Weaveco, which has abandoned its entire 1992 range of EI techniques – joint consultation, suggestions scheme, quality circles, company magazine, financial report and annual employee briefing – in favour of a system of self-managed teams, linked in turn to both to management briefing and employee problem-solving. The HRM manager had himself pioneered the 1980s EI techniques. As he put it: ‘they’ve gone, but we’ve moved on. I think it’s fair to say we’ve improved most areas’. Quality Circles had become ‘clicky [sic] and elitist’ and ‘lived its life’:

if you wanted to say, do you have a quality circle meeting today? I would say, yes, we do but they are called department improvement teams (DITs)... We would say to the quality circles in your area it appears to be you have a problem with X housekeeping, would you tackle it please, and they did. Today the department improvement teams decide what they want to do in our area, and its gone up market. They look now, the improvement teams, at if there is a quality problem in the company, before that would be a management problem.

Whereas the old problem-solving schemes had a reward element and often attracted ‘absolute trivia’, the DITs ‘seek to improve their department for their own benefit and for the company but not for reward’. In a very different setting, Retail Bank had ‘dropped’ quality circles because ‘feedback was coming back in other ways’ such as the intranet and ‘Let’s talk’ discussion panels. New electronic mediums have complemented older paper channels, particularly in white-collar organisations, like Retail Bank, where employees have constant access to computers. Whereas

employees were once asked to 'send in' questions to the company magazine, they now sometimes have the Chief Executive's email or phone number. Among the sub-sample, however, paper-based techniques remained important, especially for manual and operational employees outside the office, such as tradesmen at the Housing Association, and rides and retail staff at Leisureco. During a period of economic rationalisation, Weaveco abandoned the longstanding company magazine, though there are now weekly bulletins in various production areas. Leisureco includes a weekly bulletin in employee pay packets.

More generally 'one-way' downward communications – both paper and oral – appears to have declined in salience if not quantity, in favour of two-way communications. As a consequence, downward communication and upward problem solving are increasingly fused. Retail Bank described the transition from an 'oil refinery' model of communication, where you made the pipes as wide as possible and the current, more targeted 'air traffic control' model. Whereas 'the feedback process was almost non-existent' five years ago, they now use attitude surveys and focus groups 'to check the temperature'.

we...put in these forms of audit to be able to find out whether the message is getting through, how did they get the message, did they believe it.

Even so, this audit told them: 'we're communicating too much and the messages aren't getting through'. Midbank described a similar approach:

We've sort of embedded a culture of wanting people to or managers to communicate with our staff. They just sort of naturally have team meetings and their own internal kind of newsletters and things like that.

The Weaveco Production Director drew a general conclusion:

[It] probably started by preaching to our employees, then we started talking to them but then the next thing is to start listening, and I think the listening is more though the DITs where they get involved in solving problems.

Finally, there are signs that management was less inclined to regard trade unions as a legitimate or even inevitable channel for employee participation, even where membership and workplace had been traditionally strong, except in those cases where the union was actively contributing to partnership. Five of our 1992 sub-sample had collective bargaining, all with quite strong union traditions. Perhaps the most interesting case was Weaveco, which had suffered manufacturing competitive pressures, causing a loss in the early 1990s. The company had globalised some manufacturing to satellite plants in Portugal, India and US, while modernising its main high-tech UK weaving base, and using overseas production as a lever for change within the core British factories. This ‘crisis’ prompted a Business Process Re-engineering (BPR) programme that stripped out everything that did not add value to the company, such as supervisors, traditional craft weavers and the 1980s EI channels. Self-managed teams were linked to new group payment systems (in place of piecework) and new levels of labour flexibility. Shopfloor union membership remains as high as 80%, but the union appears to have been institutionally marginalised (union representatives and employees may have a different view). The company has withdrawn from industry negotiations (and departmental piecework bargaining) to pursue site negotiations. As the Production Director explained:

we didn’t want it to be all union on the other side, we wanted some employee representatives that were non-union as well...we were looking to reduce the influence of the union if it seemed to be a negative influence and try to develop a more positive attitude.

Initially the change was more cosmetic than real, with the non-union representatives as ‘spectators’, but then the firm introduced monthly progress reviews with a partnership emphasis on understanding the wider business context of employment

relations and moving away from adversarial distributive bargaining. This was formalised as monthly site improvement teams (SIT), linked to departmental improvement teams (DITs), focused on 'projects to do with productivity, quality and service'. The prelude had been to excise the ageing core of traditional weavers, by making them redundant and moving their looms to Portugal. According to the Production Director, this 'very influential group':

were perceived to be not quite in tune with modern manufacturing thinking, they were very traditional craft. They'd resisted multi-loom weaving, and multi-loom weaving was a way of trying to get our costs down...But there had been that resistance and there was bad taste of it.

The 1992 dualistic system of union-centred and direct EI methods was scrapped.

Everything else was done through the shop steward so that managers would meet shop steward, shop steward would then roll it down. We never dream of that now, if we want to change a department then we would call the whole department together and sit with all of them or we would identify the opinion formers and have those in, and the briefings that we are doing. It's crazy when you think back that we used to not talk to our employees, only through a [union rep].

Self-managed teams may draw together problem-solving and communications in a way that excludes trade unions. Thus the HRM manager described a movement 'away from negotiation and communication through the trade union to direct communication'. It is important to note that the company was not hostile to unions per se. They reported good relations with the GMB and the AEEU elsewhere in the business. But the main production union was regarded as old-fashioned, negative, obstructive and adversarial and thus excluded from the rhetoric of positive voice. Hence management withdrew check-off, when the union's threshold for strike action was reduced. This case illustrates that even in a deeply entrenched union environment where union representation was always regarded as natural for manual workers,

contemporary UK management is highly concerned about the *character* of union voice, and may be prepared to look beyond it altogether.

New approaches to participation and more prominent EI techniques

In addition to electronic communication (intranets, email), several techniques or approaches stand out as either new or much more prominent than in 1992, including two addressed to the individual employee. *Attitude surveys* were found in 7 organisations from the overall sample of 18 organisations. In 1992 none of our sub-sample had attitude surveys, whereas Midbank, Scotchem and Weaveco do today. As discussed above, this suggests that managers are making more strenuous efforts at monitoring employee responses to policy. In many cases, these surveys are conducted by credibly objective external bodies and fed back to employees and union representatives. *Appraisal*, according to managers, had become a significant individual channel for employee voice – an unexpected finding. Employers as far apart as the Housing Association and the manufacturer, Weaveco, volunteered appraisal as a mechanism for employee voice in the same breath as more predictable collective channels such as trade unions and consultation committees. In Southern Shoe, by contrast, the introduction of appraisal, was mooted as a subject for pre-emptive partnership discussions with the staff union. It remains to be seen whether employees also perceive and value appraisal as an opportunity for the expression of employee voice.

In the changed UK political and legal environment, collective, representative forms of participation seem to have gained a new lease of life. In 1992 consultation was in the doldrums, with the notable exception of company councils at some Japanese

companies. This time, we encountered 7 clear cases of espoused partnership within the larger sample; all involving some form of consultation, though not all of these were entirely new. These Partnership Agreements exhibited three key characteristics: a new emphasis on consultative structures; involvement of the trade union or other employee representatives in an early pre-emptive stage of management decision-making; and attempts to bridge the divisions between direct EI and representative systems. Partnership is a loose word for many shades of employment relationship. One useful distinction (echoing the old 'closed shop' language) is between *de jure partnership*, where a specific partnership agreement has been agreed, probably fairly recently, and *de facto partnership*, where the union-management relationship has, and may have had for some time, the characteristics outlined above, though this is not formally called partnership.

Although the term 'partnership' is often confined to unionised businesses (according to TUC criteria), we are concerned not to exclude the *possibility* that collective relationships reasonably defined as partnership might occur in non-union organisations or in the absence of union engagement (as envisaged by New Labour and the Involvement and Participation Association). Nearly all the recent literature on partnership – for example, the papers presented at the conference, *Assessing Partnership: the prospects and challenges of 'modernisation'*, at Leeds University, May 2001 (Martinez Lucio and Stuart, 2001) - assumes that partnership centres on management-union relations. While we are sympathetic to this viewpoint, it does make an a priori assumption that genuine participation can only exist with a workplace trade union. And it seems sociologically unproductive to rule-out non-union consultative forms, whether voluntary or state regulated (eg. EWCs), *before*

examining the evidence. As Badigannavar and Kelly (2003: 2) argue, Pluralist and Marxist Industrial Relations theory is suspicious of non-union participation, due its underlying understanding of the asymmetry of ‘power and interests in the employment relationship’. But theory needs to be ‘tested’ empirically, and Badigannavar and Kelly do this by comparing the efficacy of partnership, through employee eyes, at a ‘best practice’ non-union retail company against a broader sample of unionised and non-unionised retail sector firms. In this way, the attitudes and experiences of ordinary employees are central to deciding how successful a system of partnership or participation is (see also Wray, this volume). Ironically, this is *one* of the criteria that UK managers are looking for with unions: do they provide effective voice? Of course, managers’ criteria for both ‘effective’ voice and ‘effective’ trade unions may be very different from those of employees. With these caveats, we feel it is useful to distinguish between three main types, which we will then illustrate from the research.

INSERT FIGURE 1 ABOUT HERE

In the case of Scotchem (strong union, *de facto*), a powerful, independent union had been drawn into management-decision making as a means of ensuring shopfloor awareness of and openness to change. In the Managing Director’s words:

Some of the shop stewards are very good at trying to pull these things together in a cohesive way and identifying what the main issue is.

In this way, the union complements and clarifies the second channel of direct communications, overcoming the dualism of the 1980s. Collective partnership includes: monthly meetings between management and individual unions; regular meetings between the Managing Director and the three senior shop stewards on the

long-term business outlook; and the Communications Group of 40 key communicators including the three senior stewards and their deputies. Finally, there is the Employee Relations Workshop (ERW), an ‘intensive dialogue’ between management and the union - including non-union members. This builds on the Way Ahead programme, reported in 1992. That was damaged by industrial relations problems in the late 1990s and, in response, senior management ‘delegated authority’ to the ERW. So while the union remains central to this partnership, management insists that ‘the outcome should be good for the unions and their members but also for all employees’.

At Scotchem the union would be able to survive in the short-term – though not necessarily thrive in the long-term - without partnership. For Retail Bank (weak union, de jure), by contrast, partnership entails management sponsoring the staff association – as in the better known Tesco/USDAW case – such that the union becomes highly dependent on management for its future strength. Here, as at Midbank (strong union, de jure), the relationship was conceived as a ‘partnership between employees and Retail Bank’ as part of a broader network of stakeholders, including customers. The two banks first signed formal partnership agreements with a staff association or union in 1997 and 1998, in response to ‘the government’s sense of promoting employer trade union partnership’ (Retail Bank), and the influence of the TUC and ‘Tony Blair wanting partnership’ (Midbank). For Retail Bank, the main difference from the old ‘slightly traditional and slightly formal’ relationship was the involvement of the staff association ‘in problems and solutions to problems at an earlier stage’. For instance, the business situation was ‘debated in a more relaxed form’ over four months before actual pay negotiations, allowing these to be settled

more easily. At Midbank, where union membership was over 70%, management had ‘effectively involved the union and got the participation of their members’ right at the very outset’ and constantly reported back to them. Nevertheless, there was also a new parallel staff council, comprising non-union representatives, which the union had refused to sit on. Once again, management was prepared to keep their HRM options open, should needs be:

If we get down to a situation where, over time, union representation falls lower then you’ve still got another mode to actually have an advisory group.

Likewise, Retail Bank justified partnership by the quality of feedback received from the staff association, but added ‘we’d rather work with [them] than any other union’.

With staff association membership at around 30%, this might prove a ‘risk’:

Our overall strategy is to promote a strong, or as strong as possible trade union in the staff association and have as strong as possible partnership with them...[if] a not particularly strong union diminishes in membership and strength such that they become a very weak form of voice and [then we will] that we have to re-establish another formal mechanism.

If union-centred partnership should fail as an effective and constructive participation mechanism, both Retail Bank and Midbank envision the sort of consultative partnership model found at Housing Association (non-union, substitution). Here there is also a staff association, but no one even pretends it is a union and the efficacy of partnership does not rest upon its support. This not-for-profit organisation has had ‘a very strong joint consultancy committee’ as the centrepiece of employee voice for more than 20 years.

It’s been mechanism of representation that stood the test of time but it doesn’t appear to have been greatly used by employees as making their voice heard.

The Deputy Director felt this was because ‘staff by-and-large think they are getting a reasonably good deal’. The JCC’s ‘terms of reference are so wide’ as to include

wages and conditions, ‘anything’, and it is associated with a consultative and open management style whereby most changes are floated with employees before they are implemented. The main development has been to buttress the individual dimensions of partnership through a ‘high performance culture’ of more effective briefings, team meetings and appraisal, supported by a more professional personnel function.

The Weaveco (non-union, bypassing) model of partnership provides an instance of where management was now actively constructing a collective voice strategy that is no longer dependent on the union. In this respect, though the union retains majority shopfloor support, some might suspect that a ‘Trojan Horse’ pattern of non-union partnership is emerging. For example, Weaveco has replaced its traditional quarterly, union-centred JWC by monthly site and departmental meetings. As the HRM manager stressed:

[Negotiation] of course, isn’t in the brief of the improvement teams. And I’m confident that the information we were imparting there (the old JWC) did not get back to the departments. I think we have a better communication channel, which is probably the biggest improvement we’ve made.

EWCs were not part of the employment relations scene in 1992, whereas there were 4 in our larger 2001 sample. The Southern Shoe EWC illustrates how the dynamics of partnership change, with employment context, management policy and external regulation. In 1992, Southern Shoe already had close relations with its manufacturing union, a company council and factory joint consultation. A Personnel Director oversaw this workplace partnership before its time:

we’ve always consulted with the unions, always. But I think at times the consultation would take place right at the end of the process. Whereas now it happens very much at the beginning and involvement throughout.

Even so, the Personnel Manager added, 'I deal a lot with trade unions but in truth no-one in the centre deal with trade unions at all here'. The reason is that the UK manufacturing union now represents a small and shrinking constituency within the global, retail-led company. As a result, the 'discipline' of the former grand participation design has gone in the UK factories: 'we don't have regular meetings and the pressure isn't there'. Operational demands dominate and it is 'now more about making shoes at a good price, at a good quality and getting them out'. As the old logic of collective employee voice has gone, a new participation framework is emerging. The Company Assembly has changed from a large annual set-piece event, with all the Directors facing the UK workforce representatives, to a series of small group consultations.

The Southern Shoe EWC has emerged as a new forum that brings together the European elements of the much more diverse global workforce (British, German, Irish, Portugese), mixing union and non-union representatives. In the first instance, the EWC was mainly about 'compliance' because of the effort and expense. However, Southern Shoe introduced theirs two years before it became compulsory and invited the Slovaks to join before they belong to the EU. Management is now trying to use it as an effective 'PR-type exercise' and has employed a consultant to this end:

We are trying to make people appreciate that they are part of a large business, an international business.

At the same time, they are 'still trying to find our way':

What we are trying to do is identify what is the role of the European Works Council, what scope they have to make thing happen.

One possibility (maybe concern) is that when the German subsidiary joins, with their fluent English-speaking representatives and strong works council traditions, the EWC

will become a much more powerful consultative body. In this respect, as at Weaveco and Scotchem, new patterns of partnership may evolve from the old.

THE NEW PARTICIPATION AMALGAM

Since, in this latest research, we spoke only to management, it would not be appropriate to make definitive statements about the changing employee perceptions of organisational participation. We noticed, for example, that managers tended to accentuate the positive, brushing over grievance as an issue for voice and only mentioning trade unions where they occupied, what they saw as a 'constructive' role in partnership agreements. The notion of unions as a purely independent voice for their members, owing nothing to management, did not bear much consideration. In reality, ordinary employees may be much more critical of company participation arrangements than it appears here; while trade unions and collective-bargaining in some organisation may still represent the crucial, submerged element of the participation iceberg. This said, employers and managers are central policy agents in the construction of organisational participation, so their opinions cannot be ignored. Moreover, managers themselves are not organisational ciphers and their views and experiences suggest a number of research themes about the medium-term future of workplace employee participation in the UK, which we then draw together for a more speculative model of the likely future place of trade unions in the British participation mix.

1. The new UK policy environment has begun to reshape employee participation

The 1980s and early 1990s literature on HRM and EI (see Storey 1992 and Kochan 1985) was unduly shaped by the neo-liberal climate in the UK and US, with its

assumption that the state would remain largely absent from employment relations. Labour and EU policy since 1997 has introduced a new policy framework (see Ewing, 2003), which is having some impact, both direct and indirect on company approaches to 'voice'. However, this impact is complex, belying simplistic dichotomies between state regulation and employer choice. It represents neither a smooth continuation of 1980s EI, nor a lurch back to the 1970s status quo ante. Instead, elements of a new amalgam are emerging, with its own distinctive dynamics – notwithstanding continuing diversity in management approaches.

2. Minimum standards regulation may stimulate the HRM role in participation?

For employers with a hitherto weak personnel function, increased employment regulation has changed the environment of employee voice, strengthened the role of the personnel function and thus the scope for participation. More generally, regulation does remove some choices, but creates a new institutional base line of employee rights and a changed normative framework, within which management can continue to exercise choice and creativity. Even management initiatives that appear enterprise-based are often shaped by 'best practice' benchmarking. Rarely are voice mechanisms genuine DIY, entirely custom-made for the company.

3. There is a more confident, possibly more coherent management approach to organisational participation

In general, the current British management approach to voice appears less faddish and fragmented than in 1992. Attempts have been made to consolidate and integrate voice mechanisms. EI has been *normalised* and entrenched in everyday management practice. A new generation of managers is more accustomed to managing EI and

briefing employees face-to-face. In some cases, a new generation of union activists has reduced the adversarial character of shopfloor culture, and taken the heat out of direct voice mechanisms.

4. Unions are still declining as a voice channel?

UK unions may continue to decline as a voice channel acceptable to management, except where they form explicit partnership agreements. There are moves away from the 1980 dualism, of parallel union and EI channels, either by drawing the union into closer partnership or by marginalising it, even in strongly unionised companies. This does not always reflect an outright hostility to trade unions per se, as the partnership successes show. Rather, management object to certain specific union characteristics and attitudes, which they regard as inimical to organisational success.

5. Many companies seek partnership with or without unions?

Partnership does dilute the central role of the union, as an exclusive channel for employee voice, in the few cases where this is still intact. But non-partnership, as a union strategy, threatens complete marginalization. 'Partnership' *with employees* is going ahead with or without trade unions. On the other hand, several unions have initiated new partnership arrangements.

CONCLUSION - PARTNERSHIP WITH OR WITHOUT TRADE UNIONS

Taken together, these developments suggest that the current policy environment holds better prospects for UK organisational participation, partly as a product of greater employment regulation and partly because management has learned from the limitations of 1980s EI. As yet, British management has not absorbed properly the

European language of employment rights, following the long period of amnesia that was the 1980s and 1990s. Equally, the notion that an arms-length adversarial culture on the ‘shopfloor’, composed of authoritarian foremen and obstructive ‘shop stewards’, forms an obstacle to contemporary partnership, appears less and less credible (see Marchington et al 2001). Certain types of 'employees' are almost indistinguishable from managers, and thus more confident in putting forward their individual viewpoints. The old manufacturing heartlands of strong trade unions and conflictual industrial relations have been largely replaced by service sector organisations with very different employment traditions. Even where the old citadels of labour still stand, a new generation of managers and union representatives are striking a very different relationship.

INSERT FIGURE 2 ABOUT HERE

As Figure 2 suggests this latest phase in the history of UK organisational participation offers new opportunities but also stark choices for UK trade unions. To invert Fox’s (1974) ‘Patterns of Management-Employee’ relations, this new period of social regulation and management initiative suggests a very different equilibrium model (though without employee responses the model cannot be complete). In employment relations terms, we are living on another planet, with its own relatively stable climate and natural laws. On the right side, the non-union consultative employment relations are no longer a deviant, immature or unstable form, but one of two relatively stable partnership poles. These structures may be quite capable, in their own way, of meeting the challenge of EU regulation and raised employee expectations. On the left side, the successor to the 1970s ‘sophisticated modern’ corporation, drained of its

stronger adversarial elements, is the union-centred partnership, again a relatively stable form, given the requisite skills and goodwill from managers and trade unions. On the top, as a highly unstable pattern is the contemporary version of Fox's 'continuous challenge' model, though in management terms, the criterion has shifted from 'those who are not against us are with us' to 'those who are not with us are against us'. Gone is the old pluralist tolerance of 'us and them' or arms-length adversarialism, channelled and institutionalised by the trade union. If the union is going to retain a central role, management expects much more of in terms of engagement with business goals. But this is more than just an employer prejudice; it is part of the economic climate of the employment planet we now live on. In other words, for the future, both management and government, and indirectly customers, are highly intolerant of union behaviour that does not 'add value to the organisation'. But unions do not only have to fear employer hostility; there is also the related question of employee apathy and union efficacy. Another unstable form is the weak union. Here management may try to sponsor the union to bolster partnership, but if employee support ebbs away, substitution by non-union consultative structures is an alternative available strategy.

Managers/employers are but one party in the shaping of employment relations, and their attitudes and behaviour are being influenced by political and economic changes linked to the expectations of employees, who have their own shifting perspective on trade unions (see Martinez Lucio and Stuart, 2002, Oxenbridge and Brown, 2002, Deakin *et. al*, 2002). Our speculative model needs to be 'tested' against employee experiences of partnership in both union and non-union organisations. This said managers appear here as a powerful and proactive face in the reshaping of

organisational participation. All this does not preclude trade union mobilisation altogether, of the kind led by militant bodies, such as the French CGT, which fight employers from the outside (see Kelly 1998). But as the recent fire-fighter's dispute illustrates, this stance is fraught with danger (both for the union involved and the wider trade union movement), once the union is isolated from public support and exposed to the full power of the employer and/or the state. Therefore, it seems unlikely that a successful, day-to-day trade union strategy can be devised on this basis. Partnership offers unions the opportunity to win a broader social legitimacy (Ackers and Payne 1998). In certain circumstances, such as BMW's disposal of Rover, a coalition of trade unions, employees, customers and government can paint the employer into a corner as the negative factor. More generally, unions will have to manage skilfully the tensions between conflict and consensus in the employment relationship, and minimise the harm that these tensions cause to the business organisation. Central to this, will be their ability to make organisational participation work. In short, it may be 'partnership or perish', and even then it will not be easy for unions. ^{iv}

END NOTES

ⁱ This research was funded by the British Chartered Institute of Personnel Development (CIPD), the professional body for HRM managers. An earlier, rather different version of the Introductory section, without the data, appeared in the professional employment briefing, Croner's *Employee Relations Review* (Ackers and Wilkinson 2000), while the main body is a longer, expanded treatment of Chapter 7 of the full CIPD report (Marchington et al 2001)

ⁱⁱ The research was conducted in April and May of 2001. At each organisation, we interviewed the HRM manager and usually one other senior manager, as well as collecting documentary material. The semi-structure interviews were typically about an hour long and were taped. In many of the organisations, including the 7 discussed here (which forms a longitudinal sub-sample see Marchington *et. al.*, 2001, pp. 11-12 for the full study), we have enjoyed a much longer and deeper research relationship, which we draw on here for background information and as a benchmark for current changes in management attitudes and practices. Our previous research has involved interviews with union representatives and employee questionnaires, and, once more, this provided useful knowledge when interpreting this purely management sample.

ⁱⁱⁱ Many continental Europeans perceive Tony Blair as an Anglo-American style neo-liberal,

particularly where their levels of employment protection are already well-above EU minimum standards and may even seem threatened by them. The view from the British workplace is very different, after almost twenty years of Thatcherism, union exclusion and de-regulation. The clarion call of the British CBI is 'red tape', a synonym for Labour and EU employment regulation. It is arguable, that in the employment sphere, New Labour's 'third way' does offer new solutions to the tension between labour flexibility and social protection (see Ackers 2002).

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Table 1: Forms of Employee Involvement and Participation (1992)

Organisation/ Technique	DOWNWARD COMMUNICATION			UPWARD PROBLEM SOLVING				FINANCIAL EI		REPRESENTATIVE PARTICIPATION		
	Newspaper	Employee report	Briefing system	Suggestion scheme	Attitude survey	Quality circle	Customer care/TQM	Profit share scheme	Unit-wide bonus	JCC works councils	Collective bargaining	Change Programme
Housing Association			x	x			x			x		
Leisureco	x			x			x					X
Midbank	x		x	x			x	x		x	x	
Retail Bank	x		x		x		x	x		x	x	
Scotchchem	x	x	x	x			x		x	x	x	X
Southern Shoe	x	x	x	x			x	x		x	x	X
Weaveco	x	x		x		x		x		x	x	

Source Marchington et al (1992)

Table 2: Voice Mechanisms at the 1992 sub-sample of organisations

Organisation	Upward problem-solving					Representative participation			
	Electronic media	Two-way communications	Suggestion schemes	Attitude surveys	Project Teams	Joint consultation	Partnership scheme	European works council	Collective bargaining
Housing Association		x	x			x			
Leisure Co		x				x			
Midbank	x	x	x	x	x	x	x		x
Retail Bank	x	x	x	x	x	x	x		x
Scotchchem		x			x	x	x		x
Southern Shoe		x				x	x		x
Weave Co		x		x	x	x	x		x

Figure 1: Types of Workplace Partnership

Type	Orientation to Union	Example
Strong-union Partnership	Incorporation	Scotchman (de facto) Midbank (de jure)
Weak-union Partnership	Sponsorship	Southern Shoe (de facto) Retail Bank (de jure)
Non-union Partnership	By-passing Substitution	Weaveco Housing Association

Figure 2: Management strategy and the Dynamics of Union Character and Partnership

