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1

Partnership at Work

This book results from a project funded by ESRC (Economic and Social Research Council) on the 'Patterns and Prospects of Partnership at Work in the UK'. The research project, conducted between 2001 and 2005, is part of the ESRC's 'Future of Work' programme. The project aimed to examine in detail the realities of partnership working in UK industry. Four chosen sectors – aerospace, finance, local government and health provided a total of six case study organisations, all with elements of partnership working apparent to a greater or lesser degree. A number of publications by the authors have already appeared focusing on one or other case study or sector, or on themes associated with partnership crossing one or more organisations or sectors. A sister book, *Partnership and the High Performance Workplace: Work and Employment Relations in the Aerospace Industry* (2005), has already been published in this same book series. This book brings together the major findings from six case studies.

What is partnership?

Partnership at Work is an illusive concept. Guest and Peccei (2001) expressed their difficulty in analysing partnership agreements when 'there is no agreed definition', while Oxenbridge and Brown (2004a) suggest that the term is 'too diffuse to carry much meaning'. Any attempt to define it might consequently be questioned by others who have a different idea of the concept. Despite this certainty of uncertainty we can hopefully offer some insights.

Consultation

First, the gathered evidence indicates that within the industrial relations process partnership emphasises the value of consultation at the expense of negotiation. In their evaluation of the government's Partnership at Work Fund, Terry and Smith (2003, p. 9) conclude:

In organisations where trade unions were recognized the partnership initiative often involved a change in the structures through which unions and management interacted. Such changes were almost universally associated with an intention, explicit or otherwise, to change the dominant interaction between management and trade unions from one based around negotiation into one characterised as consultation.

The two types of relationship (consultation and negotiation) between employers and their staff are often presented as part of a spectrum, with consultation at one end implying information dissemination and opportunity for discussion, and negotiation at the other implying adversarial bargaining between formal representatives of the 'two sides of industry'. In reality, consultation is a top-down activity engendered by the employer, and negotiation is joint regulation between interest groups. This is not to say that negotiation is symbolic of perpetual workplace conflict. As Bélanger and Edwards (2007) have recently restated, workplace relations are a mixture of conflict and cooperation. Negotiation may be utilised by employers to legitimise their control beneath a veneer of representative democracy. Nevertheless negotiation does imply a pluralist intent, giving due regard to separate interests, while consultation has a neo-unitarist flavour, whereby management dominates the process. Negotiation is the traditional way in which unions have engaged with employers over distributive concerns, whereas consultation implies a softer employee relations strategy, integrative rather than distributive and able to take place with or without unions. An emphasis on consultation also implies a weakening of the collective ability of the workforce to be combative and oppositional to the employer. This is because negotiation is bound up with procedural activities (disputes and grievance procedures) that institutionalise 'them and us' in the workplace. Negotiation also implies the possibility of 'third party' interference from trade union full-time officials or from mediating bodies should negotiations break down

with 'failure to agree'. In contrast, consultation remains an 'in-house' event, subject to more stringent ground rules of confidentiality and framed by the formal departmental structures of the organisation rather than the exigencies of employee representation within the industry. Finally, this preference in consultation for 'in-house' mechanisms and processes precludes the development of external worker solidarities within craft, occupation or industry that inform negotiation. We can thus sense in partnership a shift of power towards the employer, and this is confirmed with the second aspect of partnership – the preference for consensus at the expense of conflict.

Consensus

For consensus to be present it requires cross-table agreement and willingness to suppress dissent. It is an alternative method of resolving conflict at work to adversarialism. Advocates of partnership and high performance from the North American tradition such as Kochan and Osterman (1994) and Appelbaum et al. (2000) present it as an expression of mutuality of interest between employer and employee. Mutuality of interest is argued to be beneficial to both organisational competitiveness and employee welfare, in that the resulting productivity coalition between management and employees will give the worker greater job security. Partnership working is also presented by its advocates as a route to shared decision making, whereby workers may gain more job satisfaction and the organisation can benefit from workers' creative abilities and knowledge of the job in hand (see our earlier volume *Partnership and the High Performance Workplace*, for a review of this approach). This is the message contained in government publications supporting partnership and high performance working (DTI, 2002, 2004). However, if consensus is promoted as nirvana, then lingering conflict in the workplace is likely to be problematic. In such cases employers may seek to deinstitutionalise any pre-existing structures of conflict resolution as a precursor to partnership. Partnership may even be constructed by the employer as a method of substituting for or repressing collective identity and trade union attachment. In related fashion, employer insistence on consensus might have a utopian implication, whereby really existing conflict is denied in the pursuit of unrealistic consensus. Such reality transcendence can only be achieved by challenging existing sets of values and beliefs long imbued in the UK with 'them and us' adversarialism. For this reason

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we must acknowledge that there is a third dimension of partnership that is ideological and that seeks to transform British industrial relations in the name of 'modernisation'. It is to the New Labour Government that this task of ideological reshaping has fallen.

Ideology

The government's view of what partnership at work should achieve was outlined by Tony Blair when as prime minister he introduced the government's 1998 Fairness at Work document. Mr. Blair is worth quoting to help us understand New Labour's view of partnership:

This White Paper is part of the Government's programme to replace the notion of conflict between employers and employees with the promotion of partnership. ... The White Paper steers a way between the absence of minimum standards of protection at the workplace, and a return to the laws of the past. It is based on the rights of the individual, whether exercised on their own or with others, as a matter of their choice. It matches rights and responsibilities. It seeks to draw a line under the issue of industrial relations law. There will be no going back. The days of strikes without ballots, mass picketing, closed shops and secondary action are over. Even after the changes we propose, Britain will have the most lightly regulated labour market of any leading economy in the world.... It is nothing less than to change the culture of relations in and at work – and to reflect a new relationship between work and family life. ... Already modern and successful companies draw their success from the existence and development of partnership at work. Those who have learnt to cherish and foster the creativity of their whole workforce have found a resource of innovation and inventiveness that drives their companies forward as well as enriching their lives. So the new culture we want to nurture and spread is one of voluntary understanding and co-operation because it has been recognised that the prosperity of each is bound up in the prosperity of all.

(Blair in DTI (1998) foreword)

Despite New Labour's contemporary praise for partnership we need to recognise that antecedents had already begun to develop in the 1980s under Conservative governments in the guise of the 'single union deal' version of business unionism. The 'new realist' turn that

many unions made in the 1980s was a defensive response to the onslaught launched by the Thatcher governments. Inter-union disputes over single-union sweetheart deals had left a bad taste in the mouth of the Trades Union Congress (TUC) and its affiliates, and this particular form of business unionism fell into disrepute (McIlroy, 1995, pp. 215–19). Notwithstanding these difficulties, partnership at work became a central theme of New Labour, indicating some continuity with the previous experiment. Partnership has been encouraged through a variety of government initiatives, including the establishment of a Partnership Fund for new employee–employer projects and legislative impetus for the establishment of workplace-based Union Learning Representatives, with the remit of creating up-skilling through training. The government introduced its Best Value ‘modernisation’ programme in the public sector within a partnership framework, and has sought to discuss general public sector ‘reform’ with trade unions within the Cabinet Office’s *Drive for Change* initiative established in 2004 (www.driveforchange.org.uk). Impetus has also come from European Union-based initiatives such as the European Works Council Directive and the Information and Consultation Regulations, which prescribe consultative arrangements at the workplace. But despite all the attention, the number of recorded partnership deals is actually quite small.¹ The database of the Involvement and Participation Association (IPA) records no more than 150 such deals.² In reviewing the gathered evidence Bacon and Samuel (2007) record just 219 formal agreements signed from 1990 onwards. Gall (2004) finds that between 1995 and 2002 only 18 per cent of union recognition deals under the new legislation involved partnership arrangements. However, while the scope and extent of partnership may be small, fragmented and patchy, its significance lies in the fact that it has been jointly embraced by both employers and substantial sections of the trade union movement, including the TUC. A key purpose of this study is to understand why such interest has arisen, and in so doing to attempt to predict partnership’s sustainability.

A new productive base?

We can locate New Labour interest in partnership within concern over the UK’s continuing ‘productivity gap’ with competitor nations. Despite the restructuring of the UK’s industrial base during the Conservative years, the productivity gap between the UK and its major

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competitors remained. Rubery (1994) described the British economy in the late 1990s as a 'low wage, low skill economy, unable to compete in or effectively adjust to the demands of new international competition'. For New Labour in 1997 a different approach was needed (see Porter, 2003). The government produced a discussion paper on productivity in 2002, in which it stated:

UK productivity remains lower than that of France and Germany, and substantially lower than that of the US – output per worker in the US is 38 per cent higher than in the UK, in France it is 18 per cent higher and in Germany 9 per cent higher. ... The productivity gap is due to a number of factors. One of these is the relative failure to invest in the skills and abilities of the workforce ... the Government believes productivity can be boosted by firms and employees working together to build high performance workplaces. The characteristics of high performance workplaces are high levels of adaptability, flexibility and involvement by both employees and employers. ... Information and consultation can be one of the ingredients of a modern, high performance workplace.

(DTI, 2002)

As both Hay (2004) and Coats (2007) have observed, New Labour's approach transmuted into the dual objective of credibility in financial markets and competitiveness in the productive economy. The productivity problem could be addressed by focussing on organisational efficiency (Budd, 2004), with some concession to employee voice through partnership to ensure the 'progressive consensus in the workplace' espoused by Blair. This approach assumes that risks in the international product market can be minimised by adopting supply-side solutions to market problems (Thompson, 1996; Green et al., 2001). The strategy involved a drive both to increase labour market flexibility and to upgrade human capital through education and skills training under the aegis of Gordon Brown's 'post neo-classical endogenous growth theory'. The model is consistently presented as progressive and necessary in a globalised economy. It corresponds to wider moves spurred by the UK government in the EU, culminating in the agenda of the Lisbon Summit in 2000.

What is interesting about the new discourse from New Labour is that the peak organisations within industry, including the Confederation

of British Industry (CBI) and TUC, as well as the Chartered Institute of Personnel and Development (CIPD) and Engineering Employers' Federation (EEF), rapidly took on the project. The Department of Trade and Industry (DTI) discussion paper was prepared in the light of earlier responses to the government's Productivity Initiative from the EEF and from a joint paper produced by the TUC and CBI. The EEF had commissioned its own study of the productivity gap in manufacturing between the USA and the UK (EEF, 2001). Called *Catching Up with Uncle Sam*, it extolled the virtues of skill enhancement as a tool 'to overcome barriers to investment, and the uptake of lean manufacturing'.³ The TUC/CBI submission (TUC/CBI, 2001) took up the same themes stating that 'management leadership and employee involvement are complementary features of the high performance/high commitment model'. Further support came from a joint EEF/CIPD Report (2003) which identified workplace practices that could be identified with the HPWS and that have implications for the organisation of work as well as HR practice. They included many aspects associated with workplace flexibility and teamwork including work improvement teams and job redesign, as well as 'employee autonomy and involvement in decision-making'.

The high-performance manufacturing paradigm is not, however, the only source of government interest in partnership. In the public sector the Best Value 'modernisation' programme was also introduced under the rubric of partnership with staff and unions (Geddes, 2001; Whitfield, 2001; Richardson et al., 2005). Indeed, since 2001, the majority of partnership agreements signed have been in the public sector (Bacon and Samuel, 2007). In financial services the shift to an increasingly competitive environment has also created opportunities for employers to introduce work flexibility and performance agendas (Danford et al., 2003, pp. 97–121). Gall (1999, 2001) and Kelly (2005) note that there has been a sharp increase in partnership agreements utilised by employers in the banking industry as an attempt to countermobilise against the rise of union adversarialism.

The TUC and partnership

Within the new tripartite alliance on partnership, the position of the TUC deserves some further commentary. We can see that the TUC's support for partnership is focused on the contribution employee

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voice may make to organisational performance. The TUC's position was outlined in its response to the DTI Discussion Paper in 2002 (this time divorcing itself from the CBI). Citing evidence from academic studies and surveys, the TUC report stated:

Engaging the expertise and knowledge of workers will help to ensure that bad judgements are avoided – and as a consequence, the legitimacy of the outcome is enhanced. It is important to recognise that while differences of interest between employers and workers are inevitable there are many areas where interests are shared. This fundamental principle must be understood if change is to be managed successfully and if more organisations in the UK are to become high performance workplaces.

(TUC, 2002)

The embrace of partnership also had a strategic intent, reflecting its desire to once more be seen as a legitimate social and political actor, and in doing so the TUC has consistently sought to draw upon the labour-friendly institutional implications of the 'European Social Model'. This has sometimes placed the TUC at odds with the New Labour government, acting as critic when the government opposed or dragged its heels over the EU's worker consultation initiatives and labour-friendly aspects of the EU's Charter of Fundamental Rights. In other words, TUC support for partnership was not at any cost, and the TUC has sought to differentiate between what it sees as 'good' rather than 'bad' partnerships. Six principles of partnership were devised by the TUC (see Table 1.1) as an expression of the nature of 'good' as opposed to 'bad' partnership practice (TUC, 1999, 2002).

Table 1.1 TUC principles of partnership

-
- First, a joint commitment to the success of the enterprise.
 - Second, unions and employers recognising each other's legitimate interests and resolving difference in an atmosphere of trust.
 - Third, a commitment to employment security.
 - Fourth, a focus on the quality of working life.
 - Fifth, transparency and sharing information.
 - Sixth, mutual gains for unions and employers, delivering concrete improvements to business performance, terms and conditions and employee involvement.
-

There is an emphasis on the necessity of independent trade unions to foster effective employee voice as well as reference to the 'mutual gains' inherent in the American Model. This is in contrast to the 1980s New Realist alternative strategy of the TUC which promoted collaborative concepts of business unionism and which Kelly (2005) has described as 'first generation' partnership. The TUC also emphasises the job security and trust aspects of high performance. In 2000, John Monks, then General Secretary of the TUC, stated:

To create a real spirit of partnership – we found it essential to have a commitment to employment security. We all know and accept that employment levels in any enterprise can fall as well as rise. But we cannot expect people to commit themselves wholeheartedly to an organisation without any reciprocal commitment. Genuine partnership requires a trade-off between employee flexibility and security of employment. No employer could ever realistically guarantee that there would never be compulsory redundancies, but he or she could and should make it clear that this would be the last resort, and not the first response to a crisis.

(Monks, 2000)

In 2002 the TUC surveyed evidence from 46 companies utilising its Partnership Institute and commented on the claimed link between partnership and performance, concluding that 'partnership workplaces are one-third more likely to have financial performance that is a lot better than average; and are a quarter more likely to have labour productivity that is a lot better than average' (TUC, 2002). Crucially, the Partnership Institute sought to draw the link between high-commitment management practices, high performance and a strong recognised union.⁴ The emphasis on a 'strong' union creates space for the TUC to define a difference between 'good' partnerships and 'bad', without specifically defining what 'strong' trade unions means in practice. 'Good' partnership deals or agreements presumably not only achieve the six principles but are underpinned by union independence at the workplace, while 'bad' partnership deals fall short of the criteria and would not be supported by the TUC.⁵ With this distinction between good and bad in mind, it should be noted that some employers may wish to introduce partnership arrangements not so much as a 'high road' route to competitiveness, but rather as

a 'survival strategy' by which concessions can be gained from unions as an alternative to the threat of workplace closure (Heery, 2002). Following Crouch (1992), such arrangements have been labelled 'employer dominant' by Kelly (2005). They stand in contrast to arrangements which might arise when the union is well established, when the enterprise is well placed in the product market and the labour market is tight. In these circumstances it would be expected that the bargaining power of the workforce expressed through the union is high, and in consequence some degree of 'good' partnership might be achievable. Such points are also made by Jenkins (2007), when she correctly argues that in order to unpick the pros and cons of partnership we must first understand the organisational context in which it has been introduced.

However, when examining partnership arrangements introduced alongside new recognition deals, Gall (2004) finds that only a small proportion of self-styled partnership arrangements would fulfil the TUC's criteria for 'good' partnership. To counter such negative evidence, the TUC assumes that it is possible to achieve its six principles if the underlying conditions for 'good' partnership' are in place. According to the TUC, such underlying conditions may be absent due to unfavourable profiles of corporate governance, reflecting the general critiques of 'short-termism' and shareholder benefit at the expense of 'stakeholders' outside of the boardroom.⁶ Counterarguments for a refined form of company pluralism have been set out by the TUC's Stakeholder Task Group, where TUC Policy Officer Janet Williamson argued for a company web of stakeholder interests, 'each of which is based on mutual dependence' (Williamson, 1997). Good partnership practice would thus sit side by side with 'good' corporate governance. What has emerged is a triple alliance between New Labour, employers and the TUC on the value of high-performance work systems and employee involvement. Differences exist within the alliance on the role and emphasis that should be placed on employee representation, but there is nevertheless an implicit commitment by the employers to recognise the value of employee voice (at least in some form) as a potential vehicle for enhancing creativity and innovation within the workplace.

Partnership as a 'Third Way' project

As we have already argued, the shift from conflict to 'progressive consensus in the workplace' cannot be achieved or sustained without

reshaping the cultural landscape of British industrial relations. This is a question of a battle of ideas and attitudes in which New Labour has enlisted the ideology of the 'Third Way' (TW). Of course, experiments in union–employer collaboration have occurred before in British industrial relations. The Mond–Turner agreements of the late 1920s occurred in the aftermath of a major defeat for unions in the 1926 General Strike. There was a relatively closed economy, and the purpose was to press home employers' bargaining advantage and neutralise the resurgence of class struggle. The industrial democracy in the 1970s was an attempt to placate union demands for more organisational power, while the period of the social contract, in contrast, acted to contain rank-and-file wage militancy in the face of continuing balance of payments crises. Similarly, as Ramsay (1977, 1996) observed, employer interest in techniques of employee involvement was subject to cycles corresponding to periods of heightened industrial conflict, reaching a peak as employers seek to institutionalise and contain workers' increasing aspirations for workplace voice. We would contend that modern-day partnership, while reflecting some aspects of earlier experiences, is essentially a means by which collective labour strength is suppressed in the interest of business efficiency. We discern that while concessions have been made by New Labour in terms of the creation of a minimum wage and individual labour protection at work, the core values of the Conservative-era anti-union legislation have been preserved. New Labour remains hostile to EU legislation designed to re-enforce collective labour rights and refuses to provide institutional or legislative backing to social partnership *à la* European Social Model. In embracing the high-performance paradigm, the government then addresses workplace conflict over substantive issues through the lens of collaborative productivity coalitions between employers and employees.

An insight into this TW approach is provided by Martínez Lucio and Stuart (2005). In describing partnership at work as 'new industrial relations in a risk society', they equate the partnership discourse to the concepts of risk introduced by Beck (1992) and Giddens (1998) and suggest that partnership 'assumes a sharing of risk by capital and labour' in a 'marriage of convenience'. Contributions to the literature have also come from Ackers and Payne (1998) and Coats (2004), who regard partnership as an extension of pluralist principles within which trade unions can achieve new societal and workplace legitimacy.

Ackers (2002) and Ackers and Wilkinson (2003) develop the argument and make a plea to locate social partnership in terms of a 'neo-pluralist' framework, which they claim can provide a response to the threat of wider societal breakdown resulting from new forms of work and employment. Leaning on the sociology of Durkheim, they argue that there is a need for new normatively based institutions that can protect the citizen in an era of societal change and risk. Ackers (2002, p. 15) goes so far as to suggest that new institutional mechanisms associated with partnership can enable employers to make a 'constructive contribution to community and society'. This analysis argues that trade unions are subject to the perils of global competition but can redefine their role as protectors within society against the subsequent anomie. Coats (2004) expresses this point within a social capital framework, whereby he argues that trade unions are a source of both bridging and bonding social capital, implying a collective, collaborationist imperative with employers. Employers, too, are argued to be complicit in this new ideology, rejecting irresponsible and unethical exercise of power by multinational corporations in the global market (e.g. Giddens, 2000). The argument is that corporate power should be subject to voluntary restraint and moral imperative. Restraint is voluntary because anything statutory or regulatory might upset the market process. Alternatively, corporate power should be constrained by bringing the corporations into partnership with policy-makers within a new remit of corporate social responsibility. This is referenced by such initiatives as social and environmental audits, and a willingness of the corporation to engage more openly in public affairs in a progressive rather than regressive fashion (Prabhakar, 2003).

In this vein partnership is postulated in general UK government discourse on a variety of fronts beyond the workplace – between government and business but also between the agencies of state, markets and society in general (Catney, 2002). Partnership is even conceived as a form of 'new governance' typifying the ethic of the European Social Model (e.g. Kristensen, 2001), or as 'sustainable work systems' linked to a continuous regeneration of human resources (Docherty et al., 2002, p. 223). The suggestion that global restructuring of work is the precursor of new, more collaborative industrial relations is reinforced by other authors when considering the impact of EU legislation. Brown (2000), for example, suggests that global re-regulation is taking place, more inclusive of trade unions domestically and based

on New Labour's commitment to developing partnership in practice. Brown constructs an institutional analysis by examining New Labour's domestic legislation, EU initiatives and developments in the 'social institutions' such as the Advisory, Conciliation and Arbitration Service (ACAS) and the Low Pay Commission. This is combined with a defensive change in UK trade unions towards 'a co-operative rather than a confrontational stance', which, according to Brown, means that 'social partnership appeared to be taking root' in the UK.

TW advocates produce the additional initiative of participatory democracy to cope with the excesses of global capitalism. The initiative is seen as an enabling mechanism by which the market can be constrained. It is this distinction which makes the TW different from the pure market imperative of neoliberalism. While there is no alternative (TINA) to the forces of globalization, it may be possible to use forms of ethical voluntarism to maintain social democratic values. Giddens relays the theme by suggesting:

The left is defined by its concern with the dangers of [the] market, whose excesses need constantly to be reined back by the state. Today, however, this idea has become archaic. The left has to get comfortable with markets, with the role of business in the creation of wealth, and the fact that private capital is essential for investment.

(1998, p. 34)

In adopting this philosophical approach New Labour cleared the ground for the abandonment of socialist critique of the market; and in so doing relegated workplace conflict to the sidelines. As the then Chancellor Gordon Brown told the CBI at their 1999 Conference, 'we must never again be seen as anti-success, anti-competition, anti-profit, anti-markets.' What remains is a form of 'ethical socialism' that gives priority to community over class: 'in which the S-word is retained but in its hyphenated form of social-ism' (Callinicos, 2001, p. 46). Part of this ethical approach includes new forms of participative and associative democracy, deemed necessary because of a decline of societal solidarity and a crisis of representative democracy (e.g. Cohen and Rogers, 1995). It is argued that this crisis is a cause of economic inefficiency, in that the negation of employee 'voice', combined with rising income inequality means that real solutions to real problems are less

likely to be found within civil society. In other words, there is a link between the social institutions of capitalism and economic efficiency. In this vision old forms of representative democracy, associated with mass state provision of goods and services, are no longer appropriate to peoples' needs. The TW project becomes in essence Giddens's (2000) 'social investment state', whereby the role of the state mutates to one which discourages welfare dependency while providing incentives for personal advancement via education and training. Associative democracy, with horizontal networks of individuals acting as pressure within a renewed civil society, is presented as a more democratic framework designed to increase rates of social capital formation, participation and societal efficiency. Translated to the restructured workplace, the process of participation and partnership is again postulated as key to economic and production efficiency, either as pluralist networks of stakeholders in the corporation (Hirst, 1994, 1997; Kelly et al., 1997; Kelly and Parkinson, 2001) or, as Archer (1996) suggests, in terms of economic democracy expressed through Works Councils.

Critics from within and without

Academic comment on these debates has been voluminous, focusing on either the nature of partnership agreements, the processes involved in partnership or the cultural characteristics of partnership attached to the employer–employee relationship. Broadly speaking, academic dialogue can be characterised as contestation between those who might be labelled 'advocates' of partnership and those who are 'critics', although some, such as Heery (2002), might sit between the two camps. Advocates usually stress the benefits of employee voice and engagement with employers for organisational performance within the high-performance paradigm (e.g. Huselid, 1995; Black and Lynch, 2000, 2001; Michie and Sheehan, 2003), while others focus on the arguments for partnership as a necessary strategic reorientation for unions if they are to survive and thrive in an increasingly competitive environment (e.g. Haynes and Allen, 2001; Samuel, 2005). They are joined by those such as Ackers (2002) and Ackers and Wilkinson (2003) who have championed the 'new pluralist' vision of the role of trade unions. Both sets of authors represent a pessimistic view of the ability of trade unions to continue to progress through adversarialism.

The critics focus on the ambiguous or negative effects on company performance (Guest et al., 2003), or the deleterious outcomes for workers of partnership in the workplace. Such negative outcomes include a general intensification and extensification of work as employer flexibility agendas impact on the labour process (e.g. Taylor and Ramsay, 1998; Martínez Lucio and Stuart, 2002; Findlay and McKinlay, 2003). McIlroy describes the limitations of partnership in the face of neoliberal market imperatives and contends that New Labour has embraced the neoliberalism of its Conservative predecessor. He posits that far from introducing 'new pluralism', 'it [partnership] embraced a unitary framework of industrial relations and the rhetoric of human resource management' (McIlroy, 1998, p. 543). Such a theme is supported by Martínez Lucio and Stuart (2000), who suggest that partnership is simply an extension of 'tired' HRM and is an attempt by employers to reinvigorate processes of employee involvement whereby worker commitment to organisational goals can be used to increase worker productivity. In summary, partnership cannot be viewed outside the context of employer (and government) attempts to restructure industry and to increase worker productivity. As we argued in *Partnership and the High Performance Workplace* (Danford et al., 2005, p. 236) partnership and high-performance working 'cannot mask irreconcilable conflicts of interest that are prime characteristics of capitalist workplace dynamics'.

Much evidence from case study research would suggest that partnership has been highly divisive in the workplace. Workers and their unions are often divided, but what is notable in many cases of partnership is the *ideological* rather than sectional nature of division. Where partnership arrangements have been introduced they have also been found to create new divisions between senior union activists and the rank and file. The senior activists became either 'detached' from the membership (Marks et al., 1998; Danford et al., 2003) or 'displaced' (Geary and Roche, 2003). Such detachment derives largely from the emphasis on consultation that is prominent within partnership arrangements and agreements. The processes involved in negotiation codify the outcomes of bargaining power into transparent written agreements. In contrast, consultation decodifies arrangements between the parties. Partnership replaces traditional written agreements with informal, unwritten and consensus-based 'agreements'. The lack of formal codification in partnership thus produces 'agreements'

between the union leaderships and employers which are less transparent and accountable to the rank and file than those previously produced under traditional bargaining structures. In addition, more business-related information is released to senior union activists and full-time union officials by the employer in the consultation/partnership process, but this is often on a 'need to know' and confidential basis. Further division is created between 'information rich' senior workplace representatives and 'information poor' union members. The dangers of detachment may also occur where the union has sought to reach a partnership arrangement with the employer that trades employee compliance for union privilege in recruiting members. Such was the outcome in Heery et al.'s (2005) study of the Manpower staff agency, whereby 'an officer dependent, passive form of trade unionism has been viewed as a constraint upon, and not a condition for, the development of a broader exchange with the company' (ibid., p. 182). Most importantly the process of partnership also runs the risk of pacifying the rank and file (Blyton and Turnbull, 1998, p. 106). This is because the consensus nature of the process, when combined with detachment of the senior activists, can act to undermine activism and marginalise 'oppositionism' within the general membership. Employers' agendas to utilise partnership processes as a vehicle for the management of change have also necessitated the 'cultivation' of union activists who are sympathetic to the general project. In his study of Legal and General and Amicus-MSE, Samuel highlights how opposition to partnership was overcome by a group of union activists who 'were given extended reach into management decision-making'. These 'cultivated' activists then proceeded to enable the workplace union 'to exert pressure as the "conscience" of the company' (Samuel, 2005, p. 73). Lastly, we must record that the question of partnership can also divide workers in their workplaces both at the time when new partnership projects are conceived and also as the outcomes of the partnership agreements begin to emerge. Kelly (1999) refers to the opposition from stewards to partnership before it was introduced at Blue Circle, the 49 per cent vote against the introduction of partnership at Scottish Power and the initial rejection of partnership at United Distillers. Beale (2005) in the case of Inland Revenue, and Gall (2005) in the case of Royal Mail, also provide evidence of workers turning against partnership once the outcomes unravel and disappointment sets in.

New opposition?

Such ambivalence to the partnership agenda is rooted within ideological differences in the trade unions at national level between New Labour values of 'modernisation' and Old Labour values of public service provision and industrial relations adversarialism. This disjuncture between government and union policy in the public sector has created a particular focus for the retention of partnership discourse by the TUC and public sector unions over the future of public service delivery in Britain. A 2003 TUC resolution referred to a 'spirit of partnership which needs to be adopted between government departments and agencies and the trade unions representing workers in these important and demanding public services'. However, the strains between unions and government on this issue are highlighted in the resolution's *caveat*:

Congress urges those in government to enact their obligations under international law, and not seek to remove the ability of the trade unions to protect their members by the use of industrial action. The trade union movement demands of its 'political arm', the Labour Party, that all partnership agreements are enacted with the full backing of international law, and that these are partnerships of equals and do not demand trade unions to be 'silent partners'.
(TUC, 2003)

Indeed, from a position of general support in the early years of the New Labour government, many in the union movement have now moved to a position of criticism. Robert Taylor concludes in his review of the evidence for the government-funded ESRC:

The critics of partnership at work in Britain have certainly grown more widespread and influential in recent years. Their attacks have begun to exercise a significant influence over the attitude of public policy-makers towards the concept. Partnership has never been without its opponents who see it as an inappropriate means for developing new forms of industrial relations. Now it is finding it difficult to remain on any public policy agenda at all.
(Taylor, 2004, p. 6)

This is not to say that there is outright opposition to partnership, but rather retreat to a position in which partnership is viewed merely as

a possible tactical approach by employers who may be reluctant to deal with unions on other terms. Unions now hostile to partnership provide examples of this approach. Amicus (now part of UNITE), for example, signed a major partnership agreement in the print industry in 2005 through the DTI Strategic Partnership Fund. The agreement 'contains 12 key objectives such as increasing dialogue between employers, employees and their union, improving productivity, reducing excessive overtime working, assisting employees to adapt to change, and enabling effective recruitment and development of employees'. It also contained new provisions on key issues, such as sick pay, the regulation of agency and temporary workers, information and consultation, and flexible working patterns (*Personnel Today*, 2005). The CWU, whose left leadership is formally hostile to partnership, continues to sign partnership agreements with small employers on the fringe of the industry. General Secretary Billy Hayes outlined the tactic in this way: 'We actually have partnership agreements in some telecommunication firms, where we do not have full negotiating rights. We regard partnership agreements in these certain instances, as an interim measure on the way to more mature and respectful relationship between equals' (Hayes, 2006). Opposition to partnership has developed as more left-wing trade union leaders have emerged in recent years and as the outcomes of previous partnership arrangements have proved disappointing to the rank and file. The election of a 'broad left' leadership of the Public and Commercial Services Union (PCS) in 2003 is one such example, whereby the previous long-held support for partnership in principle has been reversed (Beale, 2005).

The studies

We attempt to address such debates as outlined in our assessment of the reality of workplace partnership. Our research project is grouped around case studies of partnership in four employment sectors: aerospace, finance, health and local government. In Chapter 2 we provide a presentation of statistical data from our surveys. The analysis investigates such variables as worker assessment of management performance in managing people; worker assessment of union performance; levels of worker autonomy, commitment and job satisfaction; and extent of job security, labour intensification and workplace stress. Nearly 2600 questionnaire returns from manual and non-manual employees were

assessed, from which 1400 surveyed employees worked in a group governed by a partnership industrial relations framework, and 1200 worked in non-partnership areas. The research was carried out between 2001 and 2004 in workplaces based in the south-west of England. We see no significance in the choice of geographical region and have no reason to believe, given the heterogeneity of the chosen sectors, to find different results in any other region of the UK. Our workplaces reflect the diverse nature of employment in Britain and contain employees and unions at either end of and within the moderate–militant spectrum. In each subsequent chapter we examine case studies through a combination of document analysis, interviews with management and staff and surveys of employees. Our sectors represent different contexts for the study of partnership. In our two case studies in aerospace, we have found an emphasis on the high-performance work system, where partnership is integral to the process of introduction of new ways of working and ways of communicating. We have recorded our views in detail in our sister book *Partnership and the High Performance Workplace* (2005). In this book we review our arguments and compare the aerospace sector with our other examples. In finance we have chosen two case studies, one from the insurance industry and the other a former building society, now part of a larger banking organisation. These studies focus on different employer relations strategies in a rapidly changing competitive environment. One of our case studies is non-union, while the other is unionised, but with recent decline in union membership and density (see Upchurch et al., 2006; Tailby et al., 2007). Our case studies in health focus on two hospital trusts since merged into one and based a few miles apart from each other, but with different industrial relations environments and traditions. We focus in particular on the impact of partnership on gains and losses in employee voice and employee well-being and reflect on the government's modernisation agenda and its impact on the stakeholders within the NHS (see also Tailby et al., 2004). Finally, in local government, we focus on a large local authority which has been subject to the government's Best Value approach. We compare and contrast the experience of employees in two departments of the authority and record and analyse the effects of the partnership approach to the reform of public service delivery (see Richardson et al., 2005). Our final chapter attempts to draw together some conclusions and to provide some insights into future prospects for workplace partnership in the UK.

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