

### The development of co-operative employer/trade union relationships in Britain

Brown, William; Oxenbridge, Sahra

Veröffentlichungsversion / Published Version  
Zeitschriftenartikel / journal article

Zur Verfügung gestellt in Kooperation mit / provided in cooperation with:  
Rainer Hampp Verlag

#### Empfohlene Zitierung / Suggested Citation:

Brown, W., & Oxenbridge, S. (2004). The development of co-operative employer/trade union relationships in Britain. *Industrielle Beziehungen : Zeitschrift für Arbeit, Organisation und Management*, 11(1/2), 143-158. <https://nbn-resolving.org/urn:nbn:de:0168-ssoar-344618>

#### Nutzungsbedingungen:

Dieser Text wird unter einer Deposit-Lizenz (Keine Weiterverbreitung - keine Bearbeitung) zur Verfügung gestellt. Gewährt wird ein nicht exklusives, nicht übertragbares, persönliches und beschränktes Recht auf Nutzung dieses Dokuments. Dieses Dokument ist ausschließlich für den persönlichen, nicht-kommerziellen Gebrauch bestimmt. Auf sämtlichen Kopien dieses Dokuments müssen alle Urheberrechtshinweise und sonstigen Hinweise auf gesetzlichen Schutz beibehalten werden. Sie dürfen dieses Dokument nicht in irgendeiner Weise abändern, noch dürfen Sie dieses Dokument für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, aufführen, vertreiben oder anderweitig nutzen.

Mit der Verwendung dieses Dokuments erkennen Sie die Nutzungsbedingungen an.

#### Terms of use:

This document is made available under Deposit Licence (No Redistribution - no modifications). We grant a non-exclusive, non-transferable, individual and limited right to using this document. This document is solely intended for your personal, non-commercial use. All of the copies of this documents must retain all copyright information and other information regarding legal protection. You are not allowed to alter this document in any way, to copy it for public or commercial purposes, to exhibit the document in public, to perform, distribute or otherwise use the document in public.

By using this particular document, you accept the above-stated conditions of use.

William Brown, Sarah Oxenbridge\*

## **The Development of Co-operative Employer/Trade Union Relationships in Britain\*\***

A feature of the contraction of collective bargaining in Britain has been the recent spread of so-called 'partnership agreements'. Discussion of these has been sharply polarised as to whether they are in the long-term interests of trade unions. This research draws upon a two-stage case study approach to explore the underlying characteristics and dynamics of a variety of co-operative relationships between employers and trade unions. This variety ranges from those that are supportive of trade unions to others designed primarily to restrict them. It argues that the formalities of partnership agreements provide misleading evidence on the underlying relationships. Closer study emphasises the importance of employer intentions concerning the encouragement or restriction of trade unions and the implied level of trust in the relationship. Procedural formality may accompany high or low levels of trust, but it fulfils different functions in each. The balance of interests for both employers and trade unions suggests that where collective bargaining continues it is likely increasingly to be characterised by co-operative relationships.

### **Die Entwicklung kooperativer Beziehungen zwischen Arbeitgebern und Gewerkschaften in Großbritannien**

Mit dem Rückgang der Kollektivverhandlungen in Großbritannien finden neuerlich so genannte „Partnerschaftsvereinbarungen“ Verbreitung. Kontrovers ist die Diskussion darüber, ob diese im langfristigen Interesse der Gewerkschaften liegen oder nicht. Mit einer zweistufigen Fallstudien-Untersuchung wurden die grundlegenden Charakteristika und die Dynamik einer Varietät kooperativer Beziehungen zwischen Arbeitgebern und Gewerkschaften erforscht. Sie reicht von jenen, die den Gewerkschaftseinfluss unterstützen, zu solchen, die die Gewerkschaften einzuschränken suchen. Argumentiert wird, dass die formale Seite der Partnerschaftsvereinbarungen über die zugrundeliegenden Beziehungen keine unzweideutige Evidenz liefert. Die zweite Stufe der Untersuchung zielt daher auf die Relevanz von Intentionen der Arbeitgeber bezogen auf Stärkung oder Beschränkung der Gewerkschaften und auf das Niveau ihrer beidseitigen Vertrauensverhältnisse. Durch formalisierte Vereinbarungen geregelte Beziehungen können begleitet sein von hohem oder niedrigem Vertrauensniveau, wodurch sie jeweils verschiedene Funktionen erfüllen. Die Balance der Interessen von Arbeitgebern und Gewerkschaften legt nahe, dass, wo Kollektivverhandlungen weiterbestehen, der kooperative Charakter der Beziehungen wahrscheinlich zunehmen wird.

Key words: **Employers, trade unions, partnership agreements, Britain**

---

\* William Brown is Professor of Industrial Relations at the University of Cambridge; Dr Sarah Oxenbridge was previously in the Department of Applied Economics at Cambridge University but is now employed by the Advisory, Conciliation and Arbitration Service. The research was financed by the Economic and Social Research Council as part of its 'Future of Work' programme. E-Mail: William.Brown@econ.cam.ac.uk.

\*\* Artikel eingegangen: 28.2.2003  
revidierte Fassung akzeptiert nach doppelt-blindem Begutachtungsverfahren: 30.11.2003.

Does the future of collective bargaining lie in co-operation? In recent years trade unions have been weakened by tougher markets and by unsympathetic governments in most countries where once they were strong. Increasingly unable to rely upon industrial action to squeeze concessions from employers, unions are having to find alternative ways to support their members. Perhaps the most controversial strategy has been that of developing co-operative relationships with employers. To its supporters, such a strategy builds on a long tradition of union involvement in management, and enhances both union and employment security. To its detractors, the strategy dooms unions to lose both their appeal to their members and their coercive influence with employers.

The surest way of informing this argument is to explore what is happening in practice. In this paper we examine current British experience with the development of co-operative relationships. Seen in an international perspective, the reversal of fortunes of British trade unions since about 1980 had been particularly severe. But in the past five years both the Labour government and the Trades Union Congress have been active in promoting co-operative 'workplace partnership' arrangements as an important new direction for trade union development. The research reported here uses case studies to evaluate the nature of co-operative deals between employers and unions, and to assess the implications for both sides. We start by sketching the recent radical transformation of British industrial relations, against which background our cases have endeavoured to develop co-operative relationships.

### **The background of union contraction**

Collective bargaining in Britain has always had a relatively fluid structure. It has been internationally distinctive in its variability, from one decade to another, and from one sector to another. The main reason for this is Britain's comparative lack of legal foundations for collective employment relations. Since the mid 19<sup>th</sup> century, governments have generally avoided legislating for fundamental collective rights, such as rights to strike and to organise, or the designation of legal bargaining agents. They have preferred to leave it up to employers and unions to work out their own arrangements, and to ensure that their disagreements were kept out of the courts. At some times governments have encouraged trade unions and advocated particular bargaining structures and practices. At others they have discouraged both unions and bargaining. The law has been used both to help and to hinder trade union organisation. But the law has never required and enforced any particular bargaining structure.

The clearest example of this fluidity was the way in which a comprehensive structure of sectoral collective agreements, built up with government encouragement over the first half of the 20<sup>th</sup> century, collapsed under the pressures of, initially, full employment and, later, tightening competition. It was also reflected in the uneven rise of workplace bargaining during the 1960s and 1970s. In some industries, such as engineering, chemicals and the docks, trade union strength at the workplace forced employers to negotiate over a wide range of issues and working practices. In others, such as public utilities and public services, sectoral agreements retained far more authority. All the same, by the late 1970s workplace-based collective bargaining had become commonplace in many industries, in both public and private sectors. Accompanying it was a tendency for bargaining to concentrate on relatively immediate issues – notably

wages and job control – rather than longer-term issues of employee welfare. Elected worker representatives, commonly called ‘shop stewards’, came to play an important role in the management of employment in most highly unionised sectors of the economy.

This form of bargaining was shaken to its foundations in the 1980s. The initial upheaval came from a combination of a deep economic recession and of government hostility to trade unions. Legislation introduced by successive Conservative governments made both striking and trade union organisation more difficult. Later shocks hit trade unions at different times in different industries, and although the legislative changes strengthened employers’ resolve, the driving force was one of tightening competition in the employers’ markets. In the private sector the main pressures came from increased international competition and more demanding shareholders. For the highly unionised public sector, the upheaval came through widespread privatisation and exposure to hitherto unknown market forces. Trade union density overall fell from 54 per cent of employees in 1980, to 38 per cent in 1990, to 30 per cent in 2000. In common with many other countries, the strike propensity of trade unions also diminished substantially. The average number of working days lost per year through strikes per 1000 trade union members fell from 1075 over the 1970s, to 633 over the 1980s, to 76 over the 1990s.

It was widely expected at the time that employers would respond to the acute pressures to cut back on labour costs by severing all links with their trade unions. But this generally did not happen. There were a relatively small number of employers who, during the late 1980s and early 1990s, withdrew all recognition, and many more took care to avoid granting any union recognition when they established new ‘greenfield’ sites of employment. But the most widespread employer reaction was more subtle, and probably more effective. They reduced the range of issues on which they were willing to negotiate with trade unions, and they became less responsive to union concerns. In some cases active union resistance to what was in effect the employer’s withdrawal of specific bargaining rights was confronted and defeated. In others it was made clear that the employer was willing to move to full derecognition if trade unions did not wish to accept a much reduced bargaining role. In this way, across almost the whole of unionised employment, apart from a very few protected pockets of the public sector such as fire fighters and the London Underground, unions found themselves being, in effect, involuntarily ‘re-recognised’ on the employers’ terms.

Ample evidence of this very substantial reduction in the depth and scope of trade union recognition in Britain in the 1980s and 1990s is provided by the Workplace Employment Relations Surveys (WERS) of 1980, 1984, 1990, and 1998 (Millward et al. 2000). By the end of the 1990s, trade unions in many workplaces that ostensibly had ‘full recognition’ found themselves with effective rights to little more than individual representation and consultation. Even annual pay negotiations were described by almost a half of the relevant trade union representatives as amounting to no more than consultations. Union influence over the conduct of work had been even more curtailed. Matched case studies suggest that employers in the 1990s were able to achieve changes in working practices that were at least as productive in workplaces where trade unions had experienced diminished recognition as in those where they

had no presence at all (Brown et al. 1998). Comparison of WERS surveys confirms this. In contrast with 1990, by 1998 there was no evidence of lower levels of productivity in unionised than in non-unionised workplaces (Ferne/Metcalf 1995; Addison/Belfield 2001). In brief, by the end of the 1990s, in most workplaces where unions were still recognised, their impact upon management had diminished substantially. Having once been at the centre of many firms' concerns, trade unions had generally become marginal.

### **Helping trade union recovery**

It was not only employer attitudes that changed. An important part of the background to this study is that, in the late 1990s, an abrupt and to some extent complementary change occurred in the *government* attitude to trade unions. In particular there was a change in the official attitude to co-operative deals between unions and management. After nearly two decades of Conservative governments that were hostile to trade unions, a cautiously pro-union Labour government was returned in 1997 with a massive majority. Legislation was introduced in 1999 that eased many Conservative-introduced restrictions on the organisation of trade unions, but that did nothing to ease Conservative restrictions on the organisation of strikes. It also introduced a fairly weak, but symbolically important, statutory procedure whereby unions could win recognition if they could demonstrate sufficient employee support. There is good evidence that this had a catalytic effect on employer attitudes in encouraging a 'climate' that was more sympathetic to trade unions (Oxenbridge et al. 2003).

Official encouragement of what became known as 'workplace partnership' was more explicit. In 1999, amid repeated public statements in support of the idea by the Prime Minister, Tony Blair, his government established (and later enhanced) a Partnership Fund to assist the training and other costs of building co-operative arrangements between employers and unions. In doing so the government was in effect picking up an agenda launched in 1997 by the Trades Union Congress (TUC). This had identified six 'fundamental principles' of workplace partnership. First, there should be a shared commitment to the business goals of the firm. Second, there should be an acknowledgement that there might be quite legitimate differences of interest and priorities between unions and management. Third, measures to increase labour flexibility should not be at the cost of increased employee insecurity, which should be protected by investment in transferable skills. Fourth, partnership arrangements must improve opportunities for the personal development of employees. Fifth, it must be based on open and well-informed consultation. Finally, effective partnerships should seek to 'add value' by raising the level of employee motivation. Putting its resources where its new policy lay, the TUC also established, in 2001, a Partnership Institute, providing expert advisers to facilitate partnership deals. The Institute quickly found itself in demand in workplaces where high trade union membership accompanied poor industrial relations, and its role has become one of providing trusted guidance for unions which are, in effect, renegotiating their terms of engagement with management.

All this had marked a courageous new departure for the TUC, which historically had been reluctant to embrace 'business objectives'. In return the government offered legislative support, with legislation in 2002 to give unions rights to establish 'learning

representatives' to encourage employee skill development, and with further legislation promised to implement the European Union Directive on Information and Consultation. Further support was provided by the state-funded but otherwise independent Advisory, Conciliation and Arbitration Service (Acas), whose nationwide staff of advisers and conciliators were increasingly involved in brokering and guiding not only voluntary recognition deals, but also large numbers of partnership discussions. These supportive measures undoubtedly contributed to the fact that trade union membership, which had been falling since 1980, was from 1998 starting to stabilise.

We can now sum up the background to co-operative relationships between employers and unions in the 21<sup>st</sup> century. Over the previous 150 years Britain had developed a fluid system of collective bargaining with little legislative reinforcement and strong traditions of workplace union involvement. Since the mid-20<sup>th</sup> century the coverage of sectoral agreements largely gave way to either enterprise based bargaining or, later, with encouragement from an anti-union government, to no bargaining at all. Where bargaining continued it was greatly reduced in scope and impact. This was the bleak prospect facing British trade unions that was potentially transformed when the Labour government arrived in 1997, with its advocacy of co-operative, rather than confrontational, collective bargaining backed by a revitalised TUC and Acas. What has been the result?

### **The partnership debate**

The current debate in Britain on workplace partnership in Britain has tended to polarise. Organisations such as the Trades Union Congress (TUC), the Involvement and Participation Association (IPA) and the Department of Trade and Industry (DTI) have been at the forefront of promoting the benefits of workplace partnership. Similarly Ackers and Payne (1998) and US 'mutual gains' writers (Kochan/Osterman 1994) have highlighted the potential for partnership to bring trade unions back into the mainstream of industrial relations in Britain and the US.

In sharp contrast, the bulk of the academic literature tends to offer a more pessimistic view of partnership, focusing on its potential to weaken trade union power within workplaces and across the union movement. Kelly (2001) is perhaps the strongest academic critic of partnership in the UK. He argues that it provides few benefits for unions and members in terms of membership, wages and conditions, job security, or influence. Most studies of partnership in the UK take the form of case studies of partnership organisations, most of which conclude, like Kelly, that the drawbacks of partnership working outweigh the observed benefits (e.g. Bacon/Storey 2000).

It is clear that the development, implementation, and operation of partnership agreements is far from easy. Studies have indicated that union officers and lay representatives who have negotiated agreements have had to confront internal opposition to the agreement from members (IRS 1999b); that partnership may fail to filter down to local levels of organisations (Wills 2002); and that this may be a function of resistance towards partnership from middle managers and regional trade union officers (Samuel 2001). Union officials may face difficulties coming to terms with their changing role under an agreement. Wills describes how, under partnership, union represen-

tatives may have publicly to endorse controversial decisions that they might previously have condemned, and in doing so may lose credibility with members. Likewise, Taylor and Ramsay (1998) describe how shop stewards may find themselves isolated and placed in contradictory positions by agreements.

To set against this, there is also research that highlights potential benefits flowing from partnership working. The TUC (2002), for example, cites enhanced productivity and profitability, lower turnover and absenteeism, and more secure and fulfilling jobs as positive outcomes. Other studies have concluded that through partnership arrangements, unions may facilitate organisational change programmes (Martinez-Lucio/Stuart 2000) or legitimise changes in terms of the harmonisation of terms and conditions and the shift to quality-focused work methods (Bacon/Storey 2000; IRS 1999b). Additionally, many agreements (particularly those negotiated during the mid to late 1990s) include mechanisms for easing the process of shedding labour (IRS 1999a; Marks et al. 1998). Partnership may also result in unions being able to influence management at an early stage in the decision-making process through consultation on employment issues (Samuel 2001; Wills 2002). As Heery (2002) notes in his summary of the partnership literature, the possible gain for unions and their members is fuller knowledge of, and greater opportunity to influence, both business strategy and management style. In terms of benefits for the union organisation, case studies have indicated that union membership and steward numbers may increase substantially in the period following the development of partnership agreements (Haynes/Allen 2001; IRS 1999a; IRS 1999c; Samuel 2001).

Many common industrial and circumstantial features underlie partnership agreements in Britain today. While there are some high profile agreements in the service sector, most prominently in the retail and finance sectors (see Haynes/Allen 2001; Samuel 2001; Wills 2002), the majority of agreements have been concluded in mature industries facing new and more intense forms of competition. Reflecting this, Samuel (2001) distinguishes between “defensive” partnerships, which occur against a background of crisis, and which may have a focus on redundancy management; and “offensive” partnerships which reflect a consensual approach to modernisation, and may involve joint efforts to improve competitive performance and skills.

### **The research**

Our interest in this paper lies in the factors underlying partnership, and more specifically, in the management motives and strategies that lead organisations to pursue particular forms of partnership. The central concern of our research is to step back from an exclusive focus on ‘partnership’ and to look more broadly at the character and circumstances of mutually beneficial relationships between employers and trade unions in contemporary Britain. We were aware that these might not be described explicitly as ‘partnership’ relationships; that some self-described ‘partnerships’ might fall far short of the TUC’s specification; and that the level of formality of such arrangements was likely to vary considerably. We therefore adopted a two-stage approach. The first stage involved identifying 11 cases from a larger series of employer interviews, and the second involved more rounded interviews of employers and unions at a structured set of 9 cases.

The first stage drew on interviews during 1999 and 2000 with senior HR and personnel staff in 11 companies which at the time had formal partnership agreements, informal partnership relationships, or were planning to negotiate formal partnership agreements in the near future. These 11 cases emerged from the project's 60 case studies, which had been selected to shed light on changing responses to trade union recognition in anticipation of the 1999 Employment Relations Act (as reported in Oxenbridge et al. 2003). Our cases thus come from a non-random, but carefully structured sample. Interviews with 31 full-time officials from 10 trade unions were used to supplement these case study data. Interviews with the union officials did not focus on the features of specific arrangements, but covered their experience of changing employment relationships, including partnerships, more generally.

The 11 case studies spanned a range of industrial sectors. They included two outsourcing companies which had negotiated national-level agreements with trade unions after winning public sector contracts; a temporary employment agency; the service divisions of two retail electrical and office equipment supply firms; a financial services company; three printing companies; and two machinery manufacturing firms. Four of these cases had informal partnership relationships with trade unions, and another four had formal written agreements of varying titles. Four (including one of these) anticipated that partnership agreements would be finalised in the near future.

The second stage of the project, conducted during 2001 and 2002, identified nine case study firms, four from the previous set and five new. They were selected to represent three broad categories of relationship: three were formal partnerships with explicit agreements; three were informal partnerships where the term was widely used but without any formalities; and three were co-operative arrangements that deliberately did not describe themselves as partnerships. Four of the cases came from services: retail, insurance, office equipment servicing, and outsourcing. Four were from production industries: light engineering, heavy engineering, food processing, and printing. The last was in rail transport. In these second stage cases, interviews were held not only with the principal managers involved but also with the relevant full-time trade union officials, one or more leading workplace union representatives, and at least one union member who was not a union activist. It amounted to a total of 47 interviews with 52 individuals, the majority on the union side. The prime concern was to obtain different perspectives on the co-operative relationship from within both management and the union. Another advantage arising from the more prolonged research relationship that was necessary for this second stage of the project was longitudinal evidence on the development and dynamics of co-operative relationships over time.

### **The origins of and incentives for co-operative relationships: Findings from the first study**

It quickly became apparent that there was a broad spectrum of co-operative relationships. In part this was because the firms in question had very different experiences of unionisation. At one extreme were long-standing, occasionally difficult, relationships with high levels of unionisation, which were typical of production industries. At the other extreme were new relationships where inexperienced, often anti-union employ-



ers, felt obliged to come to terms with unionised workforces whom they had acquired through new contracts or takeovers. These were characteristic of service industries.

The common feature of all firms that were building new co-operative relationships was their management's intention to involve trade unions in implementing far-reaching, often difficult, organisational changes. But they came to this differently. The most common background was one where trade union-employer relationships already had deep roots. Although these were typical of the production sector, managers from temporary employment and outsourcing companies had also worked with unions towards partnership over a period of many years. As also noted by Heery (2002), the union officials we interviewed confirmed that partnerships most commonly emerge from "mature" employer and trade union relationships. Their move towards co-operative relationships was most often a response to a competitive crisis. Typically organisational survival was threatened, redundancies were necessary, and workforce morale had collapsed. This often led to the appointment of new senior human resource managers, or new owners, who were disposed towards partnership.

By contrast, the service sector companies had mainly entered into agreements as a consequence of encountering unions when they entered new markets, in some cases as a result of company takeovers, in some as a result of winning work outsourced from the public sector. Confronted with the need to assimilate these unionised groups, managers decided that building relationships with unions was essential if the company wanted to build market share. Typically they then recruited human resource managers with appropriate experience for dealing with these "inherited" trade unions.

Most managers said that a key benefit of cooperative relationships was that of union assistance in managing organisational change with regard to consultation, redundancy and redeployment, and, to a lesser degree, legitimising change. In service sector companies, unions were involved in harmonising disparate terms and conditions brought about by mergers, acquisitions, or tendering processes. More generally, they facilitated the implementation of flexible working arrangements and changes to shift and payment systems, including the introduction of individualised payment schemes. However, while employers agreed almost unanimously that their "partners" assisted them in implementing change, there was some evidence of unions also restricting or "slowing" change. In spite of this, there was a general view that union involvement in communication, pay-setting and consultation processes more generally led to greater effectiveness and less management effort, as the union acted as a channel for representation of employees.

According to the literature summarised earlier, a potential benefit of partnership for trade unions was an ability to extend recruitment and recognition into areas of the private sector that were traditionally difficult to organise, such as the outsourcing, temporary labour supply, and retail cases in this study. However in these cases, trade unions were often not allowed access to the sites or divisions of these companies that did not already have recognition coverage. This resulted in a situation where small "pockets" of unionisation existed within largely non-union service sector companies, with union officials unable to extend membership.

Despite such limitations, all our trade union full-time official interviewees were in favour of employer-union partnership relationships. The main benefits of formal partnership agreements, they felt, centred around employers encouraging workers to join the union, as well as better pay and conditions for workers. Unsurprisingly, views on partnership varied within unions, with internal debates highlighting differences of opinion. Indeed, during the period of our study the leader of Britain's fourth largest union, Amicus, was ousted in an election in which the successful contender criticised him for his uncritical, and unduly pro-employer, approach to partnership agreements.

Trade union officials agreed that partnership agreements could and did run into difficulties when companies were faced with severe competitive pressures. Guaranteed job security was often the first component of many agreements to be renegotiated or abandoned in such instances, and unions were often central to the process of managing redundancies. Officials agreed that the downsizing process was made easier, with better outcomes for employees, with union involvement. This was because the parties discussed options to try and stave off redundancies, or because employers discussed redundancies with union officials well in advance of making public statements, giving them the opportunity to work through redeployment or job-sharing processes ahead of time.

### **The content of partnership relationships and strategies of control**

How substantial were these partnership relationships in terms of traditional collective bargaining rights? We analysed the scope of union recognition rights, the extent of union involvement in consultation and communication structures, and employer strategies for restricting union power in the relationship. In general, union rights were greater in those companies that had informal partnership relationships with unions than they were in those that had formalised partnership agreements<sup>1</sup>. The depth and breadth of trade union recognition rights were greatest in the printing and manufacturing firms where employers and unions had informal relationships. Outsourcing and temporary employment sector employers used recognition agreements which varied in depth and breadth, and which in most cases involved union negotiation for only a minority of employees. The remainder of firms, all in the service sector, had developed or were intending to develop partnership agreements that accorded fewer union rights or reduced union strength. Employers in the latter two groups had adopted several common strategies that enabled them to reduce union power.

This great variety of co-operative relationships between employers and trade unions implies considerable variation in the extent and nature of recognition of trade unions. This, in turn, reflects very different strategies of employer control. Consideration of those cases with limited union recognition reveals the extent to which their partnership agreements were, in effect, instruments of control. A range of strategies was in use to dilute or contain union power. Two service sector firms, for example, had specifically negotiated, or were planning to negotiate, partnership agreements expressly to restrict union involvement in employment relations matters. Others used strategies to

---

<sup>1</sup> See Oxenbridge/Brown (2002: 267-269) for a detailed analysis of recognition rights and consultative structures in the 11 case study organisations.

manage unions once an agreement or relationship had been established. These strategies included: first, negotiating agreements which explicitly limited union rights and activity in the workplace; second, refusing to deal with "difficult" trade union officials, and dealing only with officials perceived to be compliant; third, endeavouring to reduce the number of unions with which the company dealt; and fourth, taking steps to reduce union control over communication and consultative structures and to increase management control of both. Six of our 11 case study employers adopted one or more of these strategies. All six had written, formal agreements, or in the case of two firms, anticipated that agreements would be negotiated in the near future. They shared a number of characteristics. All were large, service-sector employers with employees, establishments or contracts spread throughout the UK. Managers from most of these firms met exclusively or mainly with national union officers. Most had relationships or agreements with multiple unions. Let us consider these strategies in turn.

To start with the first strategy, employers used various methods to restrict union involvement. These included designing arrangements that subtly limited or downgraded the status of the union "partner", or which explicitly curbed union power. In two firms, rather than calling their agreements "partnerships", managers used other labels that denoted less union power in the relationship, such as "strategic relationships" and "memoranda of understanding". Other companies had negotiated agreements mainly to gain union assistance in organisational reform programmes. In these cases, agreements precisely spelled out union rights, reducing unions' ability to resist change and to undertake certain of their previous activities. The most detailed and formal of all the agreements in this study was also one of the most restrictive in terms of union rights. Unions were not involved in any aspect of pay-setting and the tightly-worded agreement enabled managers to reduce and monitor time off for trade union activities.

The ability to pick and choose which trade union officials they dealt with was another strategy of management control. Managers in three firms which had encountered resistance from trade union representatives had developed strategies of refusing to deal with union officials or workplace representatives who presented a problem. They worked instead with other more compliant officials. Relationships with national officials were felt to be more positive than those with stewards and local officials, as the latter tended to resist change or occasionally subjected the companies to negative media attention.

Several of our cases either had, or sought, single-union relationships. Managers in these firms had no qualms about derecognising unions which were, in most cases, minority membership unions. One company with two unions ran a campaign whereby the union which recruited the most members over a six month period would be granted recognition.

The firms studied could be divided into, on the one hand, those where managers dominated the communication process and, on the other, those in which unions played a significant role, but where union communications ran alongside an ever-increasing number of management communication devices. In most of these latter firms, managers sought to replace union-member communication with management-employee communication. Again, there was a contrast between the service sector and

the production sector. In most service sector firms, communication with the workforce was conducted entirely through and by managers without union involvement. Some of the production sector firms had communication systems dominated by shop stewards in parallel with management-controlled communication devices. But in others managers had taken active steps to reduce union involvement in communications in recent years. These were firms in which unions had broad and deep recognition rights. In two of the three, managers had decided, while transforming the company culture from one of confrontation to partnership in the early 1990s, that communication with the workforce should be controlled by management, with the explicit intention that employees' loyalties should be shifted from the union and towards the company.

### **The divergent functions and procedural forms of partnership**

The contrast portrayed here is sharp. The organisations examined fell into two groups: those where partnership is characterised by the nurturing of collective bargaining; and those where the containment of collective bargaining is the primary objective. The first 'nurturing' group of cases comprised small or medium-sized production sector employers which had developed informal partnership relationships centred on harmonious management-union relationships, high levels of unionisation, and active workplace representatives. While disputes occasionally occurred, these cooperative relationships represented the continuation of a tradition of employer-union relations, combined with threats to company survival.

The second 'containing' group of cases were service sector employers who had negotiated, or were planning, formal agreements which provided unions with fewer substantive rights. These agreements often emerged as employers realised that union involvement was an inevitable consequence of company acquisitions and mergers or of tendering for contracts in unionised sectors. In essence, these service sector employers were shaping their union relationships and agreements around their human resources strategy, rather than positioning partnership as the centre of their employment relations strategy. In such cases, unions may have little choice other than to "take what they can get" in the context of low levels of union membership and no tradition of collective bargaining. Ideally from the union point of view, such agreements should allow them to extend their membership throughout these organisations. As discussed earlier, however, this was rarely the case.

These findings indicate that partnership arrangements in Britain today may be characterised by a spectrum of relationships that vary in terms of degrees of union involvement in the workplace. At one end we have partnership relationships in production sector firms, where union power derived from strong unionisation and active workplace representation. At the other is the highly contained trade union activity of the service sector firms.

### **Formality and cooperation: Findings from the second study**

In the second stage of our study we were able to obtain a better impression of the dynamics of these relationships, both by exploring how they changed over time, and by inquiring into different perspectives within both management and unions. It had be-

come evident that the procedural status of co-operative relationships appeared to be important. We could broadly categorise our second set of nine cases into three groups. First were co-operative relationships where the term 'partnership' was not used. Second were informal partnership arrangements that were described in partnership terms but had no formal agreement pinning them down. Third were formal partnership agreements.

In the first stage of the research it became clear that some of the arrangements that were, from the trade union point of view, most procedurally restrictive and controlling were also the most formal. By contrast, some of the most nurturing were also the most informal. It thus seemed likely that the degree of formality was indicative of a 'low trust' relationship, in the terms of Alan Fox's analysis (Fox 1974).

According to this, it might be surmised, an employer whose control strategy was one of building co-operative union relationships by means of nurturing the union organisation would see no need to oblige the union formally to acknowledge and codify set limits to its ambit of influence. Inherent in the nurturing process would be an intention to build high levels of trust that would necessarily imply acceptable margins of uncertainty within the relationship. By contrast, where trust was low, the employer's main intent, in grudgingly acknowledging an unavoidable need to establish a relationship with the union, would be to minimise uncertainty in the relationship. An important vehicle for this would be a very public, written agreement with the union defining in great detail the boundaries within which the employer required it to operate. Any adverse breach of those boundaries would provide a pretext for terminating or reviewing the union's recognition status. It was consistent with this that formalised partnership agreements appeared to be more restrictive than loose, unwritten relationships built up as a consequence of years of custom and practice. It was likely that the act of formulating a written agreement provided employers with the opportunity to restrict and cauterise trade unions' customary rights.

This simple inverse relationship between levels of formality and degrees of union nurturing seemed robust enough until evidence came in from the nine more detailed case studies, of which four provided longitudinal evidence. It became apparent that, for various reasons, firms with relatively high trust relationships might also want to formalise them. In terms of the "new" cases in Phase II of the study, one, an engineering company, moved from a co-operative relationship to one of informal but explicit partnership. Interestingly, a food processing company moved from a co-operative relationship right the way to a formal partnership agreement, again without sacrificing its carefully built nurturing commitment. A retail store tightened up its formal partnership agreement, shifting the balance with regard to the union from nurturing to greater containment, in part response to a competitive threat from a non-union rival, in part because of a long-held desire to clarify the precise boundaries of union involvement in the company. We also found evidence of change in the cases examined in the first phase of the research. For example, a finance company decided to formalise its informal partnership arrangement as a part of the process of assimilating newly taken-over companies and the merger of two trade unions with recognition rights in the merged companies.

An explanation for this behaviour appears to lie in the fact that the act of formalising a relationship serves different functions. It is, like all transactional rule-making, a means of reducing the uncertainty of a relationship. But this has both external and internal aspects. The external aspect was exemplified by the food processing company, which wanted to formalise the warm co-operative relationship at one site in order to set a clear benchmark for the other factories in its group. A formal agreement was not a sign of mistrust of the union, but rather an attempt to codify aspects of the relationship in order to propagate them within the company. Another example is provided by an engineering company with a strong co-operative relationship facing a crisis in its product market. The conciliation service Acas was brought in to broker major reforms in working practices. An informal partnership relationship was developed partly to provide visible reassurance to foreign owners that a productive co-operative relationship had been established.

The internal aspect of formalising relationships is perhaps more complex. The retail store's shift to a more containing formal relationship with its union in response to tougher competition reflected a judgement by the management that the unit-cost gains to be won from a co-operative relationship with the union were not as evident as initially expected. The finance company's shift to greater formality reflected the fact that, in expanding through merger, it desired an agreement that would provide greater clarity in terms of management's relationship with the trade union. However, in negotiating a formal agreement, management took the opportunity to extend greater consultative rights to its non-union employees, an act which might be construed as a means of implicitly diluting trade union power. For both these organisations their large, expanding, multi-site, nationwide character created particular problems for the maintenance of high-trust relationships.

Another important internal aspect of the procedural status of co-operative relationships concerns the internal dynamics of trade unions. Right across the spectrum of such relationships, trade union representatives – and especially full-time officials – felt that a benefit of more formalised agreements was that they provided a safeguard for shop stewards to represent members' views without fear of discrimination by management. This is likely to have less force where there is a high trust relationship. But such things can change, and it was a real issue at one small engineering company where a chief executive who believed in nurturing the union was replaced by one who had less confidence in the union's ability to "add value" to the organisation. Then again, a common concern of senior shop stewards was that excessive involvement in informal co-operative dealings with management could isolate them from their rank-and-file. If they were not seen by employees to be visibly "fighting" management it was hard to recruit members. A common response to this concern was to treat pay negotiation distinctively, as a traditional 'distributive', as opposed to 'integrative' issue, in the terms of Walton and McKersie (1965), in order to separate pay off from other issues and to use it as the basis of a restricted, traditional, confrontational argument, a largely symbolic process geared to member perceptions. Managers who lacked an understanding of the union's internal difficulties generally found this frustrating, and a source of strain in their relationship with the union, since the room for manoeuvre was generally trivial.

In summary, it is incorrect to expect a simple inverse relationship between levels of formality and degrees of union nurturing. Whether or not the employer sees fit to nurture the union organisation reflects a strategic choice, conscious or otherwise. The weight of procedural legitimisation attached to the consequent relationship in terms of its formality is a quite different issue. It reflects the extent to which parties with influence on both sides are concerned to reduce perceptions of the uncertainty of their relationship, both within their own camps and beyond.

### **Conclusion**

What does this imply for the question with which we started? Does the future of collective bargaining lie in co-operation? First it should be noted that our findings confirm many of those in previous studies. Employers in this study sought agreements with unions for very much the same reasons and perceived benefits as those reported in other research. However, our study differs markedly from others in taking a longitudinal perspective, and in identifying several types of partnership arrangement, explicit or otherwise, related to management strategy and high and low trust relationships. The findings cast doubt on the dominant characterisation and analysis of partnership in terms of formal agreements. Some of these agreements imply such substantial constraints on trade unions that, lacking strong membership support, collective bargaining in those firms may be still-born. Analytically more important than the formalities are the underlying intentions of the employer with regard to the role of the trade union. Rather than focussing on elements present in formal partnership agreements, we therefore argue that greater understanding of the notion of partnership will be achieved if the focus is turned instead to whether or not partnership “behaviours” are evident in the employer-trade union relationship.

These partnership behaviours are expressions of high trust, or of intention to build high trust, between the parties. Our research uncovered evidence of these partnership behaviours across all three types of relationship: co-operative, partnership relationship, and partnership agreement. In doing so, we are able to identify several behaviours that appear to be associated with robust, high trust partnership. They include a central and legitimised workplace role for senior lay union representatives; trade union involvement at the earliest stages of management decision-making; explicit or implicit acknowledgement that each party derives benefits from the relationship; openness in dealings between the parties; and commitment to the relationship from managers at all levels of the organisation.

Most research into partnership agreements is based on cross-sectional case study data, which give the impression that these arrangements are essentially static. But data collected in both phases of our research indicates that co-operative and partnership employer-trade union relationships are better described in terms of their evolving nature. In most cases where relationships are shifting, the direction in change is towards informal or formal partnership, from the starting point of a long-standing co-operative relationship. Employers sought partnership arrangements in order to clarify, formalise, or “benchmark” their relationship as it stood at that moment in time. Contrary to our initial impression, it appears that the movement towards formality does not always imply a simultaneous shift towards containment. It may simply mean ap-

plying a new set of labels, or adopting a new terminology, to describe what is in essence a co-operative relationship that has stood the test of time and in which partnership behaviours have been preserved over time. One of the messages of our research is the need to look beyond the superficial terminology to the relationships that underlie it. Just as the term 'productivity bargaining' rose and fell in fashion in 1960s Britain, so the term 'partnership' can be expected to fall from fashion under the weight of indiscriminate and tendentious use. But such a fall will not stem the tide of co-operative collective bargaining.

Collective bargaining has been evolving in Britain for two hundred years or more and there is no reason to expect it to attain a steady state. For its next phase, however, its future does appear to lie in co-operation. The robustness of such a future lies not in the formalities and details of explicit partnership agreements, but in the intentions that lie behind them. Many employers are offering high trust relationships that imply renewed and enduring legitimacy for the trade unions party to them. There is a widespread and very positive response to this from the British trade union movement. Indeed, given that these stances are widespread among employers and among trade unions, it is safe to predict a continued, deliberate, expansion of co-operative relationships between them over the coming years. In any particular enterprise, the challenge for the relationship will be whether it will survive future changes in company management, and in the business and legislative environments. But for unionised employment in Britain as a whole, the future will lie in greater co-operation. The economic and legal environment in prospect leaves little option.

## References

- Ackers, P./Payne, J. (1998): British Trade Unions and Social Partnership: Rhetoric, Reality and Strategy. In: *The International Journal of Human Resource Management* 9 (3).
- Addison, J. T./Belfield, M. L. (2001): Updating the determinants of firm performance: estimation using the 1998 UK WERS. In: *British Journal of Industrial Relations* 39 (3).
- Bacon, N./Storey, J. (2000): New Employee Relations Strategies in Britain: Towards Individualism or Partnership? In: *British Journal of Industrial Relations* 38 (3).
- Brown, W./Deakin, S./Hudson, M./Pratten, C./Ryan, P. (1998): *The Individualisation of the Employment Contract in Britain*. Research Report No 5. London: DTI.
- Fernie, S./Metcalf, D. (1995): Participation, contingent pay, representation and workplace performance: evidence from Great Britain. In: *British Journal of Industrial Relations* 33 (3).
- Fox, A. (1974): *Beyond Contract: Work, Power and Trust Relations*. London, Faber.
- Haynes, P./Allen, M. (2001): Partnership as union strategy: a preliminary evaluation. In: *Employee Relations* 23 (2): 164-187.
- Heery, E (2002) Partnership versus organising: alternative futures for British trade unionism. In: *Industrial Relations Journal* 33 (1): 20-35.
- IRS (1999a): United we stand. In: *IRS Employment Trends* 682: 6-11.
- IRS (1999b): Partnership delivers the goods at Tesco. In: *IRS Employment Trends* 686: 4-9.
- IRS (1999c): The new partnership at CSL. In: *IRS Employment Trends* 693: 4-10.
- Kelly, J. (2001): Social partnership agreements in Britain: union revitalisation or employer counter-mobilisation? Paper delivered to the "Assessing Partnership: the Prospects for and Challenges of 'Modernisation'" Conference, Leeds University Business School, May 24-25 2001.
- Kochan, T.A./Osterman, P. (1994): *The Mutual Gains Enterprise: Forging a Winning Partnership among Labor, Management and Government*. Cambridge, MA, Harvard Business School Press.



- Marks, A./Findlay, P./Hine, J./McKinlay, A./Thompson, P. (1998): The Politics of Partnership? Innovation in Employment Relations in the Scottish Spirits Industry. In: *British Journal of Industrial Relations* 36 (2).
- Millward, N./Bryson, A./Forth, J. (2000): *All Change at Work?* London, Routledge.
- Martinez Lucio, M./Stuart, M. (2000): Swimming against the tide: Social partnership, mutual gains and the revival of "tired" HRM. Working paper 00/03. The Centre of Industrial Relations and Human Resource Management, Leeds University.
- Oxenbridge, S./Brown, W. (2002): The two faces of partnership? An assessment of partnership and co-operative employer/trade union relationships. In: *Employee Relations* 24 (3).
- Oxenbridge, S./Brown, W./Deakin, S./Pratten, C. (2003): Collective employee representation and the impact of law: initial responses to the Employment Relations Act 1999. In: *British Journal of Industrial Relations* 40 (4).
- Samuel, P. (2001): Partnership Efficacy: Some Preliminary Evidence from Trade Union Officials. Paper delivered to the "Assessing Partnership: the Prospects for and Challenges of 'Modernisation'" Conference, Leeds University Business School, May 24-25 2001.
- Taylor, P./Ramsay, H. (1998): Unions, Partnership and HRM: Sleeping with the Enemy? In: *International Journal of Employment Studies* 6 (2).
- TUC (2002): *Partnership Works*. Trades Union Congress, London.
- Walton, R. E./McKersie, R.B. (1965): *A Behavioural Theory of Labor Negotiations*. McGraw Hill, New York.
- Wills, J. (2002): Partnership and trade unionism in practice: An overview of the Barclays-Unifi Partnership Agreement. Working Paper Five, Geographies of Organised Labour, Queen Mary, University of London.