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Partnership paradoxes: a case study of an energy company

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Towards partnership? a case study of an energy company

ABSTRACT

This paper presents the findings of a case study undertaken in a British utility company, referred to as Energy Co. The main aim of the study was to assess how the agreement of a partnership arrangement in 1995 had affected the conduct of employment relations.

The study found that partnership was borne out of a poor industrial relations climate, and driven primarily by management. They hoped that it might improve industrial relations, raise employee commitment, inform and educate the workforce, and increase employee contribution. Partnership was not intended to encourage joint governance or power sharing. In practice, partnership combined direct EI such as team briefing and problem solving groups, with representative participation through a formal partnership council system.

Management suggested that, on balance, partnership had been successful, with benefits including improved industrial relations, quicker pay negotiations and increased legitimacy of decision-making. It was also suggested that there was a positive link – albeit indirect and intangible – with organisational performance. Union representatives also proposed that partnership was a success, citing benefits including greater access to information, greater influence, inter-union co-operation, and more local decision-making. Employee views were more mixed. There was also clear evidence of several tensions. Four were particularly noteworthy: employee apathy, management-representative relations, employee-representative relations and the role of FTOs. Despite espoused partnership, management hostility to unions was evident, and a preference for non-union employment relations clear. Consequently, the future of the partnership in its current form is uncertain.
Introduction and background to the study

“Partnership [is] a unique combination of employee involvement processes which has the potential to maximise the benefits to the company and to the employees in the process of change” (Coupar and Stevens, 1998, 157).

“The dominant characteristics of British business…do not furnish and environment in which a union strategy of partnership can flourish” (Heery, 2002, 26).

It has been stated how “the notion of social partnership had an alien ring to the English” (Ferner and Hyman, 1998, xv). Certainly one of the main problems with partnership is ambiguity of definition despite attempts to define the term. (Ackers et al., 2004; Ackers and Payne, 1998; Beale, 2004; Haynes and Allen, 2001; Heery et al., 2004) Ferner and Hyman (1998) suggest that the approach has three characteristics. Firstly, acknowledging the different interests of workers. Secondly, encouraging the representation of these different interests. Thirdly, a belief that such an approach may be an effective way to regulate work and the labour market. In a similar vein, partnership has been described as an attempt to marry efficiency issues with social issues (Martinez-Lucio and Stuart, 2002). Partnership can also be viewed at different levels - for example, European, state, economy, sectoral and company level - but in the UK the focus is at enterprise level, as it lacks the institutional and legislative support afforded in most other Western European nations (Haynes and Allen, 2001; Heery, 2002). Yet the idea of ‘enlightened’ consensual relations and co-operation is not new, but draws from a long history of modernisation in British industrial relations (Coupar and Stevens, 1998; Marchington, 1998, Martinez-Lucio and Stuart, 2002; McBride and Stirling, 2002).

Firms enter partnerships for a variety of reasons. These include: financial problems, to win public sector contracts, facilitate change, implement quality initiatives or harmonise terms and conditions (Brown, 2000; Oxenbridge and Brown, 2004). Yet opinions on the impact of partnership remain polarised. Consequently, some authors have highlighted the need for further research, given the limited knowledge of the outcomes of partnership in practice (Martinez-Lucio and Stuart, 2002; Oxenbridge and Brown, 2004; Roche and Geary, 2002). This study aims to make a contribution to this debate.
It has been claimed that “greater direct participation and autonomy over work, together with a collective voice in organisational decision making are seen by enthusiasts as the hallmark of the partnership approach” (Tailby and Winchester, 2000, 384). Clearly, this contrasts with 1980s EI, which generally ignored or was suspicious of representative participation (Marchington and Wilkinson, 2000). Indeed, one study concluded that companies that rely solely on direct EI could be damaging their competitiveness (Wood and O’Creevy, 1999). Similarly, Ackers et al. (2004) suggest that more employers are acknowledging the limitations of direct EI.

Of course, interest in partnership did not occur in a political vacuum. The election of New Labour in 1997 and their ‘Third Way’ principles supposedly represented an alternative to macho management and traditional adversarialism. The Employment Relations Act 1999 and the development of the Partnership Fund are viewed as evidence of a more sympathetic attitude to unions following the neo-liberalism of the New Right (Taylor and Ramsey, 1998). There has also been more active engagement in European social policy (Ackers et al., 2004). The information and consultation directive due to become active in 2005 is another noteworthy development (Hall et al., 2002; Sisson, 2002). Support for partnership is also evident from various non-governmental organisations. Other issues may also be responsible for the interest in partnership including the realisation that 1980s style direct EI did not engender commitment in the way it was envisaged (Ackers and Payne, 1998; Cully et al., 1998, Tailby and Winchester, 2000; Wilkinson, 2002), a retreat of the traditional left within the union movement, continued European integration (Heery, 2002) and a desire by employers to facilitate organisational change (Martinez-Lucio and Stuart, 2002).

**Partnership - nirvana or dead end?**

Despite the ongoing debate in policy and academic circles, views on partnership remain divided. While proponents predict mutual gains for all stakeholders (most notably Kochan and Osterman, 1994), critics suggest that the benefits are elusive at best. The main arguments can be set out simply, with most radicals opposed and most pluralists broadly in favour.

1 For example, the Trade Union Congress (TUC), Chartered Institute if Personnel and Development (CIPD), Advisory, Conciliation and Arbitration Service (ACAS) and the Involvement and Participation Association (IPA).
Advocates suggest that employers may benefit from employee commitment, input from a new cadre of representatives, improved relations with unions and the facilitation of change. In turn, unions may benefit from more influence, access to information, job security and inter-union co-operation (Marchington, 1998). Ackers and Payne argue that partnership may offer a more favourable terrain offering unions a new role as joint architects, in contrast to earlier attempts to ignore and erode unions. They conclude that “partnership offers British unions a strategy that is not only capable of moving with the times and accommodating new political developments, but also allowing them a hand in shaping their own destiny” (1998, 531). Similarly, Boxall and Haynes (1997) suggested that partnership unionism offers unions a potential survival strategy in neo-liberal environments, by combining servicing and organising aspects, and blending their traditional role with more modern approaches. Employees are also argued to benefit from greater job security, training, quality jobs, good communication and a more effective voice (Guest and Peccei, 2001; Kochan and Osterman, 1994; Knell, 1999; TUC, 1999).

Partnership has also been endorsed by the TUC. They claim that unions have a significant value-adding role, contributing to improved organisational performance, facilitating change, improved decision-making and a creating a more committed workforce. It is argued, for example, that partnership workplaces are one third more likely to have above average performance, as well as lower labour turnover and absenteeism, and higher sales and profits (TUC, 2002). Business benefits are argued to include greater productivity and an indirect link between partnership practice and organisational performance (Guest and Peccei, 1998; IPA, 2002). The British government has also begun to promote the link between workplace consultation and organisational performance and competitiveness (DTI, 2002).

Despite the optimism, some commentators are sceptical. It has been argued that some employers may view partnership as another union ‘Trojan horse’ and express a preference for free labour markets and individualisation of the employment relationship (Claydon, 1998). Indeed, WERS 1998 revealed that 72% of managers agreed that they would rather deal directly with employees rather than trade unions (Cully et al., 1999). Managers may also be concerned that partnership may slow down decision-making, incur extra costs, and challenge managerial prerogative. Others
simply doubt the putative benefits of such an approach. Some argue that partnership may be a pragmatic management decision rather than evidence of a commitment to working with unions, as managers decide to ‘involve’ unions but only within strictly defined parameters (Ackers et al., 2004; Bacon, 2001). Critics also suggest that the British business environment and structure of corporate governance focuses on short-term performance, meaning there is less incentive to engage in long-term partnerships (Deakin et al., 2004; Heery, 2002).

Equally, trade unionists may have concerns regarding becoming too close to management, being party to unpopular decisions, or having only limited influence over management decision-making (Marchington, 1998). Blurring of the traditional union role may also create unease (Hyman and Mason, 1995; Marchington; 1998). Radicals object to the principle of a union moderation strategy due to concerns that it may lead to an inability of union members to resist management, creating difficulties recruiting new members resulting in an imbalanced situation with negligible benefits for unions. Taylor and Ramsey (1998) view partnership as an extension of HRM likely to lead to increased exploitation for workers, and problems for trade unionism. It should also be noted for many it is axiomatic that partnership is a neo-pluralist approach requiring strong unionism others are more ambivalent (Ackers, 2002; Ackers et al., 2004; Badigannavar and Kelly, 2003). Empirical studies have attempted to shed light on the debate, but findings are mixed.

One study of ‘New Framework Agreements’, like partnership, found that while firms may enter partnership there is the possibility that at a senior level a preference for individualist employment relations and for unions to ‘wither on the vine’ may remain. It concluded “although some companies may espouse partnership, there is evidence that underlying management attitudes towards joint governance may be little changed” (Bacon and Storey, 2000, 425). Similarly, Wray (2004) examined an ineffectual ‘counterfeit’ agreement, where both parties were acting out of a sense of vulnerability. Management were wary of the possibility of enforced union recognition, while the union was keen to enter the partnership to boost membership. Consequently, the partnership was hollow and short-lived. Yet it would seem that in some cases there is little choice for unions to agree to partnership or face de facto derecognition and exclusion (Ackers et al., 2004; Haynes and Allen, 2001; Marks et al.,
A study of MSF union representatives also found that despite ideological support, there was little evidence of proposed benefits such as transparency and involvement or job security proposed by the TUC (Martinez-Lucio and Stuart, 2002). Again, the findings of Danford et al. (2003) were pessimistic. Their case study concludes that there was little evidence of the much-vaunted mutual gains, and suggests that employees actually experienced work intensification, task accretion and increased job insecurity. Similarly, a study in the Tyneside maritime construction industry found a partnership agreement had a negligible impact upon workplace employment relations (McBride and Stirling, 2002). Guest and Peccei (2001) found that the balance of advantage in partnership was often skewed towards management. They concluded that a lack of trust between parties was often a barrier to effective partnership relationships. More positively, studies at Aer Rianta, Tesco and Legal and General have highlighted potential benefits for unions and employees (Roche and Geary 2002; Haynes and Allen, 2001).

In sum, while proponents view partnership as an opportunity presenting mutual gains for all stakeholders (Ackers and Payne, 1998; Guest and Peccei, 1998; Knell, 1999; IPA, 2002; Kochan and Osterman, 1994; TUC, 2002), some critics take a more radical perspective fearing emasculation, incorporation and negligible benefits to unions or their members (Danford et al., 2003; Kelly, 1996, 2000; McBride and Stirling, 2002; Taylor and Ramsey, 1998; Wray, 2004). There are also those who support partnership in principle, but – in response to the empirical evidence – express doubts regarding the extent to which benefits have been achieved to date (Bacon and Storey, 2000; Bacon, 2001; Marchington, 1998; Martinez-Lucio and Stuart, 2002). Oxenbridge and Brown (2004), however, identified a continuum of potential employment relations outcomes, arguing that the consequences are less black-and-white than the polarised debate implies. While it is difficult to provide definitive explanations for such inconsistent findings, a few factors may be speculated. Firstly, the use of different research methods may have influenced results, for example the use of survey or case study methods, and with regard to case studies whether they are longitudinal or snapshot studies. Secondly, the complex interaction of specific contextual factors such as the business context and rationale for partnership may also explain different outcomes, especially in relation to case study research. Thirdly, sectoral differences may be important with some pessimistic studies conducted in
traditional but declining industries, whereas others conducted in more buoyant sectors such as retailing and finance have been more optimistic. Definitional ambiguity also raises the possibility that researchers are actually comparing very different situations despite a common rhetorical commitment to partnership in some way, and inevitably the political and ideological allegiances of individual researchers cannot be ruled out. As Lukes (1974,9) argues, 'power' is an 'essentially contested' concept. Empirical research advances the debate but beneath the surface and differences of interpretation are more fundamental ideological/theoretical controversies about the nature of modern society. This applies equally to discussions of partnership, where IR frames of reference (Fox, 1966) are particularly evident on all sides. For if you are a Marxist and believe that capitalism is mainly about exploitation and linked to fundamental conflicts of interests, you are likely to be much more suspicious of co-operation than a Pluralist or a Unitarist -and vice versa. It is therefore unsurprising that the impact of partnership on the conduct of employment relations remains an especially piquant issue in need of further exploration, and although it is difficult to isolate specific reasons for the mixed results, perhaps greater awareness of these issues could enhance future studies.

**Methods**

The company selected for study is referred to as Energy Co, a British utility company. It focuses on their flagship power plant referred to as Alpha Plant. Energy Co was considered to be a good case as it signed a partnership agreement in 1995, and employs a wide range of direct and representative voice mechanisms. The partnership is well-established and officially recognised by the IPA but has not yet been subject to rigorous academic inquiry.

To date, much attention has been paid to the implications of partnership for trade unions or the impact on organisational performance, and many studies have been based upon the responses of individual senior managers and union representatives. Accordingly, one of the main objectives of this particular study was to take a more rounded approach and explore the views of different organisational actors and address the lacuna of the impact of established partnerships on grass roots employment.
relations. It was believed that it would be valuable to obtain data from a mix of managers, union representatives and employees. The bulk of the data was gathered through interviews. Nine semi-structured individual interviews were conducted. Four were conducted with union representatives lasting approximately one hour, and another four were conducted with plant management of around forty minutes duration. The interviews conducted with management represented a range of different functions. These included the Compliance Manager, HR Adviser, Production Manager and Station Manager. Only one manager interviewed was a personnel professional and this was deliberate, in order to gauge how partnership was perceived by different functional managers. An interview was also conducted with a member of the Executive Team at business headquarters. He was Compliance Director and had recently become Chair of the Generation Partnership Council. All interviews were tape-recorded.

Given that a particular aim was to shed much needed light on the opinions of ‘ordinary workers’ eight focus groups were held with employees and each group consisted of an average of four employees. These were arranged on a peer group basis and involved a cross-section of clerical, maintenance and operations personnel. Each group interview was of one-hour duration approximately. The focus groups were deliberately informal and loosely structured. In total 30 employees participated and they were invited to attend by a well-known union representative. It was not possible to use a formal random sampling technique due to constraints of interviewing staff in an unpredictable continuous process environment. Documentation was also examined, including the Annual Report, Partnership Agreement and other general company literature.

**Company Overview**

Energy Co is a utility company with operations in the UK and overseas and was privatised around ten years ago. In total, Energy Co employs around 16,000 people. In the UK the company has over three million customers and boasts a generation capacity of around 5,000Mw. It also has a capacity of around 8,000Mw overseas. The company has recently been involved in extensive restructuring and organisational change. It has disposed of non-core businesses and has decided to focus on core
competencies in energy generation. However, energy market liberalisation and low wholesale energy prices have presented a considerable challenge. The UK energy market is now very competitive; in 1990 there were four main players in the market, but now there are over thirty.

Energy Co Generation is a wholly owned subsidiary of the Energy Co Group. Alpha Plant employs around 200 staff. It was decided to focus upon one location as the different sites are disparate in character: they are geographically dispersed, use different technology and are of various sizes. Energy Co is widely recognised as an innovator in several personnel practices\(^2\). The workforce at Alpha Plant is predominantly male, and most have worked for Energy Co for over twenty years. Union membership is around 90% and the division entered a partnership with the Engineers’ and Managers’ Association (EMA)\(^3\), Amalgamated Engineering and Electrical Union\(^4\), GMB and UNISON. Partnership was ‘agreed’ in the Generation Business in 1995, two years prior to the election of New Labour in May 1997. Interestingly, the agreement was only signed in one division and this remains the case today. Following privatisation industrial relations in this division were extremely poor, characterised by protracted pay negotiations and a major disagreement over the introduction of annual hours for power station personnel. It was also suggested that the Generation business has always been the most progressive in relation to HR policy. Though employees in other divisions with a more stable industrial relations climate were not affected, for the ailing Generation Business it was hailed as “a new approach to relationships at work which recognises that all parties – management, staff and trade unions – have many common interests”.

It was based upon 13 founding principles:

1. legitimate role of trade unions
2. joint commitment to success, prosperity and shared goals
3. best in class
4. fair treatment, mutual respect and single status

\(^2\) A summary of the main voice mechanisms is included in the appendix.

\(^3\) EMA merged with the Institute of Managers, Professionals and Specialists on 1 November 2001 to form Prospect.

\(^4\) AEEU merged with the Manufacturing, Science and Finance Union on 1 January 2002 to form Amicus.
5. employment security  
6. flexibility  
7. opportunities for training and personal development  
8. response to change  
9. sharing in success  
10. safety, health and welfare  
11. environment  
12. community relations  
13. information, consultation and participation  

Towards partnership?

There was a consensus that partnership was borne out of a poor industrial relations climate following privatisation in 1991. Indeed, several privatised utilities used the opportunity to encourage culture change towards a spirit of working together. Given ambiguity of definition, an attempt was made to understand what partnership meant to different actors, and to uncover the rationale behind the approach.

According to managers partnership was more than just a formal agreement as it affected day-to-day working relationships:

“Partnership in its purest form within the business is a written agreement between unions and management about how we manage industrial relations, while in a broader sense it is about empowering staff, and how we work on a day-to-day basis”.
(Compliance Manager)

“Where management set the goals but how we achieve these goals is very much driven by employees”.
(Production Manager)

Union representatives explained that partnership meant trying to work together rather than against each other as the case with the earlier head to head approach:

“Partnership is a group of people working together for the betterment of the company and its employees”.
(Amicus Representative)

In terms of rationale, managers offered various explanations:
“You can tell and tell and tell and you’ll get compliance. But to truly get commitment from a team you need to get some involvement in the way they work. You can not involve people and tell them...[but] all you’ll ever get is compliance. If you involve people you get buy-in and commitment, it’s as simple as that.” (Production Manager).

“Managers can form opinions but they can’t have the in depth knowledge of people who do it regularly, have done it for twenty years, and have done it several ways, so to not involve these groups would be foolish”.
(Executive Manager)

“Employees that aren’t very involved get very cynical and pissed off and aren’t particularly driven, I don’t believe. We don’t live in a military environment”. (Compliance Manager)

For one representative it was about giving employees a say in the workplace:

“We wanted to be part of the decision making process, rather than sit back and let management take all the decisions, and we appreciate management’s right to manage but at the end of the day the more influence we can have on decisions... it can only be to the good”. (Amicus Representative)

In sum, management drivers appeared to be improving industrial relations, fostering employee commitment, informing employees and tapping into employee knowledge. From the trade union perspective, it was more about developing channels for employee voice to be heard, and engaging in more constructive relations with management.

**Partnership and EI in practice**

**Direct EI**

Within this unionised environment it was believed by management that blending direct and indirect representative mechanisms was the best way of achieving these aims, contrasting with the 1980s assumptions that representative mechanisms were superfluous. There is an array of direct communication and upward problem solving schemes, which form part of the broader participation infrastructure. Team briefing was supported in principle as a way of cascading basic information down the hierarchy. Email communications were accepted as a modern way of communicating basic information but it was apparent that most believed that only factual and simple information was thought to be appropriate to this format. Attitude surveys were described by managers as a supplementary mechanism to flag up salient issues and to judge the employee climate at a given point in time. Problem solving groups were
viewed as useful tools which tap into the intimate knowledge employees often have about specific processes.

The limitations of direct EI initiatives were identified very clearly by union representatives. One explained that direct EI “can only help but if it’s all one way and staff don’t have a chance to comment or get their views known, then there is the danger that it becomes management propaganda”. Union representatives appeared to be more interested in representative participation, taking the view that direct EI was mostly concerned with downward communications, and bolted on to traditional representative structures. As a representative remarked:

“It [direct involvement] is quite important but I don’t think it’s the be all and end all, we still need the trade union in the background...yes, we certainly still need that” (Prospect Representative).

Representative Structures

The partnership agreement also involved a move towards single-table bargaining through the divisional Generation Partnership Council (GPC). The GPC has around 15 members; 5 management members and two lay union representatives from each of the four unions. GPC members serve for two years but may then be reappointed and meetings are held at least four times a year. Responsibilities of the GPC include terms and conditions of employment, employee communications and business restructuring. Decisions are based upon consensus, but where agreement cannot be reached, a sub-group may be set up to investigate and make recommendations. If an agreement is still not forthcoming, the matter may be referred to the Managing Director and full-time union officials. If the matter is still not resolved it is passed to the Company Council. It is important to note that the Generation Partnership Council operates only within the Generation Business. Local Partnership Councils (LPCs) meet at least six times a year, operate at local sites, and are composed of management and union representatives. At Alpha Plant there were 25 members on the LPC. Issues typically include local problem solving, terms and conditions of employment, staffing numbers, training and the use of external contractors. LPCs also set up ad hoc working groups on specific issues of interest. The arrangement devolves most responsibility to lay representatives and FTOs are only (formally) involved where management and lay representatives cannot agree.
Research Themes

The research highlighted several recurring themes. Firstly, there were some diverse views on the meaning and nature of partnership. Secondly, there were various perspectives on the general impact of partnership on the conduct of employment relations. Finally, four tensions were noteworthy: namely employee apathy, management-representative relations, representative-employee relations, and the role of FTOs. These themes are now explored in more detail.

Influence and managerial prerogative

It was clear that despite the extensive participation infrastructure, the degree of influence was constricted. Occasionally decisions would be imposed from corporate office. As managers clarified:

“I hesitate to call partnership power sharing...there is an opportunity for staff to influence the direction and to participate in decisions, but ultimately the decision is likely to be management’s...the Managing Director will never accept that the GPC has decided something he can’t support, and that’ll never happen”.
(Executive Manager)

“Management has a job to do, and people on the top floor are paid to take decisions. Not everything goes through the partnership council, nor will it ever, but where it impacts upon employees in particular we find it useful to get the partnership process involved”
(Executive Manager)

Union representatives were under no illusion that partnership concerned power sharing:

“You cannot take management’s right to manage away from them, they’ll always have that”.
(Amicus Representative)

“I don’t think we get involved in actual decision making as such, we are involved in discussing why decisions have been made or what they are going to do, and we get the opportunity for input”.
(Amicus Representative)

Partnership therefore concerned an opportunity for employees - primarily through their representatives - to comment on decisions, but not to actually make decisions. In terms of scope of participation, it appeared to be quite wide: ranging from
outsourcing and terms and conditions, to canteen facilities and lavatories. Management admitted however that occasionally certain contentious issues would deliberately be avoided at the partnership councils. The fact that partnership is not joint-governance notwithstanding, managers argued that it remained an effective mechanism for employee voice, and was a vast improvement on the pre-partnership days. As the compliance manager remarked “I think employees have a huge say in decision making and compared to ten years ago it’s chalk and cheese”.

**Impact on employment relations**

Most managers claimed partnership was a better way to manage industrial relations compared to the pre-partnership days, citing benefits including less adversarial industrial relations and improved decision-making.

As a senior manager elucidated:

“Because you are acclimatised to it you are not comparing it with what life is like outside without partnership. We’re even perhaps getting faded memories of what life was like before partnership...I often wonder what people would want in its place as it has certainly been, in my view, a success”.

*(Executive Manager)*

The HR adviser, however, conceded that that partnership creates various micro-level problems such as slower decision-making. Yet on balance she admitted “It is a slower process but better at the end of the day”. Other managers reported that despite operational problems with the partnership process, they were still supportive in principle:

“It might not be perfect but it’s probably the best way...it’s the best framework that we have found that works for the business”.

*(Executive Manager)*

“Partnership is the right approach, it’s just not working well at the moment...I am a firm believer in the principle though”.

*(HR Adviser)*

There was a consensus among managers that while not perfect, industrial relations were much better than before, and there was little evidence of support for the dissolution of partnership:
On balance, union representatives were also sanguine, and appeared to be proud of their achievements through the process:

“Partnership is certainly the way forward...I would say it has been very successful but you can get in a rut...it’s an ongoing process”.
(Prospect Representative)

“It’s been a lot better with partnership than it would have been without it...employees do have a voice through the Partnership Councils”
(Unison Representative).

“We do have a say and it’s definitely better than ten years ago...understanding the business more”.
(Amicus Representative)

Benefits cited included intra-union co-operation through single-table bargaining, access to more information, and increased autonomy over local decision-making. Representatives were now personally involved in pay deals for example, and believed employees had a greater voice, and enjoyed good terms and conditions as a result. An Amicus representative stated that effectively there were two partnerships: one between management and unions, and one between the different trade unions themselves which he stressed was a major benefit of the partnership approach. As the next section reveals, however, some employees remained unconvinced with views ranging from the supportive to the disparaging.

Apathy or adoration?

Admirers identified some general improvements in employment relations. This is illustrated by the following enthusiastic quotes which suggested that relations before were disruptive:

“Management and unions are better at listening to each other now”.

“It had to change, in the past we were in and out the door like yo-yo’s”.

“We used to be out the gate if there was no milk in the machines”.

“The unions used to rally people into a mass hysteria about management being the baddies”

“Employees are more aware of why people actually run businesses”.
(Employee Focus Groups).

Several specific improvements were suggested. It was proposed that there was now a better management style, and that management were more approachable. It was noted that most managers claim to operate an open-door policy and some employees
suggested that the new generation of younger managers has had a positive impact. Tangible manifestations of the management style included the observation that staff mostly referred to management on first name terms, and also the observation that plant management wore the same casual polo shirts worn by staff, and not a shirt and tie. There was also a single canteen for use by all staff.

Some employees also explained how they now had a better understanding of management decision-making, and in particular awareness of the competitive pressures the company faced. A clerical employee suggested that “We understand the problems facing management more…and we understand that their jobs are not particularly easy either”.

Some interviewees proposed that management were less autocratic and employees had more responsibility. An electrician attempted to illustrate the increase in involvement:

“We only used to come up to the top floor twice a year, and that was to change the clocks! Now this room [the conference room] is one of the most used rooms in the whole station…employees are up here a lot more”.
(Employee Focus Groups)

It was also claimed that problems do not escalate as much as they used to, but are increasingly solved locally.

Yet a significant lack of employee enthusiasm was also evident. For some employees partnership is still an anathema. This is illustrated by the quotes below, which suggest that some employees do not believe they will gain much by getting involved:

“I honestly believe that employees can get involved as much as they want, but the reason I don’t, is that it is an utter waste of time”
(Employee Focus Groups).

“The mechanisms are in place for employees to have enough say but they don’t take up the opportunity”.
(Amicus Representative)

For example, several employees remarked that the councils primarily discussed peripheral issues, believing that ‘real’ decision-making took place upstream at business headquarters:
“I don’t know how many hours are wasted with people basically just sitting around tables blathering about canteen prices”.
“They don’t discuss the real issues such as how we could save the 47 men who are going up the road at the weekend”.
(Employee Focus Groups)

The main reason behind apathy appeared to be a belief that even if employees take up the opportunity to get involved it will not make much difference. This reflects concerns expressed by Marchington et al. (2001) that, even where vehicles for employee voice are in place, much depends on whether action is taken as a result. If it is not, it may actually dampen employee enthusiasm. Indifference may therefore represent dissatisfaction with specific voice mechanisms, or a cynicism as to potential actions, rather than a lack of interest in voice per se. This cynicism is illustrated by the following remarks suggesting that ultimately management decides irrespective of employee views:

“Management always has the right to manage and they will do what they see fit”.
“Management pretend to listen to the boys but nothing ever changes”.
“When push comes to shove management decides”.
“Management might compromise on minor details but at the end of the day it’s always ‘management’s right to manage’. ‘It may be a partnership, but it’ll never be an equal partnership’.
(Employee Focus Group)

One employee commented how “it seems like partnership is just another way of telling employees what they are doing…they just say we must do X to remain viable”, supporting arguments that that employee involvement is often ‘tell’ and ‘sell’, and fairly dilute. (Marchington et al., 1992; Ramsey, 1996). As mentioned earlier, management and union representatives explained that the partnership did not involve power sharing or joint-decision-making. While this did not upset representatives too much, it seemed to leave some employees disillusioned and uninterested, although managers and representatives acknowledged this. Like representatives, employees queried why partnership only operates at a divisional level.

Pockets of staff also believed that trade union influence had been diluted, highlighted by the critical comments below, underlining the dangers for unions of a weak union partnership:
“Partnership has drawn the teeth of the trade unions”
“It [partnership] has emasculated our union totally...we used to have a union which was a force to be reckoned with...it’s nothing now...I think management are laughing behind our backs”.
“I’ve never seen an FTO for at least five years...I think they’re less influential these days”.
“The actual union itself, what influence do they have now? Not a lot”.
“I get the feeling it’s [partnership] a way of sidelining the unions” (Employee Focus Groups).

In short, it appeared that many employees felt ‘closed off’ from the opaque process of representative participation, and it should not be forgotten that some employees had a very limited knowledge of partnership. Making the process more transparent was suggested; one interviewee proposed allowing employees to observe partnership council meetings occasionally to see the system in action, so it would be less arcane and distant to ‘ordinary’ workers.

It was also argued that the climate of organisational change and market pressure has led to workforce uncertainty. It suggests a Catch-22 whereby management attempts to improve performance and create a positive climate are stymied by mediocre performance and employee apathy (Marchington et.al, 1994; Ramsey, 1996) As an Amicus representative remarked, “You need to lift the malaise to get people to come to the party”. A senior manager was conscious of the apathy, but proposed that it may be due to a difference in expectations:

“If you go to the shop floor these people expect certain things and they tell their representatives. And if it comes to the partnership council we talk about it. If the answer is no they don’t say well OK then. They become disaffected people and think partnership doesn’t work, and that communication is crap and that’s not the case”. (Executive Manager)

Management-representative relations

The relationship between management and union representatives appeared to be another obstacle. It was noted that relationships had deteriorated, and this was partly attributed to extensive business restructuring. Competition within the industry is intense and wholesale electricity prices have fallen significantly. As with other energy companies, Energy Co has launched a major effort to cut costs, ranging from job cuts to reducing the subsidy in the staff canteen, both of which were highly topical at the time of the research.
The extant antagonism between the parties is illustrated clearly by the following quotes:

“I may as well be a bastard...the way you get treated by representatives is no different...they don’t trust you, they call you a liar and sometimes I feel like putting up the barriers, becoming a bastard and going back to Theory X”.
(Compliance Manager)

“The best option is partnership but it’ll take a massive shake up for it to work more effectively...we can’t go down the non-union route, that would be unrealistic...we think we’ve bent over backwards, but apparently it hasn’t been enough...it just needs to be more constructive rather than a bitching session”.
(HR Adviser)

Similarly, one manager remarked:

“I am one of the most open, honest, inclusive, empowering managers and yet I continue to get shafted right left and centre by the representatives”.
(Compliance Manager).

It was reported that union representatives often made only a modest contribution through partnership. This was partly attributed to a lack of representative business training, an imbalance in skills and knowledge, as well as a lack of commitment to working together with management. One manager claimed that some representatives were reluctant to be party to unpopular decisions. It was also suggested that there was a lack of trust between managers and union representatives. Relationships between council members had become fraught, and there was evidence of personality clashes.

Most managers pointed out that partnership made decision-making slower as a result of the increased discussion required. It was suggested that the issues discussed by the Partnership Council often lack a sufficient business focus, with an agenda at Local Partnership Council focusing on what one manager termed “dross”. Several managers felt that attitudinal change on the part of ‘old school’ union representatives had been limited, and complained they were naïve vis-à-vis market pressures and the business environment. It was also claimed that the union representatives often criticised proposals but did not offer alternative ideas, and that partnership council meetings sometimes degenerated into a counterproductive “mudslinging contest”, highlighting
that to a degree the adversarial culture remained. Yet managers still claimed that overall relationships between management and unions were better than before, even if there was an urgent need to revitalise the process.

Representatives also had several reservations. Succession was a concern as the composition of the councils had changed significantly. Management commitment was a related issue, especially with regard to new managers from outwith the company who have limited experience of partnership, or even dealing with unions. Anecdotes were cited of managers who had joined Energy Co since 1995, whom representatives believed were secretly hostile to the partnership ethos. A related issue worrying representatives was that recently the Managing Director left his position on the Generation Partnership Council for unknown reasons, putting the HR Director in charge. Concerns on this issue were twofold. Was it symbolic of senior management enthusiasm for partnership waning? Secondly, a common complaint about partnership is that it makes decision-making slower and it was argued that now the Managing Director was not present at meetings exacerbated this problem. Additionally, there was suspicion regarding the fact that Energy Co only signed a partnership agreement within the Generation business but not in any other division. This led to the question “If partnership is so good, and the way forward why have we only got it in one Division?” a question frequently echoed by sceptical employees. Often the Councils were downstream from major strategic decision-making, given that partnership was neither a company-wide agreement nor a corporate philosophy.

**Representative-employee relations**

There was also evidence of tensions between employees and their union representatives. A lack of feedback from representatives was a criticism expressed by many employees. This led some to complain regarding issues of poor communication and limited accountability:

“Trade union representatives never discuss anything with me...I always had my vote at mass meetings though...I would say I have less say since partnership”.

“There’s a severe lack of communication down the way...you don’t get enough feedback from the reps”

“They [union representatives] don’t have meetings to gather our views and they don’t feed back on what’s been decided either”
"When I ask what happened at the LPC they just say 'not much'"
(Employee Focus Groups)

The main formal feedback channel from LPC meetings was in the form of minutes, but many employees complained that they only received a copy just before the next meeting, and there was suspicion that this was deliberate. It was also argued that minutes were vague. It was proposed that a representative may have spent one hour trying in earnest to convince management on a key issue, but if it ultimately it was rejected employees would only know the outcome, possibly adding to the perception that representatives were lackeys. Others questioned the integrity of representatives and proposed that “some of the reps...well I think some of them are just at it basically” because their partnership duties were “better than working”. Conversely, some employees reported a close relationship with their representatives and suggested that if they had a problem they would happily discuss it. Others acknowledged that representatives had a tough job, liaising with both management and their members. Some thought they were normally responsive to employee input as “if they shoot you down, they shoot themselves down”.

There was also confusion about the role of the trade union under partnership. As one clerical employee queried “where is the line in the sand?”. Another employee commented “it was maybe better in the old days when we knew where the fence was, managers managed, and trade unions defended worker rights...we knew where the demarcation lines were”. Others were resolutely opposed to the philosophy of management and unions working together as the statements below reveal:

“Trade unions should solely represent members and shouldn’t be sitting on committees with management anyway”.
“If you went to a partnership meeting you would be struggling to tell who was management and who was union”.
(Employee Focus Groups)

While representatives now had access to more sensitive business information this appeared to be a double-edged sword.\(^5\) It has led to the danger and in some cases the perception that representatives are viewed as being ‘in management’s pocket’. Representatives argued that ideally members would have sufficient trust in union

\(^5\) At the time of the research representatives had knowledge of several forthcoming proposals which they were not allowed to divulge to employees.
representatives to represent their interests effectively on their behalf, but acknowledged that in practice this was difficult to achieve.

Some employees speculated that perhaps trade unions were more influential, although it was less visible than before, as FTOs are seldom on site since responsibility has been devolved to lay representatives and union activity is generally less vociferous. Conversely, some interviewees stated that they knew so little about the partnership process that it was difficult to form an opinion on its impact. To an extent then, opinions on the effectiveness of the representative system hinged upon relations between work groups and their union representative, and in particular whether there was sufficient trust and credibility. In many cases this had proved difficult.

**Full-Time Officers: out in the cold?**

A principle of the partnership was to acknowledge the legitimate role of trade unions. The agreement states that “the union’s role in developing partnership is recognised and valued and the trade unions will play a full role in the bargaining process” (Energy Co Partnership Agreement, 1995, 6 emphasis added). Yet despite espoused partnership the reality was continuing management antipathy, as the following quotes reveal:

“It keeps them [unions] at arms length totally, although that wasn’t a particular aim…this allows us to make decisions quicker without the FTOs”
(Plant Manager).

“FTOs are aware of the erosion of their job…union members do benefit although ultimately [partnership] could make FTOs redundant”.
(Production Manager)

“I don’t want to talk to FTOs…the thought fills me with horror…I’d much rather deal with union representatives so I hope unions have a minor role in the future…I can’t think of a single example in my years on the GPC where the unions have added value to what we are already doing”.
(Executive Manager)

“The ideal situation is that the FTOs are never involved, the unions are never involved because it is all working at the employee/management level…In a utopia world where it worked well and consistently employees would stop subscribing [to unions] because they are not getting anything they can’t get from within the process…if FTOs are involved partnership is failing”.
(Executive Manager)
At senior management level, there was a unitarist view that conflict could be avoided if management and employees were united through shared interests making union involvement unnecessary. Even with regard to traditionally controversial issues such as pay deals, it was proposed that employees and employers could be united in terms of a shared desire for long-term business success. Accordingly, it was argued that employees could now appreciate that a high pay rise was not in their best interests if it is not in the business interest, or that redundancies could be justified if it was in the interest of the business competitiveness or survival.

When this was explored further, it was clear that many employees associated union power with external FTOs whom they claimed “used to be a force to be reckoned with”, although it may be speculated that some employees thought unions had become too powerful before partnership and there was evidence to support this. Now FTOs are only ‘at the table’ when discussions between management and lay representatives fail. It appeared that the low visibility of FTOs as the public face of the unions had led many employees to conclude a priori that union power had diminished. It would seem likely if members perceive representatives to be management poodles, and FTOs to be impotent, it is possible they could question the value of subscribing to a union. It was therefore interesting that while representatives believed they were effective at their job and were proud of their achievements, many employees perceived them to have limited power at opposing unpopular proposals. However, as representatives made clear, FTOs were still involved behind the scenes, through frequent private communications. They appeared to have taken on a consultancy role, as a Prospect representative concluded:

“The union is there as a backup so not all the information comes from management, unions provide us with information too about what’s happening and then we can take our view on things”.
(Prospect Representative)

“I think unions are more influential but not from an FTO level, rather from a staff rep level…but we have regular meetings with them to make sure they are not excluded, to keep them up-to-date…we’re the custodians of their agreement... they oversee it”.
(Prospect Representative)
Discussion and conclusions

The main aim of the study was to assess how partnership affected the conduct of employment relations in Energy Co. It revealed the partnership was borne out of a poor industrial relations climate in the early 1990s, when relations between management and unions were fraught. This is often the case in organisations where voluntary partnership agreements have been signed (Coupar and Stevens, 1998; Oxenbridge and Brown, 2004; Reilly, 2002). However, this approach was not inevitable and some other utilities took an uncompromising approach imposing change with minimal consultation and derecognising employee representatives (Coupar and Stevens, 1998). The idea was primarily initiated by management in the hope that working together with unions in a spirit of partnership would improve industrial relations, raise employee commitment, increase employee contribution, and provide an opportunity to inform and ‘educate’ employees. In this sense, the aims were reminiscent of EI initiatives (Marchington et.al, 1992)

However, it was made abundantly clear by management that partnership did not concern joint-decision making. While employees - primarily through employee representatives - had the opportunity to comment on most proposals, managerial prerogative was not challenged. In the terms of the escalator of participation proposed by Marchington et.al, partnership at Energy Co would appear to fit on the middle rung of consultation, clearly quite different co-determination or control (1992, 7). The form of decision-making was a combination of direct and indirect mechanisms, a common characteristic of partnership (Ackers et.al, 2004; Tailby and Winchester, 2000). In principle the scope of issues was fairly broad, but in practice there often appeared to be a focus around “tea, towels and toilets”, or what one manager dismissed as “dross” (Ramsey, 1996). Occasionally, important issues such as working time arrangements, health and safety and outsourcing had been discussed. Some managers and employees surmised that representatives were unwilling or unable to contribute to more high-level discussions, either because there was an imbalance in knowledge, or they did not want to be associated with unpopular decisions. There was also a tension regarding the level of decision-making as partnership operated only in one division. All divisional decisions had to be ratified by the Company Council, and occasionally proposals would be passed downstream
from corporate headquarters as a fait accompli. The reluctance of Energy Co to expand partnership across the organisation led to widespread suspicion by representatives and employees alike, giving the appearance that this was a pragmatic gesture, rather than a strategic or philosophical commitment. Interestingly, managers did not think the prospects for partnership being adopted in other divisions were particularly high. On balance, management were supportive but conceded that partnership had proved challenging. Benefits cited included better decision-making, improved industrial relations and quicker pay negotiations, supporting some of the arguments of the optimists (Marchington, 1998). It was also suggested that an appropriate mix of indirect and direct mechanisms were in place to provide employees with an effective voice, although they needed to be fine-tuned to optimise their effectiveness. In addition there was evidence to support the argument that EI has become normalised, and that the new younger managers appeared to be comfortable with a more open, relaxed and informal management style, even in this traditional environment (Marchington et.al, 2001). Union representatives were also supportive, and said they would recommend partnership to other organisations. They suggested that they personally benefited from local decision-making, greater influence and less confrontational discussions. Inter-union co-operation was also highlighted by the representatives, who all reported gains from working together with other unions, unlike before when used to compete against each other especially at pay deals. Overall, they are now more like allies than rivals and this was frequently cited as an often-overlooked benefit, although occasionally there were still disagreements. Engineers who were members of Prospect, for example, were displeased that a new single-status policy meant that they would no longer receive a greater shift allowance than other workers. Overall, however, these support some of the optimistic claims (Haynes and Allen; 2001; Heery, 2002; Marchington, 1998; Thomas and Wallis, 1998; TUC, 2002)

Unsurprisingly, employee views on partnership were heterogeneous. Supporters proposed that partnership had brought benefits including greater decision making, quicker pay negotiations, greater employee involvement and a more open management style. Critics suggested that feedback from representatives was poor, union influence had been diluted, and that the partnership council only deals with trivia. The most common criticism was that getting involved would not make any
significant difference to final management decisions. Some employees only had a basic knowledge of partnership, but much appeared to hinge upon employee relationships with their representatives. The research also flagged four main areas of tension and instability.

Firstly, *employee apathy* was identified as a barrier. Despite the plethora of voice mechanisms available, many employees were uninterested, complaining that if they were to get involved it would make no difference to the final decisions. The lack of enthusiasm appeared to derive from dissatisfaction with the mechanisms in place, which they perceived to be weak token gestures, rather than a lack of interest in employee voice per se (Marchington *et al.*, 2001; Ramsey, 1996).

Secondly, management-union relations were stressed. While optimists propose that partnership may create a cadre of influential representatives, it was clear that relations between management and union representatives were problematic (Marchington, 1998). Management believed that many representatives remained defensive, lacked trust in the management team, and had insufficient business knowledge to contribute to decisions. As the compliance manager asserted “I continue to get shafted right left and centre by the representatives”. Equally, representatives believed the issues presented to them were often fait accompli. They were suspicious of management commitment to the partnership process on the grounds that – if partnership is *the* best way – why has it not been extended to other divisions within the company? It can be speculated that management were interested in changing the participation infrastructure only within the division where their prerogative had been challenged, while preferring to maintain the status quo in divisions with less explicit industrial relations problems, reminiscent of the ‘cycles of control’ argument proposed by Ramsey (1977). The isolated divisional partnership agreement therefore appears to represent a pragmatic management response as opposed to a philosophical commitment to organisation-wide mutual gains. Curiously, this is probably the division where genuine partnership is likely to be most difficult to achieve. In short, there was a serious lack of trust between management and union representatives, and a failure to fully overcome adversarial relationships (Guest and Peccei, 2001).
Thirdly, partnership created new tensions between union representatives and employees. Most employees were supportive of unions, although there was evidence of problems with the representative-employee relationship. Union representatives claimed that employees must trust them to take decisions on their behalf. However, many employees complained that they were seldom consulted on issues and that feedback was poor. Others proposed that representatives appeared to be less accountable compared to the days of mass meetings when they “always had their vote”. Another source of tension was that employees suspected that representatives often knew more than they would admit, highlighting how access to information had proved a double-edged sword. Of course, representatives were bound by confidentiality agreements, but this had led to the danger that they were perceived by employees to be management poodles and had led to resentment. In some cases it had meant that a representative would have more knowledge than his work team supervisors or line manager, again creating resentment. Representatives argued that it was important to establish trust with union members, but conversations with employees confirmed that in many cases trust was lacking (Greene et.al, 2000; Guest and Peccei, 2001). Opinions on unions and representatives clearly hinged upon the relationship between members and their individual representative, underlining the importance of representatives adopting a participatory leadership style, otherwise they may encounter negative attitudes and behaviours from alienated rank-and-file members (Greene et.al, 2000).

Fourthly, the role of full-time officers was significant. It was evident that union representatives believed that they were personally more involved locally. Conversely, management and representatives claimed that FTOs believed they had been excluded as they operate outside the business. Management cited this as a positive development, and several held hostile attitudes to unions. Union representatives, by contrast, suggested that FTOs were not excluded. They were described FTOs as “advisors”, thus they had taken a more indirect role consultancy type role primarily through private communications. The management view was that while they supported a formal system of representative participation, they did not believe that union involvement added value to the process. All managers claimed to support the partnership ideology, but the Chair of the Partnership Council suggested a non-union representative forum would be ideal. Certainly this reflects the concerns expressed
that management hostility to trade unions may remain despite espoused ‘partnership’ (Bacon and Storey, 2000; Bacon, 2001; Kelly, 1996, 2000; Taylor and Ramsey, 1998). Indeed, the Workplace Employee Relations Survey (1998) found that 72% managers agreed that they would rather consult directly with employees rather than through unions (Cully et al., 1999). This study highlights that this may be true even where a formal union partnership arrangement has been agreed, despite arguments that trade unions may contribute to improved organisational performance (Cully et al., 1999; TUC, 2002). Theoretically, this can be examined in relation to the typologies of management style developed by Fox (1974). Energy Co appears to provide an example of a ‘standard modern’, arrangement, whereby management is somewhat ambivalent regarding the pluralist ideology, either as a result of differences within the management team itself, or fluctuations reflecting a changing moods or circumstances. It is interesting how management opinion on the inevitability of unions within Energy Co varied, with some suggesting that a non-union partnership was “completely unrealistic”, while others proposed that it would be the ideal format. Moreover, the manager most hostile to unions admitted that he himself was a union member as insurance against any mistreatment by the company! The result of this confusing stance appears to limit success resulting in suspicion, tension and a degree of hostility.

It would appear organisations identified by Fox as ‘sophisticated moderns’ are more like to be conducive to enduring partnership relations, where management and unions genuinely share the pluralist ideology, and accept the principles of mutuality (Fox, 1974). Clearly, Energy Co management were more equivocal, and were acting pragmatically in response to a particular set of circumstances. In other words, they thought partnership was ‘less bad’ than adversarial collective bargaining, but lacked a true positive commitment to the principles hence the limited success.

There are therefore very different conceptions of partnership. While the TUC may see it as a neo-pluralist approach requiring strong unionism (Ackers, 2002; TUC, 2002), it may be the case that some managers view partnership quite differently, as an extension of unitarist EI with no inherent need for unions (Taylor and Ramsey, 1998). After seven years of partnership, some managers are still unconvinced that unions add value, and external FTOs are considered to present a challenge to managerial
prerogative. Indeed the FTOs were viewed by management as nosy outsiders with little to add to the process. At a senior level management challenged the traditional pluralist case for unions, with unitarist arguments that management and employees could be united around a common interest in business performance, and therefore no need for third-party interference (Fox, 1974). Indeed, it was proposed that even very low pay rises or job cuts could be justified if they were in the interest of the business. In short, the seductive rhetoric acknowledging the legitimate role of trade unions outlined in the Partnership Agreement does not appear to be borne out in reality.

Employees also perceived a diminution in union influence since partnership, explaining they seldom saw FTOs. It became apparent that prior to partnership FTO presence was a marketing opportunity for unions (Taylor and Ramsey, 1998; Thomas and Wallis, 1998). Although representatives maintained contact with FTOs ‘behind the scenes’ it was apparent that most employees were unaware of this. This would contradict arguments that partnership enhances union membership and presence (Ackers and Payne, 1998; Boxall and Haynes, 1997; Haynes and Allen, 2001). This case study, therefore, would appear to provide prima facie support for the partnership critics who defend a more oppositional stance as it highlights the dangers of a weak union partnership (Kelly, 1996; Overell; 2003; Taylor and Ramsey, 1998). On the other hand, it underlines the key role of the local union leadership and the impact they may have on how the union is perceived. Specifically, issues including communication, accountability, trust, image and a perception of weakness are all potentially damaging for the union as employees begin to question the value of belonging to a union. In other words, the way representatives and FTOs ‘perform’ partnership, their leadership style and their public relations skills – and in turn how they are judged by rank-and-file members – are crucial (Greene et.al, 2000). This is likely to require a difficult strategy carefully balancing co-operative behaviour without being perceived to be incorporated, and suggests that the traditional incorporated/oppositional dichotomy is over-simplistic, as neither would appear to be appropriate.

Within a precariously weak partnership, there are three main options for the future (see for example Ackers et.al, 2004). Firstly, partnership could be bolstered to build a more solid neo-pluralist high-trust relationship, and perhaps the changing regulatory
environment may provide a fresh impetus to cultivate effective, strong union partnership, or what Fox terms sophisticated modern relations (Fox, 1974; Hall et.al, 2002; Sisson, 2002). Secondly, as the union partnership is currently ineffectual, management may aim for a substitution strategy by encouraging the development of non-union channels. Indeed, it has been suggested that management are now less likely to see unions as a legitimate or inevitable channel for employee voice, and this appears to be true even in this traditional highly unionised context (Ackers et.al, 2004; Marchington et.al, 2001). Thirdly, the partnership may be dissolved, and the role of the union could return to traditional arms-length bargaining, but there was little support for this at Energy Co. It cannot be ruled out, however, as a major event such as a takeover or merger could jeopardise the existing partnership structure (Reilly, 2001). Given management hostility to unions and increasing employee doubts regarding union efficacy, however, the possibility of substitution is high if the tensions highlighted are not overcome. So the forthcoming EU consultation directive may provide management with an ideal opportunity to introduce non-union consultative structures. Equally, it may provide additional institutional support to revitalise and nurture union partnerships, or to use Fox’s terms the development of partnership-friendly sophisticated modern organisations.

To conclude, it would appear that the impact of partnership on employment relations is considerably more complex than the simple advocates/critics dichotomy implies, with various possible outcomes (Oxenbridge and Brown, 2004). It also highlights that successful partnerships requires trust, mutual commitment and good communication, which were all lacking at Energy Co. On the other hand, a lackadaisical approach driven by management pragmatism may prove contradictory and unable to overcome antagonisms. In short, the study suggests that partnership neither guarantees nor automatically delivers mutual gains. Rather, it is a very delicate process requiring a great deal of effort, commitment and attitudinal change by all stakeholders. Where these critical conditions are not met the outcome for employers, unions and employees is likely to be disappointing and ephemeral.
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**APPENDIX A**

**Formal Voice Mechanisms**

<table>
<thead>
<tr>
<th>Type/Method</th>
<th>Remarks</th>
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<tr>
<td><strong>Direct</strong></td>
<td></td>
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<tr>
<td><em>Team briefing</em></td>
<td>Process led by Station Manager. Line managers attend managers ‘team talk’ and are then expected to deliver information to their teams. Monthly.</td>
</tr>
<tr>
<td><em>Newspapers</em></td>
<td>Employees receive three newspapers: Quarterly company magazine, quarterly division magazine and monthly site newsletter</td>
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<tr>
<td><em>Attitude surveys</em></td>
<td>Operated at corporate level. Samples of different parts of the Energy Co group taken on an occasional basis</td>
</tr>
<tr>
<td><em>Problem solving groups</em></td>
<td>Ad-hoc sub-groups on specific issues and report findings and recommendations to the Local Partnership Council for consideration.</td>
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<tr>
<td><strong>Representative</strong></td>
<td></td>
</tr>
<tr>
<td><em>Local partnership council</em></td>
<td>Meets at least six times a year and operate at each site. Consists of up to 20 union representatives and 10 management members. Implements and consults on GPC issues and agreements which may affect location. Issues include business restructuring, employee development, terms and conditions of employment and local problem-solving.</td>
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<tr>
<td><em>Generation partnership council</em></td>
<td>Meets at least four times a year. Consists of 15 members (five management and around two union representatives from each of the unions (Prospect, Amicus, GMB and Unison). Responsibility for issues including restructuring, employment security, employee communications and terms and conditions. Decisions made at GPC ratified by Company Council. GPC only make divisional decisions and decisions therefore apply to the Generation Business only.</td>
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