

The Role of Workplace Partnership Strategies in Employee Management Relations

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Abstract

Goal of every commercial organization is to make profits through its operations. Employers adapt different strategies to be profitable. Partnership has been given a lot of significance by trade union congress (TUC) and chartered institute of personnel and development (CIPD) as one of the key business strategy towards having a healthy employee management relationship and a successful business technique. In this research article we have investigated the role that "Workplace partnership" strategies play in employee management relations.

Keywords: Workplace partnership, employee management, Industrial relations.

1. Introduction

The basic purpose for the existence of any organization is to earn a profit and to maximize their market share and for that purpose employers develop and adopt different strategies to be competitive and to gain market share. One of the major concerns for the employers is that of how to deal with their employees in order to have the desired outcomes and to align the objectives of an organization with that of employees. Industrial relation receives considerable attention in the 20th century. In the previous decade or more the concept of workplace partnership receives much attention and adopted by most of the organizations. Partnership working is an association established based on the fulfillment of common as well as separate wellbeing between employees, employers and trade unions. However, partnership works well and achieves their desired outcomes when a union considers the business and business consider the employees before any decision making or any action is taken. The most passionately discussed concern in industrial relations among the scholars and professionals in the past decade is whether workplace partnership activities contribute to union influence and representative capacity. Early contributions to this discussion were sharply distributed among those who supported partnership as a source for union renewal and greater influence, and on the other hand critics of partnership are of the view that partnership would weaken unions and not assist employees' welfares. Research has been useful in establishing that the relationship between partnership and the consequences for unions are inconstant and contingent, and that workplace partnership as such is neither inevitably advantageous nor disadvantageous for union organization (Eaton & Rubinstein 2006; Roche & Geary, 2006; Rubinstein & Kochan, 2001). Therefore, employers have been faced with the prospect of having to involve unions and worker representatives within their decision-making processes. In addition, a new politics of workplace relations has emerged based on social issues such as work-life balance, employee-led flexibility at work, and a broad concern with managerial and employee conduct and behavior. The combination of these changing regulatory and labor market circumstances has led certain "enlightened" and "strategic" employers to rethink their relationships with trade unions (Ackers & Payne, 1998). The increasingly competitive environment and the need to accommodate the views of a large number of owners has contributed to the practice of establishing an executive board to represent and execute the views of the partnership, enabling firms to implement business strategies (Hunter, Beaumont, & Lee, 2002).

2. Literature Review

Industrial relations has become one of the most delicate and complex problems of modern industrial society. Industrial progress is impossible without cooperation of labors and pleasant relationships. Therefore, it is in the

interest of all to create and maintain good relations between employees (labor) and employers (management). The term industrial relations explain the relationship between employees and management which stem directly or indirectly from union-employer relationship. Industrial relations are basically the interactions between employers, employees and the government/state and the institution and association consist of group of workers represented by a union through which such interaction are mediated.

Traditionally, the term industrial relations is used to cover such aspects of industrial life as trade unionism, collective bargaining, workers' participation in management, discipline and grievance handling, industrial disputes and interpretation of labor laws and rules and code of conduct. This phenomenon of a new complex industrial setup is directly attributable to the emergence of 'Industrial Revolution'. The pre-industrial revolution period was characterized by a simple process of manufacture, small scale investment, local markets and small number of persons employed. Due to personal and direct relationship between the employer and the employee it was easier to secure cooperation with each other. Any objection or misunderstanding on the part of either party could be promptly removed. Also, there was no interference by the State in the economic activities of the people. Under such a set-up industrial relations were simple, direct and personal. This situation go through a noticeable change with the arrival of industrial revolution, size of the business increased needing investment of massive financial and human resources, there emerged a new and complex form of relationship between employee and employer. This new setup compared to the old philosophy of industrial relation seems irrelevant and gave rise to complex, indirect, and impersonal industrial relations. Industry today is neither viewed as a venture of employers alone nor profit if considered as its sole objective. It is considered to be a venture based on purposeful cooperation between management and labor in the process of production and maximum social good is regarded as its ultimate end and both management and employees contribute in their own way towards its success. Industry today is neither viewed as a venture of employers alone nor profit if considered as its sole objective. It is considered to be a venture based on purposeful cooperation between management and labor in the process of production and maximum social good is regarded as its ultimate end and both management and employees contribute in their own way towards its success. Similarly, labor today is no more an unorganized mass of ignorant works ready to obey without resentment or protest the arbitrary and discretionary dictates of management. The management has to deal with employees' today not just as individuals but also as members of organized social groups who are very much conscious about their rights and have substantial bargaining strength. Hence, the objective of evolving and maintaining sound industrial relations is not only to find our ways and means to solve conflicts to resolve differences but also to secure the cooperation among the employees in the conduct of industry.

But maintaining smooth industrial relation is not an easy task. Almost all the industrialized countries of the world face the problem of establishing and maintaining good management worker relationships in their industries. Each country has sought to find our solution, depending upon its economic, social and political environment. However, industrial conflict still arises and therefore establishment and maintenance of satisfactory industrial relations forms an important plank in the personnel policies of modern organization.

In the broad sense, industrial relations cover all such relationships that a business enterprise maintains with various sections of the society such as workers, state, customers and public who come into its contact.

In the narrow sense, it refers to all types of relationships between employer and employees, trade union and management, works and union and between workers and workers. It also includes all sorts of relationships at both formal and informal levels in the organization.

Dunlop (1958) defines industrial relations as "the complex interrelations among managers, workers and agencies of the governments".

In industrial relations, therefore, one seeks to study how people get on together at their work, what difficulties arise between them, how their relations including wages and working conditions etc., are regulated. Industrial relations, thus, include both 'industrial relations' and 'collective relations' as well as the role of the state in regulating these relations. Such a relationship is therefore complex and multidimensional resting on economic, social, psychological, ethical, occupational, political and legal levels. There are mainly two set of factors that determine the state of industrial relations – whether good or poor in any country. The first set of factors, described as 'institutional factors' include type of labor legislation, policy of state relating to labor and industry, extent and stage of development of trade unions and employers' organizations and the type of social institutions. The other set of factors, described as 'economic factors' include the nature of economic organization capitalist, socialist technology, the sources of demand and supply in the labor market, the nature and composition of labor force etc.

Objectives of industrial relations are;

- To bring better understanding and cooperation between employers and workers.
- To establish a proper channel of communication between workers and management.
- To ensure constructive contribution of trade unions.

- To avoid industrial conflicts and to maintain harmonious relations.
- To safeguard the interest of workers and the management.
- To work in the direction of establishing and maintaining industrial democracy.
- To ensure workers' participation in decision-making.
- To increase the morale and discipline of workers.
- To ensure better working conditions, living conditions and reasonable wages.
- To develop employees to adapt themselves for technological, social and economic changes.
- To make positive contributions for the economic development of the country.

Trade unionism is a worldwide movement and the highly strategic position occupied by trade unions in modern industrial society has been widely recognized. In most cases, employees' associations or trade unions seem to have emerged as 'protest movements' reaching against the working relationships and condition created by industrialization. Role of trade unions is also of immense importance and cannot be ignore. The trade unions have a crucial role to play in maintaining smooth industrial relations. It is true that the unions have to protect and safeguard the interests of the workers through collective bargaining. But at the same time they have equal responsibility to see that the organization does not suffer on account of their direct actions such as strikes, even for insignificant reasons. They must be able to understand and appreciate the problems of managements and must adopt a policy of 'give and take' while bargaining with the managements. Trade unions must understand that both management and workers depend on each other and any sort of problem on either side will do harm to both sides.

We have a detailed discussion on industrial relations and role of employer, employee, State/government and trade unions. Now moving towards the discussion of workplace partnership which is nowadays considered to be a hot topic under discussion among the academics scholars and professionals and which has received immense attention in the recent years and adopted by many organizations. 'Social partnership' is an ambiguous term with many different and sometimes conflicting meanings (Ackers and Payne, 1998). Workplace Partnership is a form of high involvement or new work practices that allows workers and unions strong participation in decision making at all levels within the organization (Kochan, Adler, McKersie, Eaton, Segal, & Gerhart, 2008); it includes both direct (team working) and indirect types of participation (trade unions representation). Partnership is about development of the settlement among union and employers to offer healthier working environment and employee-management relation at work (Heery, 2002). Partnership settlement involves mutual interest, achievement and gains for all the parties involved in it, which are employer, unions and employee. For some writers it is merely a new and fashionable name for a traditional collective agreement; for others it designates a fundamentally new relationship between unions, workers and employers based on a high degree of cooperation and trust in pursuit of shared objectives (Kochan & Osterman, 1994). Although some writers refer to partnerships in non-union firms, and others use the language of 'employee involvement' to focus on direct employee participation, the TUC is inflexible that meaningful partnership must entail union influence as is clear from its six principles of partnership (TUC, 1999).

Underpinning the new political discourse of partnership is a set of intellectual interventions that attempt to explain the practice and necessity of partnership. An influential point of departure in terms of the academic partnership debate is Kochan and Osterman's (1994) *The Mutual Gains Enterprise*, which presents a number of high profile case studies on the economic and social benefits of union-management collaboration. Kochan and Osterman argue that partnership is based on reinforcing collective voice mechanisms at the strategic, human resource department, and workplace level. Underpinning this commitment to voice is investment in training and development and fairness at work (Kochan and Osterman, 1994, p. 46). Partnership in this approach means more than symbolic suggestions to consultation and union involvement in areas such as job redesign.

Partnership has begun as a central theme of industrial relations. Partnership has appeared due to a variety of factors since the mid-1990s. Unlike many continental European countries, where mechanisms for fostering employee and union voice in organizational decision making and cooperative employment relations are mandated through legislation or collective agreements, such arrangements in Anglo-American countries are entered into on a voluntary basis. They are often thus referred to as voluntary partnership arrangements. The incidence of such cooperative arrangements has been significant, and for many commentators they are regarded as an important and credible means for enhancing union and employee voice in management decision making. In the absence of legislative supports and sanctions, however, others are less confident and point to the inherent risks for unions of working in collaboration with management where the opportunity and perhaps pressures on the latter to defect from or renege on the terms of partnership agreements remain ever present (Streeck, 1992, 1995).

On the one hand, we have witnessed in the UK an increasing interest in extending employee rights and a changing regulatory environment on a range of employment issues. Employers have, therefore, been faced with the prospect of having to involve unions and worker representatives within their decision-making processes. In addition, a new

politics of workplace relations has emerged based on social issues such as work-life balance, employee-led flexibility at work, and a broad concern with managerial and employee conduct and behavior. The combination of these changing regulatory and labor market circumstances has led certain "enlightened" and "strategic" employers to rethink their relationships with trade unions (Ackers & Payne, 1998).

A number of organizations have sought to promote the partnership approach through the development of a series of underpinning principles and preconditions (such as the Involvement and Participation Association and the Trades Union Congress). Such principles are considered to be central to the effective development of partnership based approaches. Evidence suggests that there is no standard rule or format for partnership; hence partnership can be formed in unionized or nonunionized environment regardless of size or location of the business. Trade union congress (TUC) has developed six principles of partnership (TUC, 1999). These principles are:

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

Involvement and Participation Association, (1997) have established significant standards for partnership, which are:

- Commitment by all the parties for the success of organization,
- Employment security by employers to their workers,
- Employee voice in decision making,
- Sharing the success of the organization with all employees,
- Training and development of employees,
- Flexible job design and direct participation.

These principles and benchmarks are viewed as significant prerequisites for partnership to develop as a socially and economically valuable strategy. It is these preconditions that are the major starting point to any discussion on partnership.

Conceptually we can differentiate forms of partnership agreement according to the balance of power between the parties. For this purpose we can draw on Crouch's (1992) distinction between employer dominant and labor dominant forms of national corporatist arrangements, although it is probably more sensible to think of these categories as two ends of a continuum rather than two simple types of arrangement. Employer dominant partnerships would be characterized by a balance of power favorable to the employer, by an agenda that primarily reflected the employer's interests and by outcomes far more favorable to the employer than to workers and unions. At the other end of the continuum we find 'labor dominant' arrangements where there is a more even balance of power, and a jointly determined agenda, as well as mutual and more equal outcomes.

We can also distinguish between different levels of union partnership with other bodies. At European level the term can refer to union involvement in the 'social dialogue', with employers' organizations, governments and European bodies (Falkner, 1998). At state level it refers to relations between the Trade Union Congress and the Government as unions try to re-establish influence over state policy after the government of the Conservative party (Brown, 2000). At sectorial level, partnership has taken the form of union attempts to recover multi-employer collective bargaining in order to guarantee minimum employment standards and prevent employers competing on low wages (Heery & Abbott, 2000). Finally, at company level 'partnership' can refer to the negotiation of collective agreements designed to promote more cooperative relations within the firm. Because of the highly decentralized structure of collective bargaining in the United Kingdom, partnership has become increasingly synonymous with company level partnership agreements; these will constitute the main focus of what follows.

Finally, in examining the impact of partnership agreements on unions and their members we need to distinguish between the principles, the associated practices and the outcomes (Guest & Peccei, 2001). In practice many agreements involve three core components: union concessions to the employer on one or more forms of flexibility (task, time, pay or staffing levels); union rights to information and consultation over strategic business decisions; and undertakings to employees about employment security, often involving increased training.

Haynes & Allen (2000) argue in their study of the financial services company Legal and General and the retailer Tesco, they found that a strong workplace union presence facilitated partnership practices, and vice versa. This line of analysis was supported by an increased level of union membership following the signature of a formal partnership agreement: although they do admit that the threat of de-recognition could not be discounted as a contributory factor to the decision taken by unions to sign up to partnership.

It is observed that employee-employer partnerships are usually win-win arrangements. Workplace partnership mean: profit and gain sharing programs; policies that maximize employee security; extensive employee and union consultation; joint problem solving and planning; and flexible forms of job design. The critical view of workplace partnership is that, far from yielding mutual gains, such arrangements inevitably benefit employers more than employees or unions.

While there is unreliable evidence that employer-dominated partnerships exist, the weight of research over the years shows positive performance outcomes from most forms of employer-employee partnerships. The latest bit of news comes from William Roche, an Irish academic. Roche (2009) was commissioned by Ireland's National Centre for Partnership and Performance to conduct a telephone survey of more than 5,000 employees in Ireland, asking, who gains from workplace partnership?

Roche found there are indeed mutual gains, with the same results in both union and non-union workplaces.

Employees: Gains in work autonomy, information provision, job satisfaction, and fairness. No gains in employment security or hourly earnings.

Employers: Gains in organizational commitment and quality of managerial/supervisory relations. No gains in employees' willingness to accept change.

Unions: Gains in member commitment, influence, and likelihood of union membership. No gains in perceptions of union effectiveness. Roche does have sobering news on this front: "Ominously for trade unions, organizational commitment is found to be negatively associated with union commitment."

Advocates of partnership Kochan & Osterman (1994); Kochan (1995); Rubinstein & Kochan (2001) as well as Ackers & Payne (1998) and Oxenbridge & Brown (2004) are perhaps amongst the best known who argued that partnership provides a vital means for enhancing union influence in difficult economic circumstances. Moreover, it is argued, union members have grown increasingly alienated by adversarial union postures and seek instead that unions champion the development of new forms of organizational governance which enhance employees' voice. Although not always so clearly elaborated, it is by such efforts that union members' commitment to unions is strengthened.

Critics of partnership, on the other hand, most notably Kelly (1996, 1999, 2004), argue that partnership arrangements carry a number of significant risks for unions. First, partnership and, as Kelly insists, its attendant posture of union 'moderation', has resulted in outcomes deleterious to employees and unions, including employers' failure to honor collective agreements and employment security provisions as well as threats to derecognize unions. Such outcomes arise principally, Kelly (1999) claims, from the co-option of union representatives by employers who are prevailed upon to assume the 'managerial' task of demobilizing membership resistance. Union organization becomes hierarchical and decision-making centralized around a small select group.

3. Conclusion

The outcomes on the impact of partnership on organization are mixed. Keeping in view all the above discussion, literature and evidence, we can conclude that partnership is the major concern and issue in nowadays for the organizations. Successful partnership brings alot of positives to the organization, which may include enhanced employee performance, employee commitment, less turnover and many more, which ultimately lead towards the profitability and success of the organization. All the major players i.e. employer, employee and unions involved in partnership due to their fulfillment of needs, achieving their goals and objectives, their mutual interest and gains. So we can say that there is win-win situation for all the parties invovled. Employer needs effective and efficient performance, commitment from their employees, while employees wants that employer fulfill their basic need, better working condition, improved salary and job security, whereas, unions wants their recognition, revival, increase their union denisty. The above discussion recommends that partnership have played a significant contribution in improving the employer-employee relationship. There is open and two way communication all the level so there is less chances occuring any sort of conflict between employer and employee. Trade also played their vital role in maintaing an healthy and pleasant environment within and outside the organization.

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