

Workplace
partnership strategies
and employee
management
relations
management ess...



**ASSIGN
BUSTER**

INTRODUCTION:

The essay aims at critically analyzing and evaluating various roles and functions that 'workplace partnership' strategies play in influencing the decision-making process of employee-management relations. Workplace partnership refers to the collective functioning of the employers, employees, unions, managers for benefit of the organization. In other words, partnership refers to employers and trade unions working together to accomplish common business goals such as fairness and competitiveness (Trade Union Congress (TUC), 1999 cited in Lucio and Stuart, 2004). The concept of partnership has become the defining characteristic of 'new' industrial relations settlement, which is being championed in Britain to set the foundations for modern unionism at the workplace by New Labour, TUC, Confederation of British Industries, Involvement and Participation Association (IPA) and Chartered Institute of Personnel Development (Lucio and Stuart, 2004).

Partnership is also perceived as an opportunity for trade unions to voice their concerns while ensuring that the rights of workers in relation to improved working environment deals with issues of health and safety, skill upgradation are enhanced by employers (Stuart and Lucio, 2005, p. 14). It can also be stated as an explicit agreement whereby the reciprocal rights and responsibilities of employers, employees and unions are outlined. For example, a commitment from an employer to employment security in return for guarantees of employee flexibility, or an employee's desire for self-development is supported by the employer's commitment to providing the necessary training (Stuart and Lucio, 2005, p. 1).

<https://assignbuster.com/workplace-partnership-strategies-and-employee-management-relations-management-essay/>

Since the early 1990s, there have been a number of factors that have driven the interest in partnership, which include the changing regulatory scenario in the area of employment, most notably in the extension of individual employee rights (Smith and Morton, 2001 cited in Stuart and Lucio, 2005, p. 102). It means that employers have been faced with the prospect of having to involve unions and workers' representative in their employment relation decision-making processes. Secondly, an obsession with workplace renewal and change has led to an increasing interest amongst management and employer networks focusing on the role trade unions can play within the management of labour. Finally, the partnership approach has been embraced and advocated by various union elites and organisations, which have seen the possibility for a new role for organized labour in regulation and managing of work (Stuart and Lucio, 2005, p. 102).

How Do Organisation's Benefit From A Partnership Approach?

Workplace partnership is built on set principles and practices of shared commitment and mutual gains between the management of an organisation and employees to provide the following benefits like creating a competitive edge for the organization, implementing changes with support from the employees and unions, dealing with issues that may pose future problems, enforcing less bureaucracy, decrease in the number of tribunal cases, if any, higher levels of staff retention and attraction, low levels of absenteeism, less conflict arising and better decision-making. In addition to these benefits, a trade union that is working in partnership would also benefit by creating an opportunity to maintain or increase its influence on company strategy, to

ensure that the impact of decisions on workforce is considered in any decision, to increase membership levels, to develop skills of the representatives to a much higher level and to become an equal stakeholder within the organization. Further, if these approaches are practiced by the union ethically, they are bound to benefit the organization as well (IPA, 2009).

The rationale of management for embracing workplace partnership assumes a shift to 'soft practices', involvement-driven Human Resource Management strategies that are seen as beneficial to all stakeholders. For instance, training and development are often considered as issues that allow the development of new integrative bargaining strategies delivering 'win-win' situations (Kochan and Osterman, 1994: 227; Leisink, 1993 cited in Lucio and Stuart, 2004, p. 414).

Stewart and Wass (1998 cited in Lucio and Stuart, 2004, p. 415) have highlighted the role of union involvement in 'new management practices', as that which facilitates management change programmes with a significant degree of legitimacy to the employees. Taylor and Ramsay (1998 cited in Lucio and Stuart, 2004, p. 415), reiterate that partnership agreements may weaken the role of workplace unionism by sustaining a model of HRM that is often beyond the remit of union control. In the past, in UK, there have been cases when such agreements are struck due to susceptibility of the company. For instance, Tesco supported the development of a partnership agreement in 1997 due to the extensive expansion programme that it had planned. The changing labour market conditions had also been a

contributory factor, as Tesco's management realized that the communication

<https://assignbuster.com/workplace-partnership-strategies-and-employee-management-relations-management-essay/>

skills of their customer relationship employees and the quality of trained skilled employee required adequate investment in staffing. Further, partnership programmes can also be introduced during mergers and acquisitions for stabilizing issues that may crop up related to industrial relations in the context of potential restructuring (Lucio and Stuart, 2004).

What Does Partnership Mean for a Trade Union Representative?

Workplace partnership entails a need for the union to adopt and practice flexible working, discard demarcations and restrictive practices and justify reactions. Thus, the union representative playing more crucial role in rationalizing the potential impact on business before placing a demand to the management for maintenance and improvement of existing terms and conditions. It also requires an acceptance of the management's right to manage and make the final decision (IPA, 2009).

The rationale of workplace partnership perceived by unions is seen as providing the trade union movement with greater degree of legitimacy at the workplace. While partnership provides a new scale of engagement with management, employee and union involvement, it may also create a more 'managerial' local tier of union representatives to address the concerns of members (Pollert, 1996 cited in Lucio and Stuart, 2004, p. 417). Ackers and Payne (1998: 527 cited in Stuart and Lucio, 2005, p. 3) highlighted that partnership forms the basis for union engagement and thus can be used to strengthen their institutional role at various levels of employment relation. In reciprocation, unions can become active agents in the workplace partnership.

<https://assignbuster.com/workplace-partnership-strategies-and-employee-management-relations-management-essay/>

However, it has been argued and debated widely that whether partnership diminishes trade union representatives' capacity (critics) or enhances (advocates) (Terry and Smith, 2003: 2 cited in Stuart and Lucio, 2005, p. 6). The Involvement and Participation Association (IPA) has developed a series of 'principles', and associated practices, which delineate 'high partnership' organizations from 'low-partnership' organizations (Guest and Peccei, 1998: 6; 2001, cited in Stuart and Lucio, 2005, p. 6). The IPA principles include commitment to business success and the sharing of success, employment security, employee voice, training and development and flexibility. In these agreements, it is argued, that trade unions have been allowed to extend their remit of influence and to participate in different levels of management's decision-making processes (Haynes and Allen, 2001; Samuel, 2003, cited in Stuart and Lucio, 2005, p. 6). Some of the TUC's partnership principles (1999: 13 cited in Stuart and Lucio, 2005, p. 105), which is similar to the IPA principles include (i) commitment to the success of enterprise; (ii) recognition of legitimate interests (iii) commitment to employment security; (iv) quality of working life; (v) openness and transparency; and (vi) adding value (Greenwood, 2009, Lecture 6).

TUC observes partnership based on four main elements, firstly, at enterprise or organizational level that provides employment security in return for acceptance of new working practices; secondly, collective employee voice in organizational decision-making through wider consultation; thirdly, through fair financial rewards and lastly in investment in training (Claydon, 1998).

These are considered as some of the vital preconditions required for establishment of a new accord between unions and employees.

In private sector organizations there has been an active promotion of workplace partnership through the Involvement and Participation Association (IPA, 1997). This organization lays emphasis on the importance of security and flexibility, sharing financial success, developing good communication and consultation, representatives and employee voice (Greenwood, 2009, Lecture 6). The IPA, an independent body, has sought to disseminate and share best practice in partnership, provides guidance and advice and has established an underpinning set of partnership principles and practices. However, the IPA consultative process, sought input from a wide range of business leaders, trade unionists and academics which supported in establishing the following principles that include joint commitment to the success of the organization, joint recognition of each other's legitimate interests, joint commitment to employment security, joint focus on the quality of working life, joint commitment to operating in a transparent manner, joint commitment to add value to the arrangement (IPA, 2009).

The evidence from the IPA study (Guest and Peccei, 1998 cited in Guest, 2001), which is in alignment with the WERS findings for the private sector, suggests that the scope of partnership is largely determined by management. Also in areas where it has a positive impact on attitudes or performance of an employee is primarily due to the existing strong HR policies and procedures put into action. Danford et al. (2002) and Richardson et al. (2005, cited in Stuart and Lucio, p. 7) developed a series of arguments that pointed out some of the broader effects of engaging with partnership. Firstly, emphasis on partnership as a strategy may lead unions to downgrade their development of membership-led and resistance strategies resulting into

a long-term weakening of union structures. Secondly, as Richardson et al. (2005) states that levels of work intensification may actually increase even in supposed partnership-based workplaces.

One of the major benefits of workplace partnership has been that of union's assistance to the management in managing organizational change. For instance, in service sector industries, unions were involved in harmonizing disparate terms and conditions resulting from mergers and acquisitions. While in manufacturing sector, unions helped management to recruit skilled employees, generate a pool of temporary workers and organize training and development and health and safety programmes (Stuart and Lucio, 2005, p. 89). However, employers used strategies to manage unions once an agreement or relationship had been formed.

What Does Partnership Mean for a Manager?

It is likely that employee may feel insecure and threatened by the partnership approach but however the right to manage and take the final decision is the manager's responsibility; the only difference being is that transparency in the business case is being practiced at the initial stage itself. A manager must be equipped with the skills to respond positively to challenges and should be able to respond to employees' desire for information, representation and consultation prior to the final decision. In partnership strategy, by circulating and performing a quick run of ideas to be implemented for views and inputs of the staff, facilitates in aiding the decision making process of the manager (IPA, 2009).

Workplace partnership has been encouraged by both Government funding and ACAS guidance (ACAS, 2001, cited in Stuart and Lucio, 2005, p. 83). Analysis of this developmental change has tended to concentrate on whether partnership agreements offer a means for trade union renewal (Ackers and Payne, 1998: 546) or whether they threaten to undermine workplace unionism thereby weakening the union movement (Lucio and Stuart, 2000; Kelly, 1998, cited in Stuart and Lucio, 2005, p. 83). Ackers and Payne (1998: 531, cited in Stuart and Lucio, 2005, p. 84) hold that the key factor for the growing business interest in partnership is that management attempts to surpass unions by directly involving employees have met limited success. Also another key reason for managerial interest in partnership is the constant need to legitimate workplace reform (Lucio and Stuart, 2004). IPA has developed a series of 'principles', and associated practices, which outline 'high partnership' organisations from 'low partnership' organisations (Guest and Peccei, 1998: 6). The principles include commitment to business success and the sharing of success, employment security, employee voice, training and development and flexibility.

Higgins (1996: 479, cited in Stuart and Lucio, 2005, p. 5), emphasizes workplace partnership relations to be contingent based on the principles of 'mutual trust' and 'efficacy'. The three underlying levels of principles guiding this include, firstly, at the Strategic level it supports business strategies, involve top management commitment and effective voice for human resources in strategy making and governance. Secondly, at the Functional (HR policy) level involving staffing based on employment stabilization, investment in training and development, contingent compensation that

reinforces co-operation, participation and contribution. Lastly, at Workplace level involving higher standards of employee selection, broad task design and teamwork, employee involvement in problem solving, climate of co-operation and trust (Kochan and Osterman, 1994: 96 cited in Stuart and Lucio, 2005, p. 5). This model states on how employee involvement can be used within different levels of organizational activity in such a way that it can enhance the social needs of labour and the economic demands of management. Also how manpower can be used more effectively within the process of organizational change (Stuart and Lucio, 2005, p. 5).

What Behaviours and Trust are Needed for Partnership?

In order to sustain a strong and effective workplace partnership, it is essential that the manager and union representative share a cordial and trustworthy relation. If managers succeed in gaining confidence of their union representatives by sharing ideas and information at the earliest stage, it is essential that there is no breach of trust at a later stage. This is probably the most crucial aspect of workplace partnership and poses a huge challenge on trade union representative and manager to ensure there is no breach of trust. In contrast, traditional method of industrial relations was relatively simple where both sides would try to 'get one over' on the other by being highly secretive and bureaucratic. Openness and honesty, however, results in a big increase in responsibility for all of those involved in workplace partnership (IPA, 2009).

It is also necessary that the manager should share a comfort with union representative for discussing and bringing forth any issue to the union's attention such that any response would be considered with calm and

<https://assignbuster.com/workplace-partnership-strategies-and-employee-management-relations-management-essay/>

composure. In turn, union representative should feel comfortable with bringing any issue to the attention of a manager with the hope that it will be considered seriously and taken into consideration by management. All parties should communicate in a cordial manner without threats or a reversion back to 'command and control' styles (IPA, 2009).

One of the prominent feature of the majority of recent partnerships that have taken place in mature industries undergoing restructuring thereby bringing in an exposure to new and more intense forms of competition. However, some agreements also include clauses on use of contingent workforce, which serve to protect 'insiders' from costs of economic adjustment (Kelly, 1999; Tailby and Winchester, 2000; Towers, 1997 cited in Heery, 2002, p. 22).

While partnership above the level of the firm may be oriented towards broad regulation of labour market, partnership agreements focus very much on immediate employment-centered interests of union members. The prominent feature of these agreements is they seek to address interests which have often been neglected by unions in the past (Strauss, 1998 cited in Heery, 2002, p. 22); worker entitlement to training and development; employee involvement and communication, single status and equal treatment and 'dignity' at work (Haynes and Allen, 1999; Knell, 1999; Thomas and Wallis, 1998 cited in Heery, 2002, p. 22). The partnership at Barclays bank for instance allows for joint review of issues such as equal opportunities, family-friendly working, performance management, job evaluation and impact of information technology (IRS, 1999c cited in Heery, 2002, p. 22). Partnership also seeks to deemphasize distributive collective

<https://assignbuster.com/workplace-partnership-strategies-and-employee-management-relations-management-essay/>

bargaining and long-term wage agreements, rely on wage formulae which remove the need for periodic negotiations or reduce union member involvement in wage-setting process (Haynes and Allen, 1999; IRS, 1999c; Thomas and Wallis, 1998 cited in Heery, 2002, p. 23). It has been suggested that change in work relations towards high performance work systems is encouraging change in employment relations towards the adoption of workplace partnerships (Heery, 2002, p. 24). In Tesco, partnership has grown from a competitive strategy, which emphasizes quality and the 'empowerment' of front-line employees to deliver more responsive customer service (Rosenthal et al., 1997; IRS, 1999b; Katz and Darbshire, 2000: 101-104 cited in Heery, 2002, p. 24).

Partnership for employers can operate in a 'union-free' environment and take the form of communication and involvement of individual employees (Knell, 1999 cited in Heery, 2002, p. 26). Partnership is related to an approach in employment relations based on a belief – whether well founded or not – that there are employers that find it both ethically responsible and economically effective to co-operate with trade unions (and employees) on strategic matters of organizational change. And, that there are also strategic opportunities for trade unions in engaging with such matters of organizational change. Thus partnership both politically and practically, represents a convergence of interests and a desire for co-operation (Stuart and Lucio, 2005, p. 4). In the current context, partnership includes consultation and union involvement in areas such as job redesign. In 2001, Rubinstein and Kochan's (cited in Stuart and Lucio, 2005, p. 5) study on Saturn plant in the USA, illustrates the extent to which unions can guide

management and influence them on matters ranging from the introduction and actual operation of team working right through to the raising of investment funds. According to Cooke (1990 cited in Stuart and Lucio, 2005, p. 6), the three vital aspects that are required for these new forms of co-operation to function are that partnership processes have to establish clear procedures for resolving serious problems and crises between management and unions for dealing with the various developments occurring within the firm and the workplace. Secondly, organizational behaviour of management and unions needs to be clearly understood, trusted and negotiated. Lastly, there is a need for a clear delineation of labour's role in decision-making, the value it can add to an organization and the manner in which gains are to be shared.

A number of widely published partnership agreements concluded in the 1990s seemed to offer each of the parties significant gains: employers were able to secure a greater degree of job flexibility and a stronger commitment of employees and union representatives to organizational goals; trade unions were offered a more co-operative form of involvement in enterprise-level employment regulation; and employees were promised greater employment security and the opportunity to participate in new forms of consultation (Tailby and Winchester, 2000, cited in S. Back and K. Sisson, p. 365).

CONCLUSION:

Workplace partnership has the immense potential to make an important contribution in achieving the goal of a dynamic, strengthening the knowledge-based economy and accomplishing a more inclusive society.

Harnessing this potential requires that workplace partnership be revitalized
<https://assignbuster.com/workplace-partnership-strategies-and-employee-management-relations-management-essay/>

around a new commitment for using its principles to foster and embed workplace partnership innovation and change management. A major benefit of workplace partnership was that of union's assistance to the management in managing organizational change (Stuart and Lucio, 2005, p. 92).

Partnership is a development that represents the emergence of a new approach to employment relations that attempts to reconfigure the form and content of employee - management - union relations, as well as the role of the individual within the workplace - in other words it poses broader questions about the regulation of employment relations practiced by the organization (Stuart and Lucio, 2005, p. 7). It is often argued that successful organizations are known for the way they communicate to, and involve, employees in decision-making processes at all levels. The philosophy of partnership draws from this interest in employee involvement practiced by management firms (IPA, 1997 cited in Stuart and Lucio, 2005, p. 111). The workplace partnership creates a democratic environment enhancing the self-esteem of employees as individuals that promotes employee-management relations, through building in trust and mutual gain, which in turn improves the productivity and efficiency of performance of the organization.