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## **The Evolution of Trade Unions in Britain**

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## THE EVOLUTION OF TRADE UNIONS IN BRITAIN

### Contents

Introduction: Partnership or Organization? .....	2
Business Ethics and Stake Holding .....	11
Human Resources and Voice Mechanisms .....	19
New Deal for Union Organizing .....	27
A Spirit Reborn of Rational Pluralism .....	35
A Synthesis of Trust and Mobilization .....	42
The Sword of Justice and Voluntary Recognition .....	51
Institutional Policies for Employee Involvement .....	61
The Managerial Discourse of Empowerment .....	70
Welfare Capitalism in Mutual Gains Enterprises .....	75
A European Perspective of Worker Participation .....	83
Conclusions .....	90
References .....	97

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### **Introduction: Partnership or Organization?**

Some influential propositions for the revival of labour institutions in Britain have attracted a lot of attention. One focuses on the relationship of trade unionists with managers and attempts to bring forth an innovative style of reciprocal action founded upon the concept of social partnership, with its implication for further collaboration (Tailby and Winchester, 2000). Supporters of this proposal acknowledge that unionists are subordinate and intermediate actors and suggest that they must develop the resourcefulness of managers so as to increase their own institutional influence and also create more chances to enlist new associates. Another proposition focuses on the regenerated interest in recruiting and coordinating union members and is defined by the effort to revitalize the labour movement on the principle of membership increase and the reinforcement of collective organization. From this perspective, institutions should develop their intrinsic resourcefulness which is based around the presumption that employees' willingness to provide for their own institutions is the underlying principle for long term revival.

The terminology and diverse interpretations of social partnership and collective organization are quite dissimilar and are usually described by scholars as genuine alternatives for the revival of British trade unions (Kelly, 1996). Nevertheless, what is evident, is that ingredients of both are sometimes combined in union strategy. The TUC, for instance, has made an effort to bring out a culture of organizing all over the labour institutions and founded an Organizing Academy to educate a breed of trade unionists in the methods of the organizing model. Simultaneously, it has supported social partnership

as regards the relationship with managers, founded a Partnership Institute and recommended a number of regulations, that can support the formation of partnership arrangements. The chapter continues by studying the degree to which social partnership and collective organization are real substitutes, whether they can emerge complementary, and even strengthening components within a composite policy for trade unions revival.

The techniques that institutions may employ to serve their interests are diverse and may be defined in a number of ways. Institutions may depend on various rules and regulations, may be of an antagonistic or a collaborative nature as concerns their relations with managers and may select either the application of the organizing model and renewed membership growth or to service their participants through a network of agents. Partnership arrangements evidently attempt to develop joint interests with managers and establish the concept of a productivity coalition, in which protection, growth and participation theoretically are traded for employees' devotion and versatility. In several occasions, this is described as a mutual expression of common interests and dedication to cooperation (Knell, 1999). Partnership arrangements ordinarily attempt to minimize centralized organizational structures and usually incorporate long term settlements, depend on practices that discard the necessity of regular negotiation or decrease the institutional participation in the wage setting procedure (Allen and Haynes, 1999). The main objective is to deemphasize the importance of controversy between managers and employees, for practical purposes by making decisions about the issues of workplace relations where industrial disputes are reasonably expected.

The policy of social partnership attempts to improve union relations with managers. Nevertheless, it might be an effort to reform union relations with employees. From a

different point of view, social partnership is based on the subservience of trade unionists and the diminishing part of labour institutions in promoting the interests of employees (Blyton and Turnbull, 1998). In support of this view is the important part of professional officers in the designation and implementation of partnership arrangements, in a number of occasions such as Asda, CSL, Hyder, Tesco as well as the Scottish liquors sector. There is proof that social partnership leads to a decrease in the amount and scope of responsibilities of shop stewards (Kelly, 1999).

The part of managers in the formation of institutional activity has been the centre of investigation in industrial relations, and there has been an original interest about the significance of management qualities in determining the selection of many institutional policies (Kelly, 1998). This, subsequently, has initiated a debate about the determinants of management values. Scholars have described the significance of production, the part of pressure groups and the conveyance of decision making from trade unions to managers in a number of different manners (Healy and Kirton, 1999).

In many occasions, social partnership has surfaced from a financial emergency, as a consequence of government propositions to cut down employment expenses to increase competitiveness. This is a characteristic feature of social partnership at Barclays, Blue Circle, the Cooperative bank, Hyder, National Westminster and Rover (IRS, 1997). This indicates that an explanation of social partnership as a reaction to a favourable long term economic and social transformation may not be accurate. Social partnership may be the outcome of short term economic transformation and financial emergency and, to the extent that it incorporates incremental adjustments, it may be the adaptation of institutions to negotiations and practices in the context of organizational change. There is

some proof for this argument in the number of partnership agreements that was the outcome of manager coercion of institutions. This was manifested in the threat of dismantlement of labour institutions, the possibility of dismantlement unless partnerships were agreed, or the possibility of closure and increased unemployment. There is limited evidence of employer-dominant partnership agreements that had a negative effect on trade unions. Some arrangements include terms which restrict the capacity of trade unions to bargain by supporting the procedure of joint consultation or joint problem solving e.g. at Blue Circle, Hyder, Scottish Widows, Thames Water and United Distillers (IRS, 2000). There is also proof that the influence of trade unions has been diminished by these arrangements. In several firms the tasks and responsibilities of employee delegates and trade unionists have become restricted e.g. at Allied Domecq, ASDA, Blue Circle, Hyder and United Distillers (IRS, 1998). In many occasions, nevertheless, partnership agreements are defined as labour-dominant such as the case studies of Legal and General and Tesco that will be discussed in one of the following sections. Partnerships are recommended as a policy for institutional revitalization, but some times partnerships have also emerged from a threat to the status of institutions and in several cases may stand for institutional incorporation to a manager dominant procedure of reformation.

In spite of the support by the Trade Unions Congress and other institutions, partnership arrangements continue to be somewhat restricted in the industrial relations of the United Kingdom (Guest, 2001; Heery, 2002). There have been several partnerships in distinct branches of the economy, like banks and retailers but, in other sectors, partnership agreements have not been very successful, for example business services, cement and water. What is more, one of the most well known partnership agreements at

Hyder has virtually disintegrated after the buying out of the firm, and the threat of liquidation for Rover and Vauxhall's Luton industrial plants have hindered partnerships in the car sector. Because of these constraints, are there any other obstacles to the broader diffusion of partnerships in the United Kingdom?

Although executives are in favour of the concept of collaboration, this may not result in the recognition of partnerships between unionists and managers advocated by the Trade Unions Congress. A recent study conducted by the associates of the Involvement and Participation Association indicates that executives are favourably disposed towards the aim of social partnership but consider this as not important for the part of labour institutions (IPA, 1997). Partnerships for managers, it appears, can function in a union free industry and take the shape of the participation of independent workers (Kneill, 1999). In the United States HRM focuses upon the relations of independent workers, and may be considered by executives as another option to the advantages of versatility and devotion, which are thought as characteristic features of arranged partnerships between unionists and managers.

With reference to the institutional policy of collective organization, what is clear, at all events in the propositions of its supporters, is that it must be comprehensive. As a consequence in establishing the Academy, the Trade Unions Congress stated that its goal was not only to enlarge membership but to support trade unionists to attract employees at the rough end of the market who are in need of help from institutions. There was an urge to combine collective organization with other strategies, so as the apprenticeship of females, junior employees, foreign labour, and employees on temporary agreements could be prioritized. Arguably, industrial policies have been fused and the enlistment of

trade unionists is targeted at companies protected by recognized arrangements and at employees with a strong participation in labour institutions. However, among unionists taking part in the Academy, there is proof of a new approach of enlargement in the effort to utilize Academy Organizers to attract non unionists. There is more proof that unionists attempt to increase recruitment in associations of employees on contingent contracts who have been disregarded in previous years, and a number of activities by Academy Organizers have been targeted at female employees (Heery et al. 2000).

Demonstrating the argument of conflicting interests, the prevailing attitude of the manager about organized unionists is competitive. The issue of partnerships has not been defined clearly by the Organizing Academy and apprenticeships have emphasized the necessity to specify levers, which may be utilized to pressurize managers in recognizing labour institutions. In ongoing campaigns, nevertheless, trade unionists are realistic and, especially when concessions are involved may pursue the full collaboration of employers in providing opportunities for employees and removing obstacles to partnership agreements (Heery et al. 2002). As social partnership entails no framework of relations with unionists, so collective organization entails no framework of activities by managers.

In America, the advocacy of the organizing model materialized by means of a management transformation and the appointment of the 1968 generation in influential posts of labour institutions (Heery et al. 2001). In the United Kingdom, the less radical organizational change has originated from a comparable but less militant, revival of institutional management. Therefore, the establishment of the Organizing Academy by the Trade Unions Congress has stemmed from the official institutionalization of the academy, by John Monks when he was General Secretary in the late nineties. As a



consequence of this, the Trade Unions Congress founded a new Campaigns and Communications Department, and the urge for the advocacy of collective organization originated from employees who joined the department. In some of the most determined labour institutions, there has been a fundamental transformation, with new unionists developing new industrial strategies. What is more, the Organizing Academy, includes a policy of revival by means of a selective process in an effort to educate a nationwide contingent of youngsters and women and develop collective organization (Heery, 2002).

Industrial policies have incorporated organizational expansion and stem from the American Federation of Labours' Organizing Institute and the Australian Council of Trade Unions Organizing Works Programme. A number of trade unionists have linked to labour institutions in those countries and organized exchanges of employees so as to promote institutional expansion and gain experience. This has resulted in the acceptance of the ideas, strategies and vocabulary which sustain the USA organizing model, whereas effective collective organization elsewhere has also influenced incremental adjustment in the United Kingdom.

In spite of the Organizing Academy and other labour institutions, collective organization continues to be somewhat restricted in the UK. The range of assets allocated by labour institutions to collective organization is limited, several institutions recruit only a few trade unionists if any at all and the most vigorous efforts to bring forth a new form of interaction have been constrained. Membership decrease was an important issue in many developed industrialized societies in the nineties. This decrease was evident in the United Kingdom. According to the British Household Panel Survey, unionization decreased from 9,947,000 to 7,807,000 trade union members in the nineties (BHPS,

1999). The Labour Force Survey indicates that aggregate density as a percentage of the workforce decreased from 38.1 percent to 30.2 percent during the nineties (LFS, 1999). As opposed to the USA, where membership decrease in the privatized companies surpassed membership decrease in the nationalized firms, in the United Kingdom density declined equally. Since the turn of the century, the number of union members has become stable at thirty percent of total employment, but regardless of the recognition law, there seems to be no indication of a large increase (Charlwood, 2003). This indicates that there are obstacles to the spread of the organizing culture and the revitalization of labour institutions through efforts to develop intrinsic resourcefulness by recruiting unionists and by the means of militant organizing movements. An essential supporting structure for describing these obstacles has been defined by scholars, who suggest that many provisions are demanded for employees to mobilize them in the organizing model (Kelly, 1998). These contain a feeling of rejection and unfairness, indication of oppression and wrongfulness by the manager, the existence of an organizing approach in order to mobilize employees, assurance that the organizing model is successful and culminates in the fighting of unrighteousness, and the involvement of unionists who can become active and sustain the organizing approach when confronted by manager resistance.

Things are rather promising, and it would be a mistake to exaggerate the level of employment dissatisfaction in Britain. The worker behaviour findings of the 2004 Workplace Employee Relations Survey indicated that most employees in the UK feel secure, satisfied with their job and committed to their task, but only a few of them also think that they are fairly treated by employers (Blanchflower et al. 2006). Besides that, fair treatment, is more probable to be mentioned by non unionists. There is large diversity

in the workplace, and the evidence suggests a high possibility for the mobilization of trade unionists. The low level of employment dissatisfaction among several non unionists, nevertheless, may be considered as a restriction on the ability of labour institutions to organize employees in militant movements.

This section has introduced a critical evaluation of a couple of different propositions for the potential resurgence of labour institutions in the United Kingdom, social partnership and collective organization. These propositions rely upon distinct options with reference to institutional representation, the clarification of employee benefits and institutional practices, as well as the interdependence of managers and workers. They are distinct as regards the explanation of the development of the capitalist system, on the one hand defining a number of joint interests for workers and managers and on the other the opposite. It is amazing, nevertheless, that these institutional policies have not been encouraged by some labour institutions up to now. However, they have been supported by the Trade Unions Congress, whereas other labour institutions for example Britain's General Union, Manufacturing Science and Finance Union, Public and Commercial Services Union, The Public Service Union, Union of Shop Distributive and Allied Workers have also made their own arrangements and in several occasions subsidized apprenticeships at the Organizing Academy. Taking into account this fusion of policies, the objective of this chapter is to determine if social partnership and collective organization are complementary in an integrated policy for institutional revitalization.

In my study of the workplace model of Germany, I have given an account of the expansion of labour institutions by way of fighting for partnership. Institutional expansion and campaigning, I demonstrated, was the prerequisite for initiating the mixed

strategy of sector agreements and coordination with the aid of WCs, which has sustained a correspondingly successful stakeholder economy in Germany. If social partnership and collective organization are synthesized in the United Kingdom, it has to be in a comparable manner, as a consequence of the revival of trade unionism, and industrial arrangements in order to restrict managers as regards authority and respond to the requirements of workers.

### **Business Ethics and Stake Holding**

It was twenty years ago that Ken Gill emphasized the importance of strong institutions for a stakeholder society. In the meantime, membership density has decreased from almost fifty percent to about thirty five percent of the employees, as a consequence of high unemployment, unfavourable statutory provisions and management resistance (Ackers and Smith, 1996). Consequently, during the eighties and the nineties the influence of trade unionism was diminished, as large companies conformed to fundamentalist policies in a plan to devise an industrial relations system in the United Kingdom without strong institutions. It was ten years ago, that an innovative idea in human resource management, started to open opportunities for institutions, leading both employers and employees to a workplace relations system distinct from the one promised in the eighties. At the beginning of the twenty first century, social partnership emerged as another option in employment relations, and a succession to the Thatcherite strategy to enfeeble and disregard labour institutions. The term appears in addition to other concepts, like business ethics and stake holding and is supported by the European Union, the Trade

Unions Congress, New Labour, the Involvement and Participation Association and leading managers. The Confederation of British Industry uses the same rhetoric, although in a careful manner (CBI, 1999).

So far, stake holding had only a vague and ill defined role, in European Works Councils and sporadic efforts at a joint process between management and labour institutions (Ackers and Black, 1994). This section is more relevant to the reformed consciousness emerging in industrial relations than to the advantages of those occasional premature and, until now, unsubstantial efforts. I want to demonstrate that stake holding, in spite of its ill defined character, is a good chance for labour institutions to come back from socioeconomic exclusion. For this purpose I present a radical interpretation of stake holding and worker participation, so as to differentiate these notions from the human resource management policies of the eighties and nineties, and examine how they help labour institutions in their attempt to reclaim part of the lost ground in the workplace. Firstly, I introduce a matrix of concepts, derived from the debate on the part of institutions in employment relations, as a foundation for analyzing the ambiguous and vague rhetoric advocated by political, economic and social groups. Secondly, I question those general statements, by arranging in detail semantic threads of stake holding and clarifying some more conceptual tools. Lastly, I propose an outline of stake holding, based on the theories of Antonio Gramsci, which opens opportunities for institutions to obtain a central role in workplace relations. From this point of view social partnership as a strategy may be quite influential in the political and economic developments. This part focuses on the impact of stake holding upon the characteristics of institutions with

reference to the relations between employers and employees, and helps us to understand the latest management fads.

The primary, and most fundamental, notion is Alan Fox's frames of reference, which reflect upon the behaviour of employers and employees and the part of labour institutions. From one perspective, stake holding can guarantee an improved variant of pluralism which sustained the authority of institutions. From a different point of view, it can be interpreted in terms of employee involvement as one more unitarist stratagem to compromise the self determination of British labour institutions. Although stake holding appears to be established in pluralism it is also in agreement with the feeling of discontent for industrial dispute (Provis, 1996). Subsequently, we have to comprehend what kind of pluralism British institutions can look forward to. Without doubt, social partnership signifies concepts or ideas of mutual concession and of employee participation. As a result, current discussion on stake holding focuses on the issues of business ethics in employment relations, and associates with three different, but not completely separate, definitions of these patterns, minimal pluralist voluntarism, industrial democracy and neo-corporatism (Ackers and Payne, 1998).

These pluralist notions of stake holding have a bearing on the formation of institutional policy and the preferred course of action. The restoration of bargaining and consultation is contingent on the success of obtaining employee backing and manager assistance. During the time that the Tories were in government and the European Union was distant, labour institutions had no alternative but to focus on the shopfloor. Nevertheless, the likelihood of increased European Union integration, advocated by the Socialists, gives rise to the expectation of statutory provisions, coming on the scene, as a

new saviour, to redeem the weakened labour institutions. Since the mid-nineties, the concept of stake holding as a strong form of worker participation or a new form of economic management has augmented its reputation with European Works Councils. As a consequence, we can anticipate the language of members of parliament, unionists and entrepreneurs to illustrate new possibilities as well as recent developments. Nevertheless, if stake holding is founded upon a disintegrated system of industrial relations between managers and works councillors or unionists, the threat to long-term institutional authority and sovereignty is evident. In spite of the fact that the academic literature of workplace relations describes a number of courses of action, stake holding may be perceived as an option between pluralism and unitarism.

This analysis helps us to clarify the ambiguous and vague meaning of social partnership and to question some statements. To what an extent is stake holding voluntarist or neo-corporatist? How the restoration of bargaining and consultation can be achieved, as an all inclusive variant of sector agreements, strong forms of worker participation, or creation of new forms of economic management? To what a degree social partnership is contingent on a pluralist or unitarist structure? Furthermore, what should be the new equilibrium of collectivism and individualism, in industrial relations as regards employment rights at national and European Union levels? This account associates with the formation of institutional policy about management funding, employee benefits and government subsidies.

The former Public Service Union General Secretary, Roger Poole, provided a comparable explanation of stake holding and business ethics. The most important issue for labour institutions is the restoration of bargaining and consultation within the context

of collaboration with employers and statutory provisions for employees (UNISON, 1998). Britain's former General Union leader, John Edmonds, has reflected on social partnership in industrial relations and on the roles of managers and workers. When employers overstate human resource management, employees must play down this verbosity as a means of building up the influence of labour institutions (GMB, 1998). In this manner, stake holding may well be functional, as a plan to devise a different relationship between managers and workers. Labour institutions take a chance in supporting employee involvement schemes and social partnership. A strategy like this may be the driving force for a unitarist ploy, to enfeeble trade unions, and also decrease the authority of British labour institutions. It is also the responsibility of institutions to persuade employees that union-management collaboration and employee involvement are of no use for trade unions without collective organization. To this end, they have to imbue themselves with new life and attempt to secure the support of employees and other actors. Scholars speculate that this is a risky undertaking.

Traditionally, we have insisted that trade unions must be the sole channel for working people. The German works council system breaches that principle. All employees, whether trade union members or not, have the right to elect their representatives, and even the elected representatives do not have to be in a union. So the British unions are gambling that we can match the German performance and capture most of the works council seats. If we succeed works councils would become our dream solution to the problem of declining trade union power. But, if we fail, we join the French trade unionists in a nightmare scenario where non-union representatives dominate the local committees and unions are marginalized. We have made the policy change with our eyes open but success is certainly not guaranteed. (Taylor, 1994)

Although the Involvement and Participation Association favours neither a collectivist nor an individualist attitude in the workplace, it focuses more on organizing rather than



partnership and favours the wide ranging employee privileges visualized by the European Union (IPA, 1997). The Confederation of British Industry, with such a heterogeneous workforce, is rather cautious. Its General Secretary, Adair Turner, acknowledged, that what has to be created is a basic system providing workers with a good chance to become involved in industrial relations (CBI, 1999). The Confederation of British Industry has taken a stand against constitutional enactments such as the Social Chapter and the European Works Councils rules and regulations, for the reason that its associates fear that works councils are mechanisms to restore trade union power. All the same, in comparison with the Institute of Directors, they minimize the importance of the ongoing developments, and emphasize their capacity for incremental adjustment. Divisions within the Confederation of British Industry became apparent in the discussions about the European Union, where supporters of the Involvement and Participation Association's views disputed the Institute of Director's positions. Scholars portrayed a shift in the modus operandi of industrial relations.

Hammondism is not enough, because it still takes collective bargaining as the model for pay determination. If collective bargaining fades away like yesterday's product line, as it is already starting to do, then trade unions will have to rethink their role and purpose even more radically than the EETPU and the AEU have already done. In truth, this radically unitarist, individualist and voluntarist agenda leaves little place for unions as we know them. (Ackers and Payne, 1998)

Other commentators have indicated that employee involvement, during the last twenty years, has traded the unitarist ideology and the doctrine of mutual concession for an effective framework of collectivist principles and standards (Provis, 1996). The vocabulary of stake holding used by the Trade Unions Congress gives a reply to the ethical turn of enterprises, by, immediately, identifying employers' pretence and

describing team working in a way that emphasizes concepts like equity and legitimacy. The theoretical and practical understanding is that public values are springs of action which not only may motivate people, but also serve to persuade others. Trade unionists need to realize that a new emphasis on values also requires a new conception of the process by which differences can be reconciled. What is the meaning of this course of action for labour institutions? For about ten years, the debate on industrial relations has omitted or neglected labour institutions. In a state of everlasting conflict between managers and workers any talk of a stake holder society was dismissed to a less important position. In my opinion, stake holding offers a new realism which, may be vague and ill defined, but is not without substance as the objections of the neo liberals suggest. Such an incorporation of unionists and councillors in a stake holder economy opens opportunities for a new approach to relationships at work, security of employment and job flexibility, sharing in the success of the organization, information, consultation and employee involvement, representation of the workforce, and an alternative for labour institutions to restore their organizational power in the workplace.

The works of Marxian authors set forward a different approach of comprehending the ongoing developments in Britain (Butler et al. 2000; Gramsci, 2000, Laclau and Mouffe, 2001). We can point out the difference of a war of manoeuvre or militant strategy and a war of position or mutual concession. A modern approach that is suitable for a western liberal economy, is one defined more by a voluntarist attitude than an authoritarian behaviour. To make progress, labour institutions have to go beyond the range of working towards financial benefits, and develop their own hegemony associated with a plan which provides for the demands of the working class in opposition to the supremacy of the

bourgeoisie. Furthermore, a plan like this should not be restricted to unrealistic language or vocabulary, but has to be incorporated in organizational operations. As indicated, because of fundamentalist policies, institutions found themselves in a hostile environment. We can also apply this assessment to the evolution of labour institutions in Britain. Like in the past, but on a much more favourable terrain, their potential is in question. A coalition of parties, governments and groups, such as the Institute of Directors, has cast doubt on the endurance of institutions, greatly enfeebled and disregarded them by means of coercion, statutory provisions, restrictions and concessions. The policies have embodied human resource management and employee involvement to win public support. Occasionally they marginalize labour institutions, and from time to time they create an economic environment where trade unionists are not present. Some of those schedules are popular with workers since they favour the role of unionists on the shopfloor, however, following ten years of suchlike administration, there is an increasing crisis of expectations when managers fail to deliver what they pledged (Ackers and Payne, 1998; Denham, 1996). Up to now, institutions have been marginalized, and for this reason, they have focused on defending fundamental employee rights. Nevertheless, they fall short of resources to accomplish this, which simply adds on their perceived lack of effectiveness in modernizing employment standards. The issue is not a choice between conflict and cooperation, but how can unionists grow into active agents and how can they get a central role on the shopfloor? To express the same thing differently, how can trade unionists develop their own hegemony to become joint architects in the wider society, and influence the industrial relations of Britain?

Social partnership may well be a plan of action which makes provisions for devotion and versatility on the shop floor. Instead of drawing a merely nominal or artificial distinction between real and phantom employee involvement, stake holding is such a business policy that provides for labour institutions to climb up the escalator of participation (Ackers and Preston, 1997). How far trade unionists can succeed in increasing their authority is contingent on their ability to initiate things. Rather than perceive social partnership as an indication of something undesirable coming, or something to be disregarded, the new unionism considers it as an option. In the same manner that concepts like civil society, were an answer to the insufficiency of industrial relations, labour institutions can also hope that stake holding may be a means employed for gaining the advantage. In this way, the practice of team working, in spite of its ill defined character, performs as a spring of action that can mobilize the employees. To sum up the argument, as an alternative to the contention between aggressiveness and tolerance, opposition and collaboration, partnership can provide labour institutions in Britain with a chance to shape their destiny.

### **Human Resources and Voice Mechanisms**

The emergence of social partnership in Europe is arguably a critical development and research priority, however until now, hardly any empirical studies have been directed towards the evaluation of this general notion and several research issues continue to be unresolved. How can business ethics and stake holding be advanced and put into effect on the shop floor? How can such an innovative procedure be formulated or determined by

nationwide trajectories of collective bargaining? Most importantly, taking into account the trend for British labour institutions to advocate novel ideas and different propositions, what is the theoretical and practical acquaintance of councillors and unionists with social partnership?

The last ten years was a decisive period for the economic and social evolution of trade unions. The comeback of left wing parliaments in the United Kingdom and other countries has resulted in the retreat of New Right leadership. As an alternative, an original socioeconomic order, founded on the Third Way, has already started to appear, which casts doubt upon the supremacy of the status quo. In other words, the effect on trade unionism is strong, albeit inferred rather than explicit. The concept of stake holding provides for government interference in the field of employment relations, with the intention to make sure that voice mechanisms are present for the deprived and underprivileged. In the United Kingdom for instance, this is manifest in the adoption of the National Minimum Wage and Statutory Trade Union Recognition. Social partnership is the foundation for a new form of bargaining between managers and workers that draws attention to the significance of consensual industrial relations. Of a great importance is the necessity for the social partners to change the character of their commitment from distributive local topics to integrative mutual gains topics such as education and practice (Lucio and Stuart, 2002).

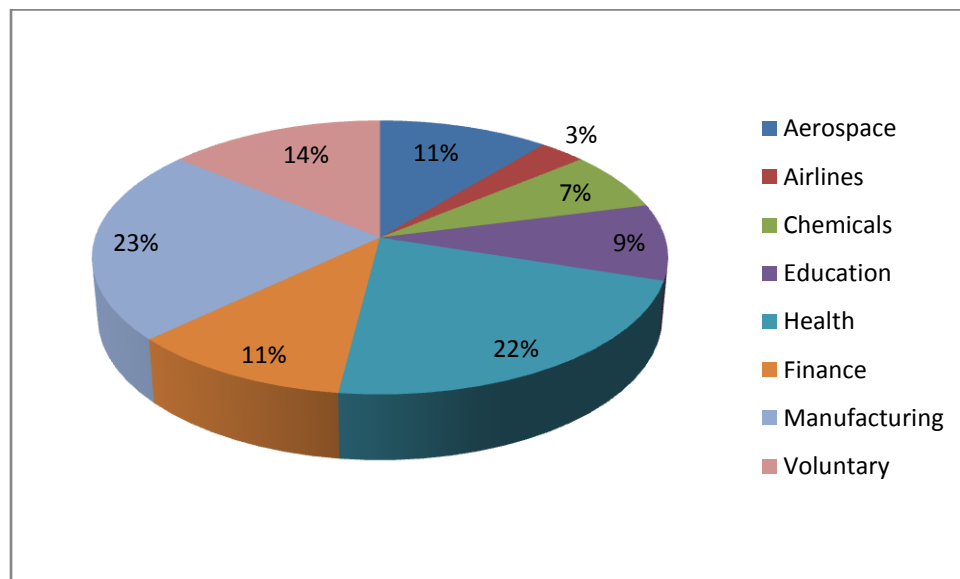
The modus operandi of stake holding has a number of characteristics. It should not only be confined in the conveyance of a set of principles and philosophical ideas from America. The shift in politics, the change of governance and the current economic and social climate make it necessary to introduce a form of bargaining for the workplace

relations founded on the understanding of either side's position. Even so, it is necessary to specify a sequence of significant viewpoints. A book entitled the Mutual Gains Enterprise, for instance, proposes an essential supporting structure that makes provisions for labour institutions to take part in the process of managing in traditionally anti-union firms in America (Kochan and Osterman, 1994). This publication brings to light a well thought out theory of the eighties, which disregarding minor exceptions, demonstrated that in spite of the financial difficulties of the period, employers and employees were able to realize the potential of innovative organizational strategies. The data for social partnership confirm this trend, maintaining that there is a variety of excellent companies in America that have attained this position because of their cooperation with trade unionists (ibid. 1994). Mutual gains organizations teach their employees specified skills by practice, make provisions for them to participate in activities and manage their workers in conformity with rules and regulations grounded upon fairness and equity. Labour institutions have a significant part in the promotion of this. The main objectives of mutual gains organizations are fulfilled, in agreement with the academic literature of industrial relations, when there is a loyal relationship between managers and workers.

This section inquires into the current publications on the gradual development of business ethics and stake holding. The section explores the attitudes of employees drawing empirically from a Manufacturing Science and Finance Union questionnaire. The MSF was among the major labour institutions in Britain, with 425,000 associates. It is now part of the Amicus trade union after merging with the Amalgamated Engineering and Electrical Union. The MSF itself was the result of a merger between the Association of Scientific, Technical and Managerial Staffs and the Technical, Administrative and

Supervisory Section. Though for the most part it accounted for highly trained or experienced employees, mainly technical and scientific, it also dealt with a broad spectrum of employment relations issues and had a name for elaborating on groundbreaking policies, for example, around training and development, and organizing. Consequently, its employee delegates presented an exceptional database for assessing the evolution of social partnership. The rationale of the questionnaire was to classify, and not to interpret, focused on a presentation according to the latest requirements of the reformed character of employment relations and patterns of stake holding in main sectors of the Manufacturing Science and Finance Union. On account of the impact of social partnership upon the duties of councillors and unionists on the shop floor, the focus of this section on the behaviour and participation of employee representatives with regard to employment relations transformation is a very important topic of research.

**Chart 1: Sectoral Breakdown of Response**



Source: MSF, 2002.

Fifty five per cent of trade unionists stated that they were given the chance to make known their feelings about important topics, in comparison with thirty per cent who stated that they were not. The changing nature of the relationship of employers and employees can, nevertheless, influence the conventional techniques of communication between institutions and associates. Sixty five percent of employee delegates admitted that unions may have to accept conditions of confidentiality on certain issues and manage their membership communications in new ways. The aerospace representatives of MSF acknowledged that a procedure like this could be controversial.

The influence of stake holding was, less evident with respect to work environment issues and other relevant topics. Twenty three per cent of trade unionists stated that management has become more committed to employment security, in contrast to forty two per cent who admitted that administration has not changed. A result which comes as no surprise taking into account that about two thirds of delegates stated that the principles of partnership have not been developed to a large degree. What is more, measures to improve the employability of staff have become an increasing priority according to twenty five per cent of trade union members, and opportunities for non-vocational training exist at the workplace according to twenty eight per cent. It is not surprising, that two thirds of Manufacturing Science and Finance unionists did not agree that there has been an increased investment by the organization in the quality of members' working lives. The small expenditure conflicts with the prospects of the Manufacturing Science and Finance Union. For instance, when questioned upon the transformation of the work environment in recent times, the majority of the employee delegates agreed that the heaviness of responsibilities has augmented.



The survey assessed the degree of Manufacturing Science and Finance Union participation in decision making. The extent of engagement was measured with regard to bargaining, conference and communication, and trade union members were also requested to state their opinion with respect to the highest degree of participation. Manufacturing Science and Finance Union engagement was more frequent as regards remuneration and work environment issues, and less common as concerns financial administration topics, sixty five per cent of delegates stated that they were participant in the making of remuneration policies though fifty six per cent admitted that they were not involved in financial administration. Medical care and security affairs indicated a substantial amount of bargaining and conference, and were major points in question. Only ten per cent of trade unionists stated that they were not engaged in those affairs.

**Table 1: Levels of Union Involvement (Valid Percentage)**

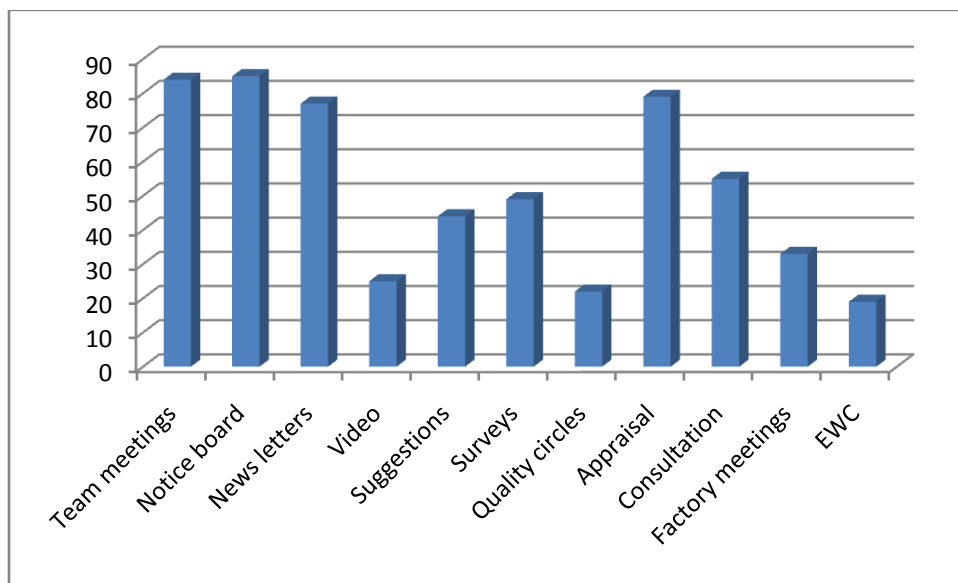
	Negotiate	Consult	Inform	Not Involve
Pay and working conditions	65	13	11	12
Health and safety	32	45	13	10
Equal opportunities	23	36	21	21
Levels of training investment	5	22	38	36
Training opportunities	7	29	34	29
Performance appraisal	17	33	21	29
Staff and human resources planning	7	21	34	39
Business investment	1	11	32	56
Family friendly policies	26	25	18	31

Source: MSF, 2002.

There is a variety of voice mechanisms with regard to the form of employee involvement. The results of the survey display that straight forward, collective modes of

representation were, on the whole, considered as the most prevalent. Employees stated that they passed on their own views by means of notice boards in eighty five per cent of instances and through news letters in seventy seven per cent. Regular sessions which normally include various activities instead of only a debate, were stated by eighty four per cent of trade unionists. The most unusual approach of collective representation was the employment of electronic media, which was reported by just twenty five per cent.

**Chart 2: Communication Mechanism (%)**



Source: MSF, 2002.

It has to be said that employee involvement is an indication of the stakeholder structure of an economy, but a theory like this can not easily be supported by empirical data, as some scholars have acknowledged.

It should come as no surprise that stakeholder theory cannot be fully justified by instrumental considerations. The empirical evidence is inadequate, and the analytical arguments, although of considerable substance, ultimately rest on more than purely instrumental grounds. (Donaldson and Preston, 1995)

The broadness of stakeholder theory and its complication are a possible interpretation for the insufficiency of empirical data to demonstrate the sovereignty of stakeholders (Freeman et al. 2003).

Even though it exists for a long time, business ethics is also hard to be measured. Business ethics has evolved as a conceptual extension of social morality, and is relevant to the ethical criteria of organizational entrepreneurship (Goodpaster, 1997). Important to business ethics are several moral criteria such as the concepts of integrity, honour, companionship, consideration, righteousness, justice, loyalty and equality (Lawrence et al. 2002).

At the outset, labour institutions were worried that the adoption of social partnership may bring about the erosion of the current relationship between employers and employees. The growing concern of managers about stake holding was considered, by unionists, as an effort to concentrate administration at the center and diverge from the previous course of action which was more interested in mimicking the American economy. The advocates of employee involvement, for instance, were thought to be preoccupied, with respect to their language, with the traditional maxim of tearing up the rule books and starting again. As a consequence there was an increased apprehension with regard to the effect of social partnership between employers and employees on the old relations of worker participation, there was also speculation over what kind of business ethics and stake holding should be adopted. From the employers' perspective stake holding and business ethics stand for a general group of principles and values with respect to the relationship between managers and workers, for example, the advance of total quality management, a shift in the them and us feelings and the determination for the

resolution of common difficulties. This perception of social partnership as a transformation of the principles and values of workplace relations was not in agreement with the harder positions of trade unionists, who, by contrast, regarded stake holding as a good chance to extend the range of collective bargaining and negotiations.

The results have significant repercussions for the evolution of social partnership in the United Kingdom. Evidently, the engagement of institutions with stake holding, has no predetermined limit. Labour institutions decide on policies in relation to the efficiency and character of social partnership they come into, not only with regard to their evolution but also with respect to their capacity to deal with disagreement, controversy and deficiency. In other words, strategies are determined by employers' concern with and capacity to deliver on current topics which are relevant to the development of stake holding due to the fact that employee delegates may have to expose themselves to uncertainty. As scholars have suggested, business ethics and stake holding are dependent on the concepts of mutual trust and efficacy on the shop floor (Higgins, 1996; Lucio and Stewart, 2002). In this manner, the notion of mutual trust demonstrates it is not fair for employees to chance the possibility of uncertainty if employers are not willing to take their own responsibilities, and the efficacy principle indicates it is not fair for managers to become subject to liabilities if workers are not ready to perform their own part of the deal. In the event that those prerequisites are missing, the two sides are more probable to participate in shrewd negotiations. The results display that labour institutions may have to become involved in social partnership in a careful manner. Most importantly, they exhibit that, taking into account the absence of reciprocal agreements on the shop floor, employers and employees appear to be favourably disposed towards the maintenance of

shrewd negotiations as a more likely alternative to the manifestation of a mutuality-based industrial relations system.

### **New Deal for Union Organizing**

The central objective of this section is to research the conveyance of the organizing model to Britain. For this reason it provides empirical evidence from a TUC questionnaire and other examples. Firstly, it investigates the degree to which enlistment in British labour institutions has been affected by the organizing model and incorporates an organizing approach. A literature review of the current publications on institutional strategies is also provided to investigate the extent to which nationwide trajectories have been adjusted to the organizing model and establish the circumstances which promote or restrict its employment. Secondly, it inquires into case studies of employee mobilization which draw on the organizing model with a view to determine its advantages and disadvantages with reference to British trade unions. In contrast with organized courses of action in the United States of America, collective organization in the United Kingdom points to a less militant course of action (Waldinger et al. 1998). In an effort to understand organizational change, the section gives examples drawn upon the public and the private sectors, which incorporate simple but skilful assignments, an endeavour to produce coordination and guarantee acceptance in a developing institution, an endeavour to revitalize recruitment in a recognized labour institution and an endeavour to reinforce participation in a growing but formerly disregarded faction of employees, such as

apprenticed to managers. Prior to the display of any data, nevertheless, it is imperative to analyze the concept of the organizing model in depth.

The notions which formulated a collection of specific organizational principles and the organizing model have been affiliated with a number of contributing factors of good practice.

Reliance on planned organizing campaigns, in which the union researches targets and sets clear and timed objectives which are subject to periodic review, reliance on paid lead organizers to oversee organizing campaigns and foster activism among the target workforce, involvement of activists in the development and running of campaigns through a representative organizing committee, the use of mapping techniques to identify all members of the workforce and rank them systematically in terms of their propensity to become active in the union, the identification of issues, and grievances around which a campaign can be developed, the use of actions to mobilize the workforce, which can range from badge-wearing and the signing of a petition through to street theater and protest strikes. (Heery et al. 2000)

We have to determine the degree to which organizing unionism, has an impact on the industrial relations of the United Kingdom. We can also observe the more radical organizational transformation that has taken place in the employment relations of the United States of America through similar policies.

Use of one-to-one recruitment in which trained, volunteer recruiters seek to persuade non-members to join either at the workplace or through house calls, reliance on the principle of like-recruits-like, such that recruiters have the same demographic and occupational identity to those being recruited, the demonstration of union effectiveness in the course of the campaign by publicizing concessions from the employer, the identification of the levers, allies and pressure points which can be used to discourage employer opposition and press for union recognition, and the development of community support so that the campaign extends beyond the workplace to embrace community, political and consumer organizations. (ibid. 2000)

The findings of the TUC survey indicate that in the United Kingdom there is not a uniform employment of the techniques and practices related to organization. Labour institutions have used frequently one-to-one recruitment and close to fifty per cent have used petitions, polls or demonstrations to strengthen their own presence on the shop floor. Other distinct methods, nevertheless, like systematic rating of non-members and establishing an organizing committee amongst the target workforce, are restricted to a small number of labour institutions and the efforts to diffuse collective organization are limited and are stated in just a few occasions. Labour institutions, such as the Iron and Steel Trades Confederation and the Graphical, Paper and Media Union were greatly affected by the organizing model and they used to be considered by some as the leaders of the movement (Waldinger et al. 1998).

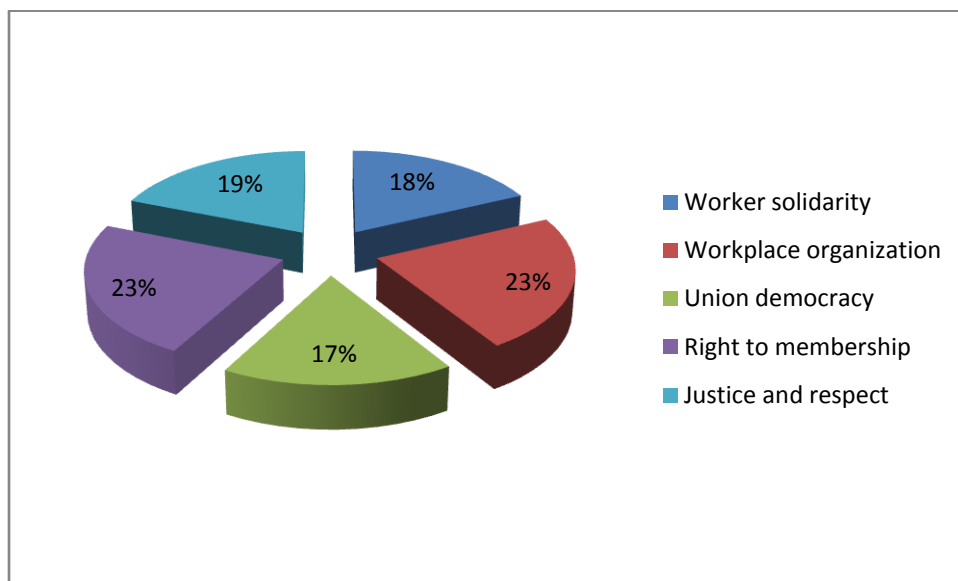
**Table 2: Organizing Methods and Principles**

	All unions (percentage)	Large unions (percentage)	Academy unions (percentage)
Establishing membership targets	29	54	44
Establishing an organizing committee	21	39	50
Identification of issues as basis for recruitment	34	31	38
Raising the profile through surveys	45	62	63
Systematic rating of non-members	7	15	19
One-to-one recruitment at the workplace	69	92	75
Reliance on like-recruits-like	26	50	33
House calls to non-members homes	2	0	6
Link-up to community organizations	3	0	0
Public campaigns against anti-union	5	17	13

Source: TUC, 2000.

The answers regarding the principles and methods of collective organization demonstrate a greater effect. Large numbers of employee delegates state that enlistment often highlights the need for members to resolve own problems through effective workplace organization, justice and respect at work, worker solidarity, opportunity to participate in union democracy and membership becoming a democratic right. Although the results to some extent illustrate the impact of collective organization they correspond to the old policies of vigorous action advocated by several labour institutions in the United Kingdom and the commitment of unionists to a political cause. A variety of coalitions, such as the Institution of Professionals, Managers and Specialists, National Association for Teachers in Further and Higher Education, Public and Commercial Services Union, Society of Telecom Executives and Transport Salaried Staffs Association stated that confidence in recruitment strategies was growing as a consequence of the decentralization of industrial relations and that this was a motive for supporting collective organization.

**Chart 3: Messages**





Source: TUC, 2000.

The evidence draws attention to distinctive characteristics of collective organization and enlistment. First of all, it points out, that the approach of collective organization is affiliated with the evolution of institutional strategies. Components of these policies embody the adjustment to well ordered recruitment activity, a well structured enlistment process, the assignment of lay volunteers, the foundation of an economic programme and the funding of research and development on labour institutions. The TUC emphasizes that the diffusion of collective organization in the last few years has caused the modernization of employment relations and, in spite of significant constraints has been a success story. Second, the data indicates that the employment of collective organization is related to knowledge acquired by training, and those institutions responsive to influence from abroad are more susceptible to organizational change and transformation. Third, the findings demonstrate that collective organization is also affiliated with an enlargement policy and an emphasis upon female apprentices, junior employees, foreign labour, workers on contingent contracts, non members, staff on temporary agreements and those at the rough end of the market. The connection between collective organization and efforts to strengthen the representation of labour institutions, evident in the United States of America, is coming to the United Kingdom (Heery et al, 2000; Weaver, 1998).

An organized course of action launched by the Communication Workers Union indicated a great deal of employee discontentment as a consequence of one sided incremental adjustments in working standards. An urge to enlarge membership prompted the institution to act in a corresponding manner and as a result it has directed an operation to mobilize the employees and guarantee acceptance. The union has set a number of goals such as, to give intellectual, moral, and social instruction to workers, especially as a

formal and prolonged process, attract lay volunteers to formulate a commission to enlist members on the shop floor, specify topics in relation to employee involvement, enroll trade unionists and support collective organization and egalitarian principles, provide services for the workers for a particular purpose, especially to arouse public interest, for example before a political election, and succeed in obtaining acknowledgement and establish that increased funding in the Communication Workers Union can expand unionism in other sectors (CWU, 2000). Due to the fact that the institution had no recognition, the organized course of action was carried out by an employee delegation, assembled and managed by a lead organizer from the Academy. A systematic rating of non-members was attempted and the outcome was the recruitment of more than one hundred unionists pressing for the acceptance of the union and demanding to be treated fairly, with respect and dignity. The commission specified topics of great importance for the employees, like the harassment of workers by callers and the necessity to receive requests like those of an offensive nature. These points were sharply defined as they were important to the workers and regarded as winnable. It was thought that management was exposed to damage by criticism and that influence might be exercised on the firms providing for and partially financing the telecommunications industry. There was a previous decision by TypeCo where employees have the liberty to advise clients they are not permitted to make requests of an indecent content and workers also have the power to cancel a request when they are harassed.

The diffusion of collective organization by the labour institutions of the United Kingdom is primarily attempted in established foundations where enlistment of members is cost effective. Another operation serves as an example and is quite important inasmuch

as it attempts the application of an organizing approach to in-fill enrolment. It was initiated by the Public Service Union, in the late nineties at Regal, a major National Health Service Trust with a high percentage of trade unionists but without sufficient rules and regulations and has been conducted successfully up to now by an Academy apprentice. This trade union has set a number of goals such as, to modernize recruitment and attempt a systematic rating of non-members, broaden the constituency of lay volunteers, enhance the general reputation of the Public Service Union, develop employee involvement and participation, enlist trade unionists, and guarantee employer concessions for the employees (UNISON, 2000). Like in the case of the Communication Workers Union, the organized course of action started by a lead organizer who contacted unionists to find out if they want to get involved in the operation. The workers who responded formed a core territory and organized a commission that was composed of about fifteen delegates from a variety of professional and vocational backgrounds. Moreover, a number of workplace contacts were also appointed to take part in enrolment but they were not prepared to join the commission.

A third operation was launched by the former Society of Telecom Executives, which changed its name to Connect, and was directed by an Academy trainee who investigated the recruitment difficulties in British Telecom. As the organized course of action got underway, so did the investigation and the institution reported that most workers were satisfied with the firm's new enlistment process. The purpose of the operation was to improve the public image of the union as well as to collect data which can be analyzed to support the new enrollment procedure. The aims of the institution were as follows, to discuss the concerns of employees affiliated with the Society of Telecom Executives,

undertake a systematic rating of non-members as a foundation for enlistment, produce statistics about the union, display the efficiency of the institution by supporting the diffusion of collective organization, and build up a nationwide structure of delegates among trade unionists (STE, 2000).

Unions that have adopted both the organizing and partnership models will be more effective at external organizing than unions that have adopted one or neither. Regional organization and institutional activity are probable to have a great effect on the efficiency of organizing (Charlwood, 2001). Labour institutions can affect institutional activity and regional organization by means of vocational training which they offer to place apprentices on the shopfloor. Nevertheless the objectives of this strategy are probable to differ within institutions as much as they differ between institutions, which brings to light inconsistencies in human resource management, the organizational behaviour and culture of the full time representatives and trade unionists involved, and the special prominence of collective bargaining for labour institutions (Fairbrother, 2000; Willman, 2001). Institutions will become more efficient if they are managed democratically since democracy helps the management to become sensitive to the needs of unionists. If an institution is responsive to the needs of unionists they are more probable to stay in membership than if the institution is indifferent (Delaney et al. 1993). This has an influence on the role of unionists on the shopfloor. The advocates of the revival of collective organization maintain that leadership accountability is required as a precondition for the resurgence of labour institutions. Internal organizing effectiveness will be higher in workplaces where the union is militant, compared to workplaces where the union is co-operative and workplaces where the union is marginalized.

## **A Spirit Reborn of Rational Pluralism**

In this section I will make an effort to describe a neo-pluralism, which may provide for an essential supporting structure for the revitalization of employment relations as they are perceived today. This analysis adds on the special importance attached to labour institutions by Oxford Pluralist scholars like Clegg and Flanders, reclaims part of their early understanding of political and economic effect, and reframes this general notion for an alternative workplace relations system. My argument is that the problem of order, which has been identified by industrial relations on the shopfloor, has switched to the interaction of business and community. Political science by attaching special prominence to the shop floor and by omitting well defined moral issues, has detached itself from the continuous procedure of economic transformation and disengaged from the current discussion on the employment relationship and the cooperation of firms with other actors. Subsequently, I propose a distinct methodology for analyzing the industrial relations system, by reviewing a number of different ideas with reference to the ongoing developments on political issues and the controversial interdependence of business and community. This part stems from a variety of theoretical assumptions and employment relations concepts, from outside traditional public policy. A series of contemporary topics, like economic failure and success, employer societies and trade unions, industrial democracy and business ethics, support mechanisms and partnership, and collective organization, for the most part indicate a reformed employment relations system. Although the latest vocabulary illustrates the transformed nature of the interrelation of business and community, it also reminds us of the social science of Durkheim, which

inspired industrial relations pluralism and third way policy making. My proposition essentially differs from the paradigm of Marxism, and recommends that a new form of pluralism may present a more credible variant for the reinvigoration of employment relations, by concentrating on the expansion of decision making organizations and practices. I conclude with a fresh interpretation of employment relations for our time.

Scholars have attempted to revise traditional pluralism in a new, intriguing and compelling manner.

Functionalist tradition has dominated the field historically, although usually implicitly and without the theoretical apparatus often associated with functionalism in mainstream sociological theory, the focus is on the subsystem, which may be analyzed in the explicitly functionalist perspective primarily in relations to the larger system of which it is a part. The root metaphor is the organism, however disguised. The primary unit of analysis is the institution. Major issues relate to the historical development of institutions, the relationship between institutions and their environments and institutional interrelationships, especially collective bargaining. Institutional theory in general is concerned with cultures, structures, and routines, with the way in which institutions become embedded in culture, and internalized by individuals, but the focus is on institution and culture, not on the individual interest. This orientation is obviously more congenial to sociologists than to economists. (Martin, 1999)

A statement like this may be astonishing for several industrial relations experts. To start with, many will take it for granted that this is a case of classical Marxism instead of revision. In fact, the organic descriptive term is regularly affiliated with a competing viewpoint, Human Resource Management, as a variant of Parson's general agreement doctrine (Ackers, 2002; Dunn, 1990). Employment relations theorists who are seeking for a socioeconomic lineal descent, are more probable to agree with different concepts or assumptions (Gerth and Mills, 1991). Nevertheless, this definition brings to light an

enduring and significant theory, that pluralism is a system of ideas, concerned with economic solidity and social harmony. Another argument is that the defining terms regulation and system can also have a conformist meaning. Solidity is necessary, because without harmony there could be no statutory legislation. This description is evidently about the new problem of order. Even so, it does not contribute to unitarism or general agreement. Scholars have also defined that, differential interests require continuous reconciliation, independently of the process of production (Martin, 1999). In my opinion, this explanation of industrial relations implicates some additional progress. A new form of pluralism should be focused upon trade unions, but instead of the more comprehensive and variable social science of Durkheim, one which is closer to Parson’s social consensus doctrine (Ackers, 1999). In contrast with the seventies and the eighties when the trend was to disregard links between employment and society, there is now a revived enthusiasm among politicians and economists for the concept of integration.

**Table 3: Pluralism and Neo-Pluralism Compared**

Pluralism	Neo-Pluralism
Interests	Interests and values
Workplace conflict and economic order	Social breakdown and social cohesion
Trade unions and collective bargaining	Moral communities and social institutions
The forward march of labour	Civil society and democratic rights
The frontier of control	Relationship capitalism and stakeholding
Joint regulation	Ethical employment regulation

Source: Ackers, 2002.

For other writers, the reason for community failure is the international neo-liberal political framework, as it is not in accordance with adjustment of the correct type.

In fact one reason why the past twenty-five years in world history have seen such profound social transformation is that such pre-capitalist elements, hitherto essential parts of the operation of capitalism, have finally become too eroded by capitalist development to play the vital role they once did. I am thinking here, of course, of the family. (Hobsbawm, 1997)

The family is most important in the academic discussion on social decline on both sides of the Atlantic. A critical analysis of Marxism, gives an account of a historic crisis of capitalism, defined by the longing for a secure identity and social order in a disintegrating world (Hobsbawm, 1994). From this perspective, society will face the consequences for economic disorder, which breaks down the notions of duty and trust and finishes by sawing off at least one of the branches on which it sat. This failure is not necessarily in connection with the disintegration of orderliness on the shopfloor, as it was perceived during the sixties and the seventies. To a certain extent is a degeneration of business ethics that originates from the political environment, and spreads throughout the economy and the community. As a consequence, the capitalist society decomposes, every political and economic relationship which does not help to bring about revenues, and substitutes this with a relationship of marketing and purchasing. This self destruction thesis has a long lineal descent that goes back to Marxism, as it has been illustrated (Adler, 1998).

**Table 4: Marxism and Neo-Pluralism Compared**

Marxism	Neo-Pluralism
Socialism	Social market capitalism and liberal democracy
Workers mobilization and capitalist crisis	Social regulation and partnership
Economic militancy and strikes	Stakeholder consultation, employee involvement and integrative bargaining
Organized labour	EU, UK state, unions, public opinion, enlightened employers and managers

Source: Kelly, 1998.

As I have demonstrated, employment relations pluralism was founded on the concept of Durkheim of moral communities and the important part that social institutions can play. From this point of view, industrial relations pluralism provided for a doctrine of social cohesion between managers and unionists. This notion became less significant as



employment relations pluralism was diminished to a realistic definition of shop floor militancy, to the extent that it was eventually mixed with Parson's social consensus theory. The proposition that, in the times of Human Resource Management and stakeholding, the answer is a mixture of pluralism and unitarism, is based upon the wrong presumption that the latter is not associated with political unity (Provis, 1996). During the sixties and seventies, Parson's general agreement doctrine, created the impression that industrial relations pluralism was about controversy per se, particularly when it appeared as radical pluralism during the eighties and nineties. At the beginning, nevertheless, employment relations pluralism was regarded by labour institutions and other organizations as a framework for the restriction of workplace dispute. As a result, it is extraordinary, to find out that some writers have argued for the concept of Durkheim so as to explain the issue of socioeconomic failure (Ackers, 2005).

The notion of civil society is critical in this discussion. In addition, it brings back a neglected issue in industrial relations pluralism. Dealing with matters having to do with practical requirements, labour institutions in the UK are reminiscent of the guilds which are perceived as fundamental in the formation of employment relations (Brown, 1998). What is more, trade unions and normative organizations are regarded as the foundation stones of industrial relations pluralism (Rowley, 1998). From this perspective, labour institutions are not only important as mechanisms to oppose management authority on the shopfloor, as employment relations scholars describe them, but as participants in an egalitarian and moral society where members can also attain workplace integration and social cohesion. This notion was fundamental for the theoretical assumptions of Clegg and Flanders, and illustrates the devotion of British industrial relations pluralism to the

causes of the working class in history. Employment relations pluralism has shown its allegiance to dynamic and resilient policies, which in the past incorporated a strong and active collaboration front. Furthermore, the emergence of social democratic governments creates an environment for trade unions that is closer to conventional industrial relations instead of value-added ideas taken from Human Resource Management. From another point of view, the weakening of labour institutions has caused a representation gap on the shop floor, damaged the relationship between business and community, and also impaired the relations of managers and workers. The directives, rules and regulations of the European Union provide for an innovative structure for these issues.

It has become more widely accepted that workers are small owners and clients apart from wage-earners, and that those multidimensional qualities cause a unique, and occasionally contradictory apprehension of the entrepreneurial functions (Heery, 1993). In this manner, the vocabulary of stakeholding may expand the concept of industrial relations pluralism on the shopfloor to incorporate managers, shareholders, as well as the labour movement. The research on partnership, suggests that a new form of pluralism would not only have a bearing on the settlement of disputes, but also have an influence on the reconciliation of duties (Ackers, 2001). The idea of an employment relationship has been interpreted, up to now, with regard to finances, as the necessity for managers and workers to increase production (Ackers, 2002). On the other hand, this is not a routine, which can be achieved in a forceful manner. The industrial relations system can engage an element of force, however, it also needs other forms of collaboration founded upon enduring relations of fidelity and mutual support. Partnership and business ethics advocate the concept that a contract is not sufficient unto itself, but it implies definite

extrinsic and non financial communal principles. In brief, such a relationship must be apprehended as a human and moral relationship as well as a financial affair.

All included these different notions offer some arguments regarding socioeconomic integration and the industrial relations. First, the cause and effect of communal decline can be defined as political egoism and financial corruption, and we have to tackle them both at the same time and in combination if we want to restrain and overturn the corrosion of socioeconomic integration. Second, though communal decline produces an effect on everybody, it is the impoverished and financially insecure, and their descendants, who are mostly subjected to failed households, run-down districts, substandard education and irregular, part-time, unsteady occupation. Those are the members of society that labour institutions and employment relations accommodated sufficiently until the seventies and the eighties, but have recently been neglected (Giddens, 2000). They have increasingly found it difficult to integrate into a fragmented society. There is a tendency for societal discrimination taking into consideration the fact that, elite circles emerge as exclusive societies, and abstain from state schooling and welfare. This deteriorates the standard of living for the poverty stricken, but also escalates societal disintegration. Lastly, a community requires well specified moral standards to subsist and political organizations to support them. Capitalist and socialist governments alike can erode the ethical principles on which community relies, and the role of trade unions is to revitalize them, by means of democratic rights. Notwithstanding that, a government may have an important part to take in establishing and authorizing a civil society. It remains to be seen how this societal integration can supplement and improve traditional employment relations pluralism.

A new form of pluralism gives an opportunity for the revitalization of industrial relations. This becomes evident in the relevance of the early concepts of pluralism, unitarism, and voluntarism to the late developments of British employment relations. The new form of pluralism primarily focuses on the question of orderliness and the dual relationship of business and community. Additionally, it offers a distinct moral background for strategies such as employee involvement which, up to now, have been discarded as temporary, opportunistic notions to enhance management authority (Kelly, 1998). We must consider that in the industrial relations literature, Fox found no conflict between the underlying theoretical assumptions of Durkheim and a realistic concept of pluralism (Ackers et al. 2003). From this perspective, a spirit of rational pluralism may provide a framework for the coordination of business and community, and a cooperative mode of operation to lead employment relations into a new age. Instead of anticipating, desperately, a return to old-fashioned political activism, or an ethical post-modern culture, a new form of pluralism provides an essential supporting structure which draws attention to the relationship between employment and society. Most importantly, neo-pluralism brings forward a new theory for the special importance attached to regulation by industrial relations, and in particular labour institutions. Altogether, this proposes a different explanation of employment relations for today.

### **A Synthesis of Trust and Mobilization**

During the eighties and nineties, like in other European countries, British unionists came up against efforts jointly arranged by politicians and managers to disintegrate the

organized employees, unitarist stratagems in industries with a high membership, and disadvantageous policies with reference to workplace relations. The authority of labour institutions declined. In this context, the New Labour, with its support for social partnership, offers the chance to form a *modus operandi* which makes provisions for a favourable industrial relations terrain, in which unions can regain the initiative and work to rebuild their institutional presence in British society. The representatives of organizations have reflected on this.

If you've had years and years of something that's horrible, and something comes along that's not quite so horrible, you support it. Partnership's not so horrible because we use it as a code-word for recognition. It is an acknowledgement of the legitimacy of the other party. With partnership comes the rediscovery of pluralistic industrial relations. (IPA, 1997)

In addition, some influential entrepreneurs like the President of the Confederation of British Industry, have provided a comparable explanation, although from another perspective talking about a possibly damaging build up of trade union influence, hidden behind the new buzzword partnership (CBI, 1999).

Social partnership has not been clearly described by scholars. It has, for instance, been affiliated with single union arrangements or, more usually, related to engagement in human resource management schemes (Kelly, 1996). Other scholars have described social partnership by way of dedication to a group of values which do not incorporate acknowledgement of independent employee representation (Guest and Peccei, 1998). Like other workplace relations and human resource management ideas that recently emerged, it has been exposed to a number of explanations and definitions. The research of social partnership case studies also displays a substantial amount of modernization and

organizational transformation. As a matter of course, its importance varies between the cases and is contingent on the extent of employee involvement.

British employee relations are traditionally defined by conflict or opposition rather than cooperation. Apart from artificial or extravagant language, British institutions have not regularly challenged the proprietorship and the associated rights or privileges of employers compared with the French unions' syndicalist tradition, for example. The argument is that the preferences of British institutions were relevant to industrial regulation instead of the control of ownership. It is also frequently acknowledged that conflict or opposition has for the most part been compromised. As a result, the adversarial form contains its inconsistencies, originating from the small ambitions of labour institutions, and the efforts to moderate most of the reciprocal action between employers and employees. As writers have observed, unions have almost always been content to seek the best available deal within the socioeconomic order as it is, the complex interaction of class, politics and collective bargaining has often attracted the title labourism, an admixture of beliefs, institutions and practices which could enable remarkable displays of militancy and determination yet in effect proved typically defensive and hence accommodative (Allen and Haynes, 2001; Hyman, 1996).

The appraisal of contemporary social Partnership is clarified by a couple of examples in the United Kingdom. The case studies were selected inasmuch as they are good examples of the finance and retail industries, and owing to the fact that there is a persistent concentration on manufacturing case studies in the academic literature.

A Financial Times Stock Exchange 100 firm, Legal & General is one of Britain's leading enterprises. Approximately 8,000 employees work for the company, 6,000 of

them are based in Britain. A conventional firm founded on tradition, has throughout the 1990s effectively followed a new ground breaking policy, built upon highly competitive financial services. From the early nineties to the late nineties, the company profits and regular trade expanded by more than one hundred and forty percent (Legal & General, 1998). A distinct characteristic of the enterprise is the priority given to social responsibility. Legal & General, contributes yearly over 0.5 percent of British assets to public benefits foundations and other funding projects and its social responsibility is reflected on the company accounts (ibid. 1998).

From the manager's perspective there was an increased apprehension about the relationship with workers and that procedures agreed with the union 15 or 20 years ago may have prevented necessary decisions being taken as quickly as needed during a time of rapid change within the industry. One of the chief executives engaged in union-management relations reported that, to manage change and go forward we needed to improve communication with staff and get them to understand the rationale for change (IRS, 1998). A notable feature of this was the substitution of the old style adversarial system of industrial relations with a cooperative culture and an emphasis on principles of trust and mutual respect by each party for the other's contribution to employment relations. From this point of view, an innovative human resource management proposition like this can not be placed into the old Procrustean bed.

Managers and unionists decided by mutual consent to form a coalition in the late nineties to establish their joint interests and to realize the potential of the goals of the recent arrangement. The Partnership Agreement was settled within a year. It included the familiar attributes of industrial arrangements as specified below.

Differing interests are recognized and respected and MSF's right to represent its members is recognized, as well as management's right and duty to manage, mutual legitimation, conflicts are to be avoided, cooperative processes, and there is to be full and early participation in decision making, joint decision making or consultation. (LRD, 1998)

Though one of the targets was to work together to further the success of the business by enabling a flexible approach, attention was directed to work security in an Appendix on operation of the agreement. The apprehensiveness of chief executives that the change process could excessively restrain their own capacity for formal judgments was highlighted by the recommendation for management's right and duty to manage. Significantly for the institution there was a pledge by managers to support MSF's recruitment efforts, where appropriate. Apart from strengthening its position in the partnership agreement, the institution was interested in the accomplishment of justice and impartiality for the employees and the obliteration of prejudice in the workplace.

Management and union viewed personal advancement as an integral part of the agreement. The firm supported delegation and the participation of workers and accepted that involvement in decision making and exposure to the company's operating processes and structures and business pressures would provide valuable experience that no training course could (Legal & General, 1998). To attain this objective the firm employed a lead supervisor, who was personally accountable for the improvement of expertise and skillfulness of the unionized delegates in order to facilitate them to work more efficiently.

Following a long period of economic development in a booming industry, Tesco emerged in the late nineties as the largest supermarket chain in Britain with reference to sales volume. Prior to this the retailing company had managed to discard its stock them high, sell them cheap reputation. For Tesco Stores Ltd, gross revenue in the late nineties



averaged £639 million, total business amounted to £14,515 million and current assets £1,999 million (Tesco, 1998). The firm kept in its service 158,484 staff, 70 percent was women and 65 percent on temporary agreements (ibid. 1998).

During the nineties, nevertheless, the old fashioned voice mechanisms and the formal union-management cooperation framework were taken to be restraining the worker participation thought as necessary to implement critical modifications and satisfy consumers' needs. The firm had not revised its industrial arrangement with the Union of Shop Distributive and Allied Workers. In reality, it had advised employees not only to continue their association with the trade union, but to play an active part in its activities (Allen and Haynes, 2001). Workplace relations had been virtually restricted to the occasional discussion of the Retail Agreement, defined as ritualized by managers as well as trade unionists, and to regulatory delegation of a small extent. Managers thought that the conventional modes of operation, and the yearly general meetings in specific, were obsolete, unsatisfactory and inappropriate to a modern industrial relations system. Discontent had come to a climax by the annual negotiation of the partnership, and managers observed institutional strategies on topics of great significance to the company to be decided by employees in other firms and industries. Apart from this, management wanted to take counsel with trade unionists and was not inclined to transmit information exclusively through the institution.

Negotiations developed in a specific way and direction as managers and unionists wanted more flexible industrial relations. Although the opinions of the two sides were distinct, there was a consensus about the general notions related to social partnership. Particularly, the delegates of the Union of Shop Distributive and Allied Workers

specified topics of distress for unionists at an early stage, and made an effort to solve the problems. Though Tesco acknowledged the part of the institution as managers' consultant on issues associated with business ethics, the institution was regarded as an opposing force with a large degree of self determination, less likely to be found in non-union varieties of employee involvement or empowerment, and its own liberties.

Subsequent to a process of testing qualities in four outlets in 1998, local meetings were organized by all retailers in the following year. Most of these local meetings took place in the stores during the summer months. A major National Forum was held in April 1999. The debate and negotiations in the forum and meetings were about a variety of topics. Until now a number of the topics discussed by the partners in the meetings have been dealt successfully in the workplace. This is a depiction of questions attempted to answer.

What about a good rise this year? When we open a new store do we automatically close small stores in the same team? Why are we offering more 3 for 2 offers than 2 for 1 offers? Can we put a VAT button on tills/customer service desk? (IDS, 1998)

Both managers and unionists portrayed the discussions as a success story, and they also gave an account of the passion and the determination of the partners to resolve the difficulties. Admittedly some delegates of the Union of Shop Distributive and Allied Workers have not bought in, but the two sides accept that the new arrangement is an ongoing procedure. Even though all the prospects have not been realized, the two sides feel confident about the cooperation and the future of the relationship. A revision of the agreed terms was proposed, and an Annex in the Partnership Agreement makes reference to the right for cancellation, which makes it essential for the two parties to make further progress.

Under the circumstances in consideration most of the influence of labour institutions stems from their own capacity to increase worker participation in the companies, and to make certain they conform to organizational transformation. Otherwise, the disorder that is likely to emerge as a consequence of the marginalization or displacement of institutions can also restrain the cooperative attitude. Many large retailers, for instance, are greatly exposed to work strikes in the dispersal of goods among consumers that damage a sophisticated inventory management, which relies on just-in-time methods. The extensively regulated distributional operations are defined by an antagonistic relationship (Tesco, 1998). Especially in the finance and retail industries, contention is relevant to the good quality of product distribution, arguably an important consideration for the viability of the firms. Accordingly, the circumstances in the case studies portrayed the inclination of the directors to select a policy that incorporated the acknowledgement of trade unions whereas the early efforts to reinforce the participation of workers had not been successful. Furthermore, partnership agreements are taken to secure legitimacy and respectability, both regarded as significant characteristics of a virtuous circle which results in the attachment of employees to the company. From the employers' point of view the virtuous circle was described as a process where they, the employees, serve as we manage (Barber et al. 1999). Of great significance is the possibility of advantageous statutory amendments. The managers in the cases analyzed were convinced that if they had not been willing to dismantle the labour institutions before the organizational transformation taking place in the late nineties, they were not prepared to do it later. This partially confirms the hypothesis that the coexistence of social partnership and collective organization, also helps the increase of organizational trust (Deitz, 2005).

Taking into account the mutual gains from incremental adjustment, one side pursuing to assist transformation and the other to affect it, partnership agreements are strongly related to the improvement of business functions, particularly as regards the rearrangement of industrial relations (Nissen, 1997). In the two case studies both sides displayed to the full extent conformity to organizational transformation. Managers realized the potential for increased worker participation in decision-making and unionists the chance to make an impact on the procedure and its results.

Clearly, the expectations of the parties are critical. They limit the other party's room to manoeuvre, while disappointed expectations, particularly of the other party's behaviour, may result in withdrawal from cooperation. (Allen and Haynes, 2001).

The clashing of opposed principles in partnership agreements is determined by the degree to which the unionists are engaged in issues that they recognize as significant which are not essentially compatible with those of the managers, as recognized by them, and the other way round.

The chief executives and the employee delegates in the case studies assumed a rational calculus of advantages and disadvantages to decide on the nature of cooperation. While there was not a general agreement on all the issues discussed, union-management relations illustrate the determination of the two sides for a cooperative workplace. Therefore a favourable terrain regarding the aspirations of the associates has made it possible to proceed with the new relationship. The two sides have made an effort to give a definite shape to the partnership agreement by consolidating the framework and authorizing the conditions to cope with the usual strains. However, the evidence indicates that social partnership may be susceptible to pressures from outside the organization and to ill defined prospects.

By applying the intellectual process of synthesis, I demonstrated that partnership unionism is consistent with collective organization. In fact, the American model of union organizing appears to be complementary to a Rhenish version of social partnership. It is by means of simultaneously offering a good chance and bringing external pressure that labour institutions have the capacity and the power to enjoy the advantageous circumstances of union-management cooperation. This study suggests that institutions must support a cooperative relationship on the understanding that the environmental factors are in favour. The analysis in this section defies the general notion that union incorporation is essentially dormant and subservient, and usually results in disintegration.

### **The Sword of Justice and Voluntary Recognition**

The number of trade unionists increased by one hundred thousand at the turn of the century after about twenty years of continuous decrease, the lengthiest period in the history of unionism (Metcalf, 2001). This section examines the decline of trade unionism and attempts to answer the question if the late developments point to regeneration.

The organizational structure of unionism in Britain has also changed. The number of labour institutions used to be around 1,300 before World War II and it was about 800 afterwards (Metcalf, 2002). Coalitions, acquisitions, and the decrease in membership for several organizations such as the Jewish Bakers and Sheffield Wool Sheep Shearers have forced this number to 225. In fact, 10 labour institutions in Britain make up for nearly seventy-five per cent of trade unionists today. However, smaller labour institutions still

exist like the Association of Somerset Inseminators and the Church and Oswaldwistle Power Loom Overlookers Society.

In close association with the decrease in membership is a complete transformation that has taken place in the field of collective action. The Workplace Industrial Relations Survey provides the evidence. In the mid-eighties in sites with more than twenty-five workers there was not any fluctuation in the number of places with no collective representation, this persisted at about fifteen per cent. By the late nineties, nevertheless, there was a steep decline in voice arrangements where unions formed the single channel of communication and a less marked decline in dual channel voice involving union and non-union channels in combination (Bryson, 2000). But those recent developments were counterbalanced by a substantial increase in collective action with friends and colleagues. In places with more than ten workers, around fifty per cent had regular meetings between senior management and the workforce, briefing, or problem-solving groups.

**Table 5: Changes in Worker Voice Arrangements (%)**

Type of voice arrangement	1990	1999
Union only	14	9
Union and non-union	39	33
Non-union only	28	40
No voice	19	17
Representative voice only	18	14
Representative and direct voice	43	39
Direct voice only	20	30
No voice	19	17
Weighted base	1,997	1,991
Unweighted base	2,059	1,920

Source: WIRS, 2000.

The strategy was not always evident. The equilibrium of supporting old unionists and recruiting new ones was often not well defined. And, up to now, equal opportunities and family friendly policies, had not been given great consideration. It was time-consuming for trade unionists to take measures concerning management especially in order to put

sector wide agreements right and reconcile themselves to the disintegration of collective bargaining. Special prominence attached to social partnership implies that those difficulties may have been overcome.

The likelihood of new places attaining a desired level of acceptance has decreased over the years, in comparison with old sites. Similarly, the probability of a junior employee becoming a trade unionist and participating in collective representation has also become smaller, in contrast with old employees. Which of those trends, is more significant in the interpretation of the decrease in membership? An authoritative explanation could be given if only we had the combined information on new places and workers. However, scholars reflect that the dominant trend is the one related to sites because all employees have a smaller chance of becoming trade unionists in places founded in the early eighties (Machin, 2000). This is quite possible, it is less probable for a labour institution to exist in new sites, which also decreases the likelihood of collective action for all workers. Junior employees are especially affected as they are more probable to work in new places. In sites founded in the early eighties, for instance, just ten per cent of workers were under twenty-five, while in places founded in the late eighties and early nineties they were seventeen per cent.

The British Household Panel Survey of union wage effects, is instructive. For trade unionists, the salary bonus has fallen from around sixteen per cent in the early nineties to about ten per cent in the late nineties. There is no pay premium to enlist in a labour institution, and no expenses incurred to quit. The argument is that for men it used to pay to be in a union and it used to pay to join a union, but by the end of the 1990s it does not. For women the answer is, it does still pay to be in a union, but not by as much as it used

to, and it does not pay to newly join. If labour institutions did not exist the spread in the wage distribution would be larger by 2.6% between men and women. This impact of unions on the wage structure is estimated from differences between union and non-union wages in the presence of unions. This evidence is then used to calculate what wages would be in the absence of unions. The implied assumptions and method of calculation is set out by experts (Charlwood et al. 2001). This is a significant outcome. It can be regarded in terms of relative importance if we compare it to the NMW effect. The new legislation in the late nineties was particularly advantageous for females, more than half of the employees affected were women, and the spread in the wage distribution was decreased by 1%. In comparison with the union effect, institutions reduce the gender differential by 2.6%, much more than the national minimum wage.

Besides, across public and private companies labour institutions can reduce the distribution of pay in unionized sites more than in non-unionized places. It was a long time ago that classical economists pioneered the general notion of the common rule in the field of workplace practices to describe the aspirations of labour institutions. The determination of a minimum wage policy, along with other related issues, was the basis of this idea. The legacy of this general notion has faded away as negotiation of wages by trade unionists in most cases has shifted from nationwide settlements to either industry or company pacts. Less than ten per cent of workers are now incorporated in nationwide treaties while twenty-five per cent are included in company arrangements. Accordingly the wage distribution in non-unionized sites is reasonably expected to be greater today than it was in years gone by. However, in unionized places the spread of pay will be less, *ceteris paribus*, than in non-unionized sites. Sector-wide agreements are present in

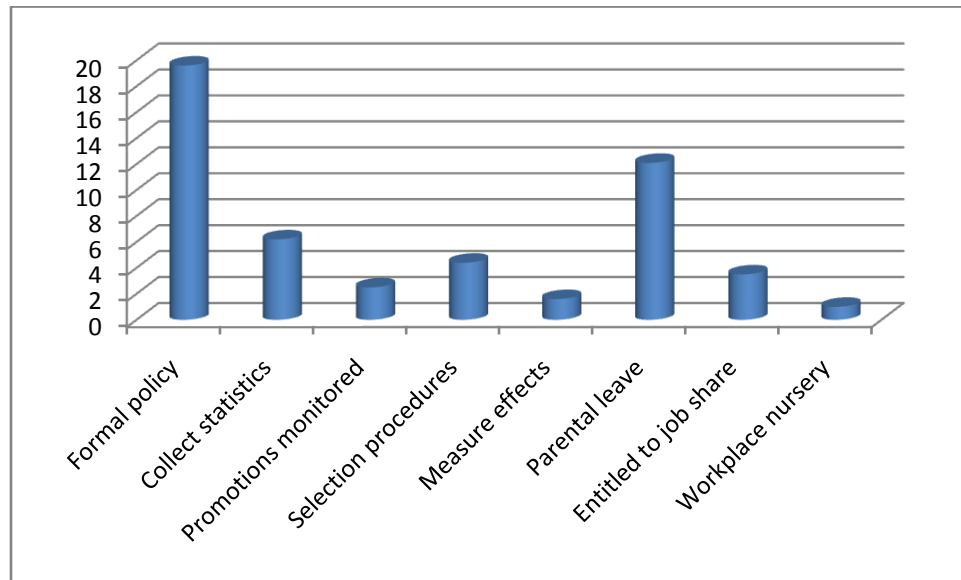


sections of publishing, weaving, furnishing and building. Furthermore, in industries where nationwide agreements were broken the policies of labour institutions allow for and promote equality of rates between firms via research and development for negotiations by an organized body of employees, a jointly operated mixture of several small holdings, and the participation of trade unionists in decision making.

There is another reason why wage dispersion is smaller between organized workers than between unorganized employees. It is because labour institutions safeguard the wages of those on small incomes and in organized places, they put into practice fair principles, such as work status for instance, instead of biased considerations, like in unorganized sites (Belfield, 2002; Metcalf, 2002). Labour institutions also cut down wage dispersion in distinct groups of the workforce, for example males or females, ethnic or other minorities, and non-manual or manual workers. If it wasn't for labour institutions wage dispersion between men and women would be greater by almost three per cent. This is an important result. The introduction of equal opportunities in the past was particularly advantageous for the employment of females, most of them benefited from those policies, but wage distribution between women and men was reduced by just one per cent. The effect of labour institutions in decreasing wage dispersion between men and women is also stronger than that of family friendly policies. The recognition of a labour institution is strongly related to a possibility of the existence of policies such as workplace nursery and parental leave to facilitate the work of women. Other policies such as entitlements to job share are aimed at women, racial and ethnic minorities, and those with long-term disabilities. (Bewley and Fernie, 2003; Bewley, 2002). Females in organized places are more privileged with regard to selection procedures, versatile job

agreements and support for their own tasks and responsibilities than females in unorganized places.

**Chart 4: Extra Likelihood of Policy Being Found in Workplace with Recognition (%)**



Source: WIRS, 2000.

Equal opportunities and family friendly policies, are affiliated with collective representation. It may be, for instance, that organized places are more probable to adopt these courses of action because labour institutions are usually acknowledged in large sites, where the need for equal opportunities and work redistribution pacts is greater than in small places. Researchers who made an enquiry into this likelihood discovered that regardless of the nature of industry, the largeness of company, and the practice of human resource management, equal opportunities are related to union acceptance (Fernie and Gray, 2000). The data displays that the possibility of the adoption of those principles of action is greater in organized places. The acceptance of labour institutions is affiliated with the frequency of these approaches. For instance unorganized sites are about twenty per cent less probable to have a formal written policy on managing diversity. From

another perspective places with a labour institution are more probable to adopt those courses of action and in particular to collect statistics on posts held by women or men.

Besides, these average results can have very significant implications. When a resolution is reached to acknowledge a labour institution, management is particularly influenced by the methodology the partners intend to follow. Firstly, administration is regarded as more effective when there is equilibrium of control between managers and unionists on the shop floor. Too powerful or too fragile labour institutions may damage the social and economic environment. Secondly, when a labour institution is accepted it is recommended for managers to make provisions for it, acknowledgement combined with animosity is the worst policy. Thirdly, labour institutions are considered to be more efficient when management is successful. The directors' awareness of the political, economic and social environment can also support the validity of these arguments for business administration. Labour institutions with delegates who have the ability to act as a support mechanism for employees, or an influential mediator for employers, are regarded as capable of creating a better socioeconomic environment. The important consequences are obvious. When an agreement is reached to accept a labour institution it is reasonable to provide for the members and make sure they are satisfied. This indicates, for instance, that social partnership which advances a collaborative employment relationship is likely to produce a more effective management.

Throughout the period since classical economists talked about work accidents, it has been confirmed that the existence of a labour institution on the shop floor is reasonably expected to increase safety. There is a variety of reasons which cause this effect. For instance, trade unionists take security measures and, from time to time may have to go on

strike regionally. Several labour institutions provide health services and educational facilities for members and their families. In addition, the existence of an officially acknowledged labour institution on the shop floor will presumably favour voice over exit, and trade unionists who are worried about injuries are more probable to be advised.

According to the school of pluralism, labour institutions have a significant sword of justice effect. It has been demonstrated, for instance, that labour institutions moderate wage distribution, and protect the right to be employed without discrimination. Special prominence attached to these principles may as well encourage several non-unionists to sign up with a labour institution and it is the revival of syndicalism an important issue we now have to address.

It is possible that, finally, the execution of the EU Directive on Information and Consultation will have a greater impact on British industrial relations than union voluntary recognitions. It validates, new methods and ideas, fixed and comprehensive settlements for communication and conference for every company using the services of more than fifty members of staff. It accounts for seventy-five per cent of workers in Britain. For some managers this may be an occasion to enfeeble collective representation, for others it might be a chance offered by circumstances to introduce long-term agreements which supplement high commitment administration. The challenge for labour institutions is to capitalize on those plans and to increase their influence on the shop floor. The facts verify that the existence of a labour institution in the workplace may complement those settlements.

How can British labour institutions use the ongoing developments to their own advantage? Generally there are a couple of distinct possibilities. The number of jobs in

organized sites has to increase more than in unorganized places or labour institutions will have to expand membership density.

Membership has fallen since the early nineties where labour institutions are accepted, have workers lost their appetite for unionism? The British Social Attitudes Survey attempts to answer this. It claims that the desire of an employee to sign up with a labour institution or not is contingent on that employee's apprehension of the advantages and disadvantages of collective action as they are perceived by friends and colleagues (BSAS, 2002). Some experts ascribe the decline of unionism in the nineties to the emergence of HRM, and the dissolution of collective bargaining for instance, which enfeebled unionization (Brown et al. 1998; Charlwood, 2000). Others suggest that collective representation has decreased because of the redundancies of experienced representatives and influential delegates who were not happy with the new style of governance (Fairbrother, 2000; Darlington, 1995). Scholars also contemplate that the weakening of unionization in the nineties is related to the servicing model where labour institutions offer perks to trade unionists like credit facilities, health centers and insurance policies (Edwards, 2000). As they observe, this model has not fared well.

Labour institutions will have to be skeptical about enforced or hurried recognitions. Commentators define a union as an organization of empowered employees (Metcalf, 2001; Willman, 2001). A labour institution acknowledged via the legal route is, in my opinion, more probable to face a recalcitrant employer which is the case in around thirty per cent of unionized sites where there is no significant collective action. What is more, labour institutions are less likely to be economically sustainable, incurring more expenses to function than raising profits, therefore straining the resourcefulness of unionists. If that

is the case the fundamental reason for labour institutions' support for the legal route must be interpreted by the indirect effect of the new legislation which assists the formation of voluntary recognition deals.

In a recent study it was displayed that marriages of convenience are heavily skewed toward the construction and building industry and trade unions are not concentrating on employment growth areas such as call centers, retail and business services and hotels and restaurants (Gall, 2000; Gall and McKay, 2000). This results from trade unions recruiting and organizing within relatively familiar areas and where they already have some membership base. This is validated by the Industrial Relations Services which demonstrates the particulars of union recognition agreements illustrated by employment trends between the late nineties and the turn of the century just before the new legislation comes into effect. More than two hundred voluntary recognition deals have been traced. Roughly half the employees were in the manufacturing and construction industry, electricity, gas and water services as well as catering staff. More than fifty thousand employees were in the traditional building, banking and insurance and telecommunication industries, and only around fifteen per cent of members of staff were in other services.

**Table 6: New Recognitions**

Sector	No. of recognitions	No. of employees
Manufacturing and construction	78	28,699
Public services	12	10,280
Finance	5	10,600
Transport	29	11,329
Communication	48	23,839
Ex-public sector	2	2,100
Electricity, Gas, Water	16	12,938
General eg LA Payroll Catering	1	50,000
Total	212	149,756

Source: IRS, 2000.

The number of jobs is improbable to increase disproportionately among unionists than between free-riders. As a result the revitalization of labour institutions depends on the engagement in intense collective organization. Therefore labour institutions will have to rely on the shadow cast by the legal route, to generate a larger amount of official acknowledgements than recently. Moreover, even though recruitment of young employees is imperative, labour institutions have to attach special importance to membership decrease where they are accepted, if they can hold on to old workers and recruit about ten per cent of the young employees every year their fate will change thoroughly.

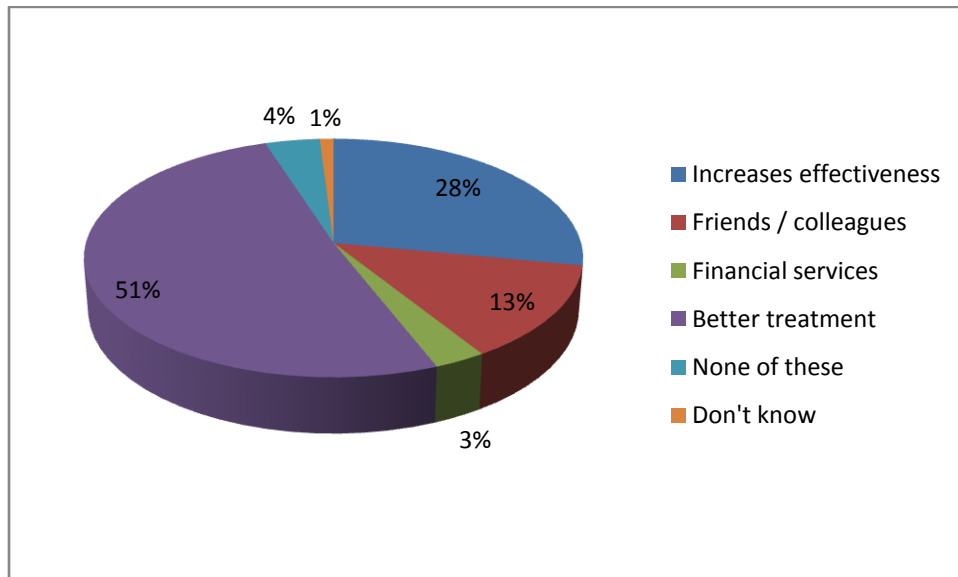
### **Institutional Policies for Employee Involvement**

There was an extraordinary and substantial weakening of unionization in England during the eighties and the nineties that, if it was to go on, would put in jeopardy the subsistence of labour institutions (Bryson and Gomez, 2002; Milward et al. 2000). An explanation of this degeneration may be that the urge of unionists for mobilization has decreased. But there is no evidence in Britain to confirm such a trend. Nevertheless, several commentators suggest that there is a tendency toward liberalization while union organizing which used to support labour institutions is on the downgrade (Bacon and Storey, 1996; Phelps, 1990). This, subsequently, can have an impact on union membership. The recent developments display that a change of position has taken place.

When labour institutions are familiar with the reasons why workers want to participate they can also do what it takes to sustain membership and representation. The

motive power for union recruitment is the general notion that you get better treatment if you have a problem at work. This concept is justified, because the influence and the authority of labour institutions as representatives of the workforce is related to the number of people taking part in union activity. This notion derives from evidence which illustrates that employee involvement is relevant to the possibility that many workers believe labour institutions make a difference to what it is like to work here, and to a union density income bonus (Bryson, 2003). This is mentioned by approximately fifty per cent of unionists and demonstrates that labour institutions have a significant insurance policy part. About twenty-five per cent think the more people that join a trade union the more effective it is. A prime motive for employees to become involved is because friends and colleagues were already members.

**Chart 5: Reasons for Joining among Members in Unionized Workplaces**



Source: BWRPS, 2001.

One of the advantages of unionization is the respectability of good social standing workers enjoy, inasmuch as there is a feeling of mutual support and acceptance on the



shop floor when they associate themselves with a labour institution (Booth, 1985; Bryson 2003). Moreover, if partners and work mates belong to a society, they are potentially capable of providing insight about the advantages of unionization which may not be easily recognized (Bryson and Gomez, 2003). Some employees quoted the union offered financial services such as insurance and credit cards. A small proportion stated they had different objectives, and a weak minority could not state why they decided to join a labour institution. Whether labour institutions can hold on to a high membership is contingent on whether they are considered as value for money. Roughly half the employees claim unionization is reasonable value. Over a quarter judges it is good value, but a smaller percentage reckons it is poor value. We must take notice of other issues which are not related to notions of value for money. They incorporate concepts of the political environment and how managers and workers get on with each other, if the unionists have difficulties in the workplace, or are content about decision making in relation to their tasks and responsibilities. It appears that labour institutions are perceived as good value for money by members when there is a cooperative attitude and efficient voice mechanisms.

Employees in organized places have a strong desire for collective action, they prefer to deal with problems through a union rather than by themselves, with regard to a number of issues. There is an inclination by most workers for collective representation in respect of topics like sexual discrimination and harassment. To the contrary, the desire for independence is stronger than the inclination for collective action with reference to issues such as skill development. The desire for representation in negotiating working hours and conditions is the same whether it is through a union or not. These issues are very

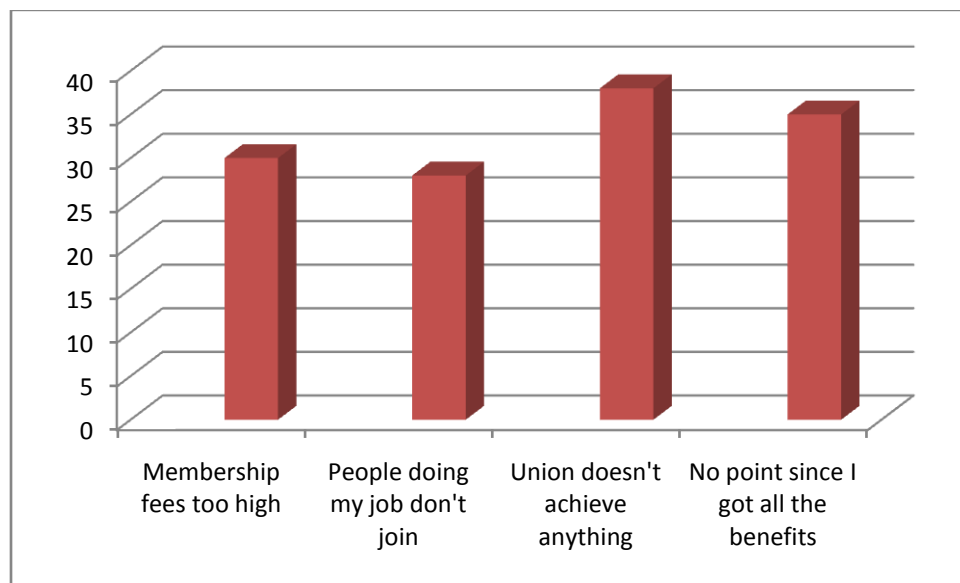
important. They display that the inclination for collective action is greater when employees deal with job security. In relation to training and other topics, although workers have a desire for collective representation, they also have an inclination for non-union action. If labour institutions want to increase union density, they will have to deal with these issues. It comes as no surprise that, even though employees attach great importance to the negotiating part of labour institutions as much as to their insurance part, it is the notion of collective representation, instead of union negotiating, which is more attractive.

Execution of the European Union regulations on advising and counseling workers, once it is accomplished, will have as a consequence the extensive utilization of WCs in the United Kingdom (Gospel and Wilman, 2003). To address the issue of whether WCs are expected to jeopardize the demand for collective action by employees we have to draw attention to the facts which demonstrate that in reality the existence of WCs strengthened the preference of workers for collective voice, and display that it enhanced collective action. The British Worker Representation and Participation Survey provides for the data. It demonstrates that, when employees are asked about the kind of representation they prefer, around ninety per cent of workers say it is through a union. Eighty per cent opted for unions and councils, and five per cent cited works council on its own (BWRPS, 2001). This evidence is very revealing, as regards the interests of employees, for it becomes clear that WCs are not a real threat for labour institutions.

The following chart displays that organizational inefficiency was critical for membership decline, about forty per cent of workers said the general notion that the union doesn't achieve anything was significant in making up their mind not to enlist.

Furthermore, despite the perceived advantages for unionization, thirty-five per cent of employees were willing to free-ride, and they thought they would be better off if they did not have to pay fees. A suggestion for labour institutions to overpower these difficulties is to concentrate on providing services which are exclusive to unionists. The percentage of workers who are free-riders may have to reconsider the perception that membership fees are too high, this way in-fill recruitment is likely to rise.

**Chart 6: Factors in Non-Members Decisions not to Join Union (%)**



Source: BWRPS, 2001.

Undoubtedly the most significant determinant affecting employees' judgement to sign up with a labour institution is the recognition of its efficiency. When workers are convinced that the office or the factory would be less functional without unionization, they are around forty per cent more probable to enlist in a labour institution. Another concept is that labour institutions are essential to safeguard fair wages and treatment which is also closely related to a great possibility of mobilization. Employees' awareness of organizational functions is also significant, inasmuch as workers are reasonably

expected to enrol in a labour institution when they consider it as credible and capable of making a difference. Employees' attempts to increase union density will be more vigorous when they deal with issues such as sexual discrimination and harassment. When workers think they have no such difficulties are about twenty per cent less likely to sign up with a labour institution. When union members are efficient at delivering and well organized, employees are more probable to become involved. Thirty per cent of workers believe it is too expensive for them to become members of a union. This notion seems to be the only reason for non-members not to join a labour institution specified in the questionnaire, which does not depend on something else for its validity.

The data in table 8 clarifies a very important concept. It demonstrates that around twenty-five per cent of employees renounce all forms of unionization in every case identified in the survey, but just two per cent of workers refuse to accept the assistance of other fellow officials in all issues. This illustrates that there is a small number of employees who are not receptive to organization, undeterred by the existence of a labour institution in the business. From another perspective, about forty per cent of workers prefer collective voice in most cases, illustrating the urge for mobilization by a sizable percentage of employees.

**Table 7: Number of Issues where Non-Members Desire Collective Voice**

	(%) Union or on own	(%) Colleagues or on own
Sexual / racial discrimination	10	5
Negotiating salary	10	14
Negotiating working hours and conditions	17	26
Promotion issues	14	18
Bullying at the workplace	9	11

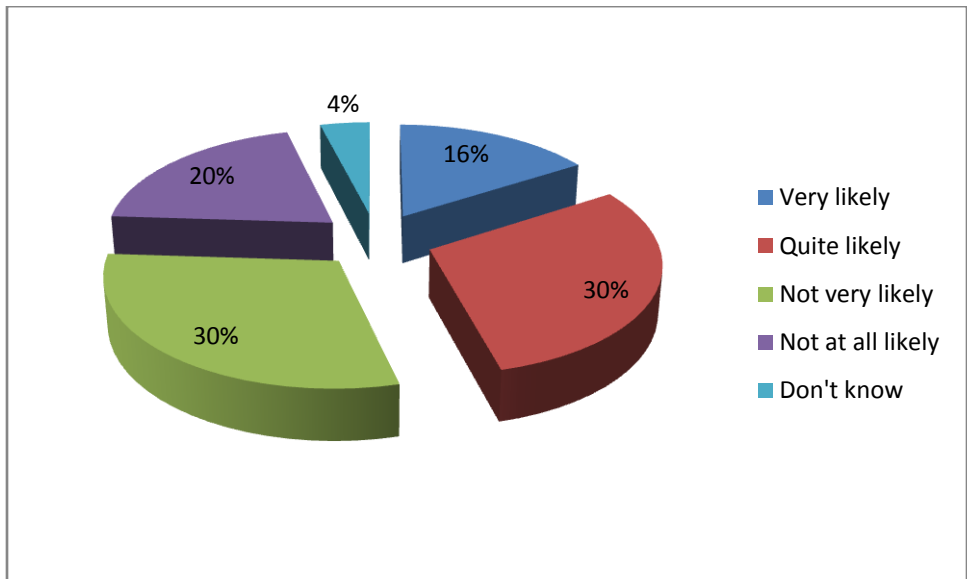
Training and skill development	16	24
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Source: BWRPS, 2001.

Though the British Worker Representation and Participation Survey demonstrates WCs have no impact on the demand for collective action, the Workplace Employee Relations Survey displays the prevalence of WCs over labour institutions. More astonishing is the result that around twenty per cent of workers were unresponsive to labour institutions and works councils, which is possibly an illustration of the barriers to mobilization in organized places (WERS, 2004).

Although the difficulties of collective representation are evident the helpful circumstances are not as obvious, therefore one may anticipate the urge for mobilization to be stronger between employees in unionized places than it is between workers in non-unionized places. This is not in agreement with the British Worker Representation and Participation Survey. Around fifteen per cent state it is very likely they will enlist if a labour institution is founded, and about thirty per cent state it is quite likely.

**Chart 7: Likelihood of Non-Members in Non-Union Workplaces Joining a Union**



Source: BWRPS, 2001.

Workers in non-unionized places can get insight about the advantages of organizing from friends and colleagues who are more experienced. Employees strongly agree strong unions are needed to protect employee working conditions and wages and former unionists are more probable to sign up with a new labour institution, the possibility is by five per cent greater as very likely and by seven per cent as quite likely. These results also demonstrate that the understanding of the employment relationship in an unorganized workplace does not substantially decrease the urge for mobilization.

The proposition which comes to light is that, even though the desire for collective action may be slightly weaker among former unionists and other workers in non-unionized places, a relatively large segment of employees has an inclination for collective representation on all matters. This argument is endorsed in the British Worker Representation and Participation Survey which displays that non-members desire union voice. Though around forty per cent of workers have no urge for mobilization, about twenty five per cent have a preference for collective action on most topics. Roughly half the employees have a desire for the kind of collective representation with colleagues on most of these topics. Therefore, even though the inclination for collective action is lesser for workers in unorganized places than it is for other workers in organized places, the need is stronger for a substantial amount of non-unionists, and may become even stronger if labour institutions can realize the potential and the urge for mobilization.

This comparative analysis points out that about one quarter of unorganized workers have a desire for collective representation. Thus, the future of trade unions in modern Britain is promising, as it is the concept that labour institutions are necessary for collective action, and the notion that they are not outdated organizations. Employees

strongly disagree unions are old-fashioned or have no future in modern Britain. From another perspective, when they are satisfied with the authority they have on decision making in relation to their tasks, they are not reasonably expected to be engaged in trade unionism.

When a labour institution is not present, the urge for mobilization between workers in non-unionized places stems from their awareness of unionization and social and economic issues, their comprehension of collective representation, and the prospects of collective action in the presence of recognized trade unionism. Consequently, to increase their influence in non-unionized places labour institutions have to specify what members of staff think about these issues, and with consultation, try to convince them of the benefits of mobilization. This empirical study makes the following suggestions. Labour institutions should focus on unorganized employees, because they have a greater need for unionization than others. Non-unionized workers are more responsive to collective representation when they perceive their association to the manager as one that cannot be settled by mutual concession, and there is a shortage of effective voice mechanisms. Trade unionists have to establish what measures they can take which are not made available by Human Resource Management for this is related with a decrease in the urge for mobilization. Though they are not a real threat for collective representation, WCs are more appealing than labour institutions between non-unionized employees. Trade unionists must also take into account unconventional modes of operation and collective action as a way of strengthening the desire for unionization. Lastly, the urge for mobilization will be contingent on a membership increase, to secure a good position in a non-unionized place.

### **The Managerial Discourse of Empowerment**

In a standard piece of literature, *The Changing System of Industrial Relations in Great Britain*, scholars have maintained confidently that the truth of the matter is that the study of managers in industrial relations is in a primitive state (Clegg, 1979). A large progress has been made since those days, and as other commentators suggested more recently, the diffusion of knowledge is widespread on executive trends in workplace relationships, on the part of managers in the development of organized negotiations, and on unionization (Sisson, 1987). More than anything else, in the last ten years or so, with the major advance of organizational studies, the systematic investigation of employment relationships, is reasonably expected to incorporate the part of managers, as that of the government or labour institutions (Guest, 2001).

Having said that, government interference in workplace relationships not only implicates statutory legislation, but also affects the formation of the prevailing standards (Godard, 2002; Poole et al. 2005). A matter to be discussed is to what a degree the emergence of the liberal doctrine has influenced the behaviour of executives with regard to state control and in favour of the entrepreneurial ideology? In conjunction with the disintegration of neo-corporatism, manager resistance to discretionary fiscal policy has escalated. Executive approval for legal restraints on labour institutions authority has decreased. Manager assistance for parliamentary mediation to promote an entrepreneurial philosophy founded on privatizations and commerce has accelerated, but probably moderated by the advent of business ethics.



This radical shift in Britain's employment relationships has brought about a discussion on the hollow shell theory, according to which, when labour institutions and organized negotiations are existent, there is a greater executive effect on workplace relationships (Hyman, 1997). Furthermore, authority associations can significantly moderate the impact of cultural changes affiliated with reformative political decisions and the operational modes that originate from them (Kelly, 2004). A problem requiring an answer is whether the decrease in the influence of labour institutions has been relevant to adjustments in the attitudes of managers and their organizational behaviour in employment relationships over the last ten years or so. Britain's executives are extremely concerned of the diminution in labour institutions' authority. Management is less hostile to labour institutions since the turn of the century. Considering the decrease in union density in Britain, executive participation in labour institutions and personnel organizations may have subsided.

In Britain, usually, the most significant organizations for workplace relationships associate with organized negotiations. Nevertheless, in recent times, organized negotiations in Britain have gone down. Therefore, in agreement with a recent survey, in sites with officially acknowledged labour institutions, organized negotiations decreased from eighty-six percent in the eighties to sixty-seven percent in the nineties (WERS, 2004). Nonetheless, collective representation with colleagues seems to have been on the increase, for instance scheduled appointments for chief executives and members of staff, and quality circles (Poole et al. 2005). All the same, the sharing of profits, subsequent to a substantial growth in the eighties, persisted as unchanged during the nineties, and worker stockholding slightly decreased in the same period (Millward et al. 2000). These

circumstances draw attention to another matter that has to be decided. To what a degree are current trends in the management of employment relationships continuous? Organizational operations have influenced the attitudes of executives in workplace relationships and this becomes manifest in the modes of organized negotiations and worker participation.

A postal questionnaire of Britain's chief executives is sampled every ten years by the Chartered Management Institute, to analyze the opinions of managers on industrial relationships. We observe supporting facts of the connection between macroeconomic and social trajectories during the eighties and the nineties as concerns executive organizational behaviour, the influence of worker empowerment on human resource management and the lag effect of trade unions. The most astonishing results are the augmentation of manager unionization since the turn of the century and proof of the substitution of organized negotiations by company level agreements and the late increase in worker shareholding.

A point of special prominence for the employment relationships in the seventies was the utilization of discretionary fiscal policy by the parliament in an effort to control inflation. According to available data, managers have resisted this strategy. Nevertheless, between the eighties and the nineties Britain's executives became more favourably inclined to such a strategy, although the discrepancies are not important. This is in spite of the fact that a general increase in prices was not as significant for the economy because the purchasing value of money was regulated by the Monetary Policy Committee. Therefore our earlier proposition is partially endorsed. There was a substantial escalation

of resistance to discretionary fiscal policy in the eighties constant to a growing versatility in workplace relationships, but this did not accelerate in the nineties.

**Table 8: Attitudes to Government Intervention in Industrial Relations and in Industry (%)**

Government should	Strongly agree	Agree	Indifferent	Disagree	Strongly disagree
Control wages and salaries	1.2	12.6	9.7	40.1	36.0
Control prices	3.1	14.3	11.4	40.1	31.1
Legislate about strikes	12.9	45.0	15.3	16.9	9.9
Have arbitration	12.0	48.0	21.9	12.8	5.2
Establish tribunals	10.1	46.2	24.3	12.7	6.6
Encourage entrepreneurship	48.1	45.3	3.8	1.8	1.1
Reduce powers over industry	22.7	40.3	17.3	16.2	3.6
Encourage share ownership	28.5	50.8	17.1	2.6	1.0
Reduce monopolies	30.0	52.2	12.5	4.3	1.0
Have enterprise culture	42.9	47.4	7.5	1.7	0.5

Source: CMI, 2000.

During the last twenty years, chief executives have been uncertain about the role of labour institutions. They naturally support a singular system of power instead of a plural and heterogeneous network, in which labour institutions participate in decision making (Poole and Mansfield, 1993). However, several executives enlisted in labour institutions or personnel organizations since the eighties, as confirmed by other studies. One of the reasons is that labour institutions have evolved into the principal agents for bargaining wages and working hours, at least in state owned enterprises. In fact, in the questionnaire by the Chartered Management Institute executives responded to whether a labour institution or personnel organization was present and they were favourably disposed to joining one of them.

**Table 9: Trade Unions, Managers' Attitudes (%)**

The trade unions	Strongly agree	Agree	Indifferent	Disagree	Strongly disagree
Have more power	0.9	10.5	19.8	59.2	10.3
Have too much power	2.7	14.3	30.3	47.1	5.1
Have economic interests	4.9	31.0	30.4	29.3	4.4
Should be voluntary	34.8	54.2	6.6	3.5	1.0
Be concerned solely with pay	4.1	24.3	13.3	51.4	6.4
Be prepared to use action	2.2	15.5	12.3	48.1	21.9

Source: CMI, 2000.

Our proposition gives attention to the measurement of the incorporation of management in trade unions. On the one hand, there seems to have been a switch since the eighties from collective bargaining to alternative ways of representation with colleagues (Millward et al. 2000). To the degree that this has happened, on the other hand the trends in human resource development may have shifted from joint action to individual representation but the range of activity may not have changed significantly. Nevertheless, in agreement with facts and figures, even though it is evident that collective bargaining has, for the most part, substantially decreased, it is uncertain that there has been a comparable rise in other methods of employee involvement. It must be stated that our evidence is not the most appropriate for the evaluation of such developments. Nonetheless, in the postal questionnaire executives responded to what a degree they were engaged in scheduled appointments for managers and workers and they were favourably inclined to the participation of councillors or unionists in executive commissions.

Labour institutions are enfeebled these days, but management is more supportive. Besides, according to the results of this study, it was in the eighties and not in the nineties

that the decrease in the authority of labour institutions seems to have happened. It was also in the eighties that executive participation in labour institutions declined significantly. In comparison, more important adjustments in Britain's employment relationships seem to have occurred in the nineties. We have interpreted this by the lag effect of trade unions, which means, that due to the path-dependency of organizational networks, it is time-consuming for the workplace relationships to adjust to macroeconomic policies as well as to trajectories of employee empowerment. Nevertheless, though in agreement with the events of the eighties we argued that the socioeconomic environment had restrained the diminution of organized negotiations, this does not seem to have continued in the nineties. Our evidence is in accordance with the hollow shell theory of a significant decrease in effective organized negotiations as confirmed by a recent survey (WERS, 2004). This confirms the argument that trade unions can postpone, but can not eliminate, the impact of corporate governance, at least for a prolonged period, and also supports the theory that organizational reform can originate from a gradual evolution as well as a radical shift.

### **Welfare Capitalism in Mutual Gains Enterprises**

The spread of corporate governance that relates to a short period of time is commonplace in America and Britain but the line of reasoning is that even though the two countries can be described as neo-liberal societies, there are substantial discrepancies (Hall and Soskice, 2001). For instance, although in both cases, economic policies of competition like the utilization of stocks are imperative in the creation and sustenance of jobs and work redistribution, in the American Business System versatile modes of

operation are integrated into a coordinated structure. As opposed to this, in Britain, competition and versatility are more broadly described and associate with liberalization of the economic system, the deregulation of industrial relations and in that respect the generation of new jobs. The concept of parallel tendencies defines the likeness of the two models of corporate governance, but additionally confirms the irregularities and discrepancies. Following on from this, organizations established in the continental stake holding tradition where versatile modes of operation embrace not only economic objectives but corporate governance which relates to a long period of time as well as versatility and modernization have to contend with these irregularities. Nevertheless, when there is state intervention in contrast to state abstention, the impact of corporate governance that relates to a short period of time may be regulated by the social partners more effectively than in America or Britain (Barnard et al. 2003). I will analyze this topic in more detail in the next chapter when I make an analogy of the interpretations and results I describe here with the ongoing developments in the workplace model of France.

The importance of the range of foreign direct investment and expansion of US multinational corporations is a research priority for many reasons. The effect of foreign direct investment on industrial relations and trade unions was demonstrated in Servain-Schreiber's work, in which American multinational corporations were considered as capable of exercising influence on the values and practices in other countries (Edwards and Ferner, 2002). When this book was written, plenty of thought was given by scholars in the area of trade unionism concerning the capacity of US multinational corporations to exert influence on organizations and traditions. Shearer, for instance, discovered that American multinational corporations were unwilling to officially acknowledge labour

institutions, practiced a more independent type of corporate governance and were less hesitant to suspend employees than nationally controlled companies (ibid. 2002). The notion that foreign direct investment exercises influence on industrial relations has become widely accepted.

The coordinated structure of US multinational corporations sustained by company pacts and industrial agreements, has traditionally functioned in an independent environment which advances a powerful non-union attitude between managers. Nevertheless, the American Business System has been defined by a variable modus operandi of New Deal directors or nonconformist managers that fluctuates from refined welfare capitalist organizations which provide workers with human resource and employee involvement to companies that pursue low-road strategies. Mutual gains enterprises correspond to a highly developed and complex variant of non-union companies which promote fairness and equity and are defined by a rational attitude as well as the conviction that the enterprise, instead of the government or labour institutions must make provisions for the well-being of employees (Almond and Clark, 2004). Consequently, as a substitute for labour institutions, big companies initiate human resource management plans in the field of social security, health services and employment protection. Accordingly, they originated productivity bonuses, fringe benefits and cooperation (Jacoby, 1997). They also increased workforce participation through the development of a distinct and comprehensive *savoir vivre*, the research of society and relationships and voice mechanisms for the consultation of members of staff. In any case, where appropriate they are willing to play it tough to suppress a rebellion. In comparison, New Deal directors allow for the official acknowledgment of labour

institutions and negotiate in good faith with unionists on statutory provisions and centralized arrangements, i.e. job control unionism, which provides for quality circles and other standardized operations. In many aspects, the good fortune of the two variants is dependent on the stability of trade relations and the non-existence of recessions. In late years, the prosperity of mutual gains enterprises has been moderated by the increased use of mechanical arts and applied sciences and New Deal managers have encountered a highly competitive global environment that has impaired sector-level agreements, making less clear the differentiation between the two models of corporate governance. According to some commentators this situation may force management to resist unionization so as to survive in an economic environment of intense competition leading to the disintegration of the employment relationship (Darbishire and Katz, 2000). Nevertheless, the heritage of mutual gains and the New Deal persists in company-level industrial relations. There is an established practice of coordination for workers and organizational capabilities for managers which may join forces with the home-country environment to support company-level agreements and industrial relations. It is the manifestation of these attributes that may restrain the effect of current workplace practices which on first impression cast doubt upon mutual gains and the New Deal.

The extent to which it is possible for multinational corporations to spread their culture is not decided only by these restraints, nevertheless, but also by the receptiveness of the host country environment. Some techniques are contingent on employees obtaining a wide range of qualifications, and on a strong industrial relations system, or else, the corporate culture will not spread in the same manner it does in the country of origin. Thus, when social partners are not capable of implementing innovative policies, and the



workplace relations structure does not have the capacity to support them, the network is not receptive. For example, scholars have suggested that the British model, with its characteristics of somewhat confined skill learning, formalized performance of tasks and reliance on a small number of key experts, is not as quick to receive ideas for incremental adjustments as the German variant, because this depends more on diversified quality production, work redistribution pacts, and a broader range of potential receptors (Edwards and Ferner, 2002; Lam, 1997). For that reason, liberal societies, like Britain, are not usually as responsive or sensitive to organizational change as the more coordinated economies.

Most of the mutual gains enterprises have traditionally opposed unionism in Britain, though one or two finally recognized trade unions after a long period of dispute during the sixties and the seventies. In some partly unionized firms, a quite similar pattern of resistance to labour institutions, when this is possible, is also evident. On the other hand, the New Deal companies which are established in Britain have customarily conformed to the Oxford school of pluralism. It is perhaps too early to talk about the newly founded British subsidiaries. When industrial relations are organized to a limited extent or unorganized, this illustrates the business ethics transferred from the mother company, which may be associated with a regulated methodology aiming to slim the possibility of mobilization. The case of IT Services is informative. Throughout the seventies and the eighties, labour institutions exerted pressure to enlist unionists and were successful in the conclusion of a shotgun marriage via the legal route. The management opposed union acceptance, emphasizing the firm's paternalistic methods, one of the directors engaged in negotiations for a settlement stated that he convinced the workers that you are joining IT

Services, it will look after you from cradle to grave (Almond and Clarke, 2004). This approach succeeded, inasmuch as most of the directors were unaffected by the acknowledgement. A chief executive who had been included in negotiations for an agreement spoke of the halo effect that they had experienced for a while after this wonderful achievement for the company (ibid. 2004)

Possibly the most important outcome of a literature review on American multinational corporations is that they are greatly concentrated, which makes them distinct from other firms (Edwards and Ferner, 2002). This effect is constant over the years and not relating to a particular time. In a questionnaire, about buy-outs of companies in Britain by multinational corporations it was discovered that the American mode of post-acquisition management appears to be hands-on, forceful, oriented to quick results, and distinctive (Child et al. 2000). The data on British subsidiaries, drawing from publications and relevant questionnaires display that this highly centralized structure is evident in the field of human resource and industrial relations (Beaumont and Martin, 1999). Other evidence from France, Germany, Belgium and Holland implies that this greatly concentrated framework is inherent in US multinational corporations and is not related particularly to firms in Britain (Gunnigle, 1995). This highly centralized structure is exercised by means of leadership, for instance the extensive utilization of expatriates in managerial posts and by way of rules and regulations. US multinational corporations are identified by their dependence on strict economic control procedures, a recent project on companies in Europe, for example, disclosed their special attachment to regular economic audits (Wever, 1995). The significance of this greatly concentrated framework is the clear manifestation of the country of origin influence in US multinational corporations.

Some commentators attach special prominence to the late policies about dividend yields and the effect they have on how US companies take well thought out decisions with the purpose of sustaining inherent characteristics of high competition, even though this trend is not essentially something new in Britain (O'Sullivan, 2000). Other scholars suggest, it is possible there is some inconsistency in the appraisal of corporate governance that relates to a short period of time because this was already implanted in British firms (Almond and Clarke, 2004; Thompson, 2003). The organizational capabilities of American companies indicate a tendency for inventiveness and creativity stimulated by the wide-ranging dissemination of workplace procedures and techniques pioneered by multinational corporations. Most importantly for our enquiry into the issue of originality and novelty of the American Business System, one of our major arguments in this part, the Americanness of British subsidiaries of US MNCs, is that multinational corporations are inventive and creative in the field of human resource as well as workplace performance in most cases, which has great consequences for the employment relationship. Although this hypothesis at first sight seems to be substantial with regard to the manifestation of dividend yields, and the determination of corporate management, it leaves a margin of doubt. What I imply, is that company-level settlements sustain the heritage of mutual gains enterprises, and New Deal methods in workplace relations, incorporating the legacy of the school of pluralism in the employment relationship, which becomes manifest in companies in Britain.

Another important point is how American multinational corporations coordinate with industrial relations systems in Europe and how employee delegates become responsive, that is to say, how the country of origin influence is moderated by the home-country

environment. I have argued that American multinational corporations have not complied with the customs of trade unions in Britain, but this is mitigated by the urgency to adjust to the local system of industrial relations. There are a small number of projects, nevertheless, that analyze the same company in various countries (Royle, 2000). There is virtually no knowledge on how an individual firm-level strategy is carried out and becomes functional in coordinated societies like France or Germany in contrast with liberal economies like Britain. A suggestion for further research, is how the union-free attitude of several American multinational corporations is received in a home-country network which makes constitutional provisions for unionization? An answer to this question is that in more integrated structures American multinational corporations with a union-free philosophy are probable to work out functional equivalents of unionization like employee involvement.

The distinctive characteristics of the American Business System are the operational coordination and the tendency for centralization of the corporate governance and the employment relationship spread out by the adoption of innovative approaches of human resource like those found in some British subsidiaries. In multinational corporations, the plants attempt to diffuse the workplace practices of the mother company to the daughterly firms, which subsequently become trail-blazers for the local companies. Nevertheless, the facts indicate that the situation is more complex than this for British firms. This is so for the reason that companies in Britain, although they demonstrate American qualities, are associated with a broader firm-level personnel management that also includes home-country properties in traditionally non-union organizations. With reference to the current demands of the American Business System, company-level agreements are maintained

partly by the heritage of mutual gains techniques or New Deal methods in corporate governance. This gives rise to our main argument that the home-country environment and the manifestation of mutual gains practices and New Deal approaches can act as restraints on the workplace practices conveyed from the American Business System to Britain.

The range of activities performed by US multinational corporations has become wider. Under the circumstances of an economic environment which has been more advantageous since the eighties, American companies were reinforced in the world stock exchanges following an era during which organizations from Europe and Japan were thought to be more efficient than US companies. Taking into consideration the increasing globalization of labour markets, the effect of American multinational corporations on British industrial relations may reasonably be expected to grow.

### **A European Perspective of Worker Participation**

After discussing the American influence on British industrial relations and trade unions it becomes appropriate to also discuss the European influence. It may be argued that the European effect on British workplace relations and labour institutions is more important as it also involves statutory legislation. The commentary proceeds as follows. Firstly, I refer to the evolution of trade unions in Britain, by analyzing the historical background, and the argument is there have been several missed opportunities in the past. Secondly, the concluding part of this chapter analyzes from a European perspective the present context of representation, information, and consultation at work, with reference to British employees. I also try to answer the question what do British workers want, by

making international comparisons between the United Kingdom, and nations such as the United States, Germany, and, France.

By using a historical approach we can draw a number of arguments. Firstly, the inconsistency of the voluntary practice of free collective bargaining was that it was dependent on an essential supporting structure of legislation and government intervention. It could not provide a ceiling on the ambitions of trade unions, in advantageous circumstances, or a floor in disadvantageous circumstances. Secondly, according to some scholars, organized negotiations and informing and consulting developed simultaneously in an interdependent and complicated double helix relation (Wedderburn, 1997). Some times they supplemented one another, and some times they were against each other. Retrospectively, labour institutions and managers missed quite a few opportunities to establish an organizational framework of worker participation founded upon interrelated organized negotiations and advising and counseling. As far as British trade unions are concerned, in the mid seventies, they did not take a good chance to secure their legitimacy. Since the mid seventies, the organizational structure of the voluntary practice of collective bargaining dissolved, and the level of organized negotiations decreased.

When the Labour Party came to power in the late nineties the legislation on union recognition was reintroduced and the laws originating from the European Constitution on informing and consulting also had to be reformed. In the field of advising and counseling, the selection of delegates is based on a hierarchical order with shop stewards coming before the reps of informing and consulting commissions and the employees selected ad hoc for a particular task. As far as multinational corporations are concerned, the state

accepted the European Works Council Directive. This had the following implications. Firstly, it formed legally based representation agreements in Britain, though for a small number of workers, those in multinational corporations. Secondly, it regarded consultation as inclusive instead of exclusive, and the selection of employee delegates was institutionalized for organized workers as well as unorganized workers. Eventually, since the turn of the century, the British state also adopted the EU Directive on Information and Consultation Rights. Therefore, with regard to the legislation and its implementation, Britain has followed a multiple channels path, but has been left with a disintegrated organizational framework of advising and counseling (Gospel et al. 2003).

The existence of informing and consulting commissions and union recognition are strongly related. Accordingly, about forty percent of sites with an officially acknowledged labour institution had an advising and counseling commission, in comparison with less than twenty percent without one. Based on this piece of evidence some scholars suggest that union representation and indirect employee participation go hand in hand rather than being substitutes (Cully et al. 1999). Nevertheless, they conclude that in unorganized places with a labour institution, informing and consulting agreements do not seem to be a platform for acknowledgement (ibid. 1999).

If we now compare the United States with the United Kingdom we observe a common inheritance of a strong dependence on organized negotiations. In retrospect, American labour institutions were seeking to reach agreement with managers via collective bargaining. From another perspective, a number of big companies formed employer dominated labour institutions and non union arrangements (Gospel and Willman, 2003; Jakoby 1985). With the New Deal, the Wagner Act prohibited these

agreements, and, up to now advising and counseling with no labour institutions remains illegal. As a consequence, managers are restrained in representation and consultation processes with no trade unions. Labour institutions were seeking to negotiate and have not pressed for voluntaristic informing and consulting procedures. The result is that the level of organized negotiations has decreased, employee involvement has not increased, but advising and counseling committees have become more popular.

Germany has been compared several times with the United Kingdom by doctoral researchers of industrial relations. As opposed to Britain, Germany has traditionally followed a multiple channels path, with organized negotiations at the central level, legally based informing and consulting on the shopfloor, and worker participation in the executive committees. The academic literature of advising and counseling in Germany indicates that the relations between German labour institutions and works councils have been successful (Gospel and Willman, 2002). Trade unionists are often works councillors themselves, the labour institutions support their advisory role, and this is also beneficial for worker participation. In terms of legislation and its implementation German workers via the works councils are better informed and consulted than British workers. Nevertheless, more recently, works councils have in several occasions substituted for labour institutions, with a higher level of informing and consulting and a lower level of collective bargaining. For labour institutions this is both a challenge and an opportunity for further development of coordination (Frick and Lehmann, 2001; Thelen, 1991; Turner, 1991).

In practice, nevertheless, German labour institutions still have an important part in the procession of corporate information. Firstly, they have a significant role via the



consultative committee, and about eighty percent of works councillors are also trade unionists (Jakobi et al. 1992). Furthermore, at the request of trade unionists, the labour institution is eligible to become involved in work council and Economic Committee conferences. The labour institutions also provide advising and counseling to Betriebsrat members. Secondly, German labour institutions have a significant part through the executive committee, because of the presence of many works councillors (Gospel and Willman, 2004). Furthermore, full time trade unionists can participate in the supervisory board to represent the workers, and this makes accessible to them corporate information, and useful databases.

In comparison, the French case may be considered as less positive for labour institutions. France has also followed the path of multiple channels, with legally based advising and counseling and organized negotiations. Occasionally, the French state has interfered in workplace relationships to endorse agreements. In postwar years, legislation has made compulsory the presence of a comité d'entreprise. The introduction of the Auroux Law in the early eighties, has facilitated the role of the comité d'entreprise to secure the rights of representation and consultation as well as to guarantee worker participation in the decision making process. French managers are constitutionally obliged to advise and counsel employees on a large number of issues (Gospel and Willman, 2003).

Apart from the statutory legislation about management, in the field of redundancies, the French state has intervened several times to protect the workers. Between the mid seventies and the mid eighties adjustments were made to the Code du Travail and informing and consulting about redundancies (Howell, 1992; Jenkins, 2000). Between the

late eighties and the early nineties the law made it compulsory for companies to have a Plan Social. This certificate has to report the number of employees to be made redundant, the amount of compensation, vocational learning, and other information. If the comité d'entreprise decides that the provision of evidence in the Plan Social is not adequate, it can request a tribunal to cancel the process of redundancies and demand another plan. In several occasions related to big companies like Crédit du Nord, IBM France, La Samaritaine, and Michelin, the law has been interpreted in favour of the workers and the dismissals were halted (Gospel and Willman, 2004; Bledniak, 1999).

Industrial relations systems are strongly related to national trajectories and are not easy to emulate. Note that all the countries compared have a higher level of productivity than Britain. Market services make up 34-43% of total employment in the four countries, for productivity in market services as a whole, the US led the UK by 38% in the nineties, Germany led the UK by 34% and France led the UK by 36%, the UK productivity shortfall vis-à-vis Germany and France was wider in market services than in manufacturing, it is only relative to the US that Britain performs better in market services than in manufacturing (O'Mahoney et al. 1999). The argument is there are probably lessons to be learned for British workplace relations from the European countries. If British unionism conforms to the American model, it will be isolated in the shrinking area of organized negotiations. From a different perspective, there is a possibility that they can benefit from works councils style agreements, as in Germany. Nevertheless, the French story indicates there is no guaranteed route to success if they are not able to profit from these agreements. Speaking of Germany and France, the point is whether continental type representation and consultation may be successfully conveyed to Britain.

I have indicated that there has been change in British legislation toward multi-channel employee involvement, and informing and consulting becomes of special interest for both employers and employees.

A mixed system with a labour institution and a works council appears to have a pay off as regards the participation of workers. There is evidence to suggest that many employees are satisfied with advising and counseling, but they are not content with other forms of representation (Freeman and Rogers, 1999). There are not any differences among organized and unorganized workers, apart from trade unionists finding themselves in a better position in terms of having a greater knowledge of wage systems in an industry. When there is only a consultative committee employees are content with the level of informing and consulting. This is also the case in workplaces with both a works council and a labour institution. Employees are not satisfied when neither is available, but that is also true when there is a labour institution without a works council. There are two explanations why some trade unionists may not be happy with advising and counseling, perhaps they have greater ambitions which can not be easily met, or some managers may feel restrained to provide with informing and consulting. Nevertheless, it is important that, in workplaces where there is both a labour institution and a consultative committee employees are pleased with advising and counseling.

So, is it possible for informing and consulting to be complementary with organized negotiations? Here, the enactment of the EU Directive Establishing a General Framework for Informing and Consulting Employees is going to have a great effect.

Britain now has a multi-channel network of employee involvement, where collective bargaining persists to some extent, advising and counseling through a works council has

been delayed, and the role of labour institutions has been diminished. As far as the legislation and its implementation are concerned, the United Kingdom has decisively followed the path of multiple channels representation and is reasonably expected to follow this path even further. British employees aim at a higher level of worker participation, but with a strong desire for informing and consulting. The ongoing developments provide for a number of challenges and opportunities for both employers and employees. As a result of the EU Directive, there is a good chance for the state to constitute in the United Kingdom a stable and efficient organizational structure of worker representation and participation. For some managers this may be a chance to enfeeble collective organization, but for other managers it may be a chance to reach agreements that emerge as complementary. To revisit the main argument of this chapter, that is whether social partnership and collective organization are compatible, a mixed system of continental style employee involvement with works councils and trade unions can assist in the formation of such a complementarity.

## **Conclusions**

The language used to explain partnership unionism and worker mobilization is distinct and, among academics and professionals, is defined by a diversity of concepts for the revitalization of industrial relations (Kelly, 1996). However, it is clear, that elements of the two approaches are integrated in institutional policies. The Trade Unions Congress, for example, has made a vigorous and determined attempt to revive collective organization throughout the country and established an Organizing Academy to train a

number of employees in the practices of new forms of representation. At the same time, it has provided for union-management cooperation, started a Partnership Institute and proposed a variety of rules, which allow for the development of collaboration on the shop-floor. This chapter looked into the extent to which social partnership and union activism have a separate and independent existence and also addressed the question if they can supplement each other to revitalize workplace relations.

The emergence of social partnership exerts great influence on the determination of union strategies and the ongoing developments in industrial relations. The establishment of agreement and conference is dependent upon the achievement of getting support from managers and workers. When the Tories were still in power and the European Union was not present, trade unions had no other option but to concentrate on the workplace. However, the possibility of extended European Union jurisdiction, advocated by the Socialists, suggests that we can look forward to constitutional acts, to arrive, like a redeemer, and restore to favour the enfeebled trade unions. At this point, the concept of social partnership as a different style of employee involvement or a distinct form of corporate governance has proved its status with European Works Councils. As a result, we can also expect the rhetoric of politicians, economists, chief executives and employee delegates to reflect novel ideas and innovative concepts. Nonetheless, if social partnership is based on a fragmented structure of organizational operations performed by employers and employees, the long-lasting authorization and independence of labour institutions is open to question. Despite the fact that the theory of industrial relations and labour institutions gives an account of diverse opinions, social partnership may well be defined as an alternative to pluralism or unitarism.

The decade of the nineties was very important for the political developments with regard to labour institutions. The return of socialist governments in Europe and America during the last ten years has culminated in the abandonment of New Right economics. As another option, a new industrial relations system, based on the Third Way has entered into the picture, which calls in question the predominance of neo-liberalism. As a result, the implications for labour institutions are significant, though not very well defined. The background of social partnership provides for state intervention in the area of industrial relations, with the clear objective to ensure that employee representation is existent for the less privileged workers. In Britain, for example, this is evident in the introduction of policies like the National Minimum Wage and Statutory Trade Union Recognition. Partnership agreements may be fundamental in the formation of an original negotiating framework for employers and employees that emphasizes the importance of coordinative workplace relations. Of special prominence is the imperative need for both managers and workers to transform the nature of their engagement with individual matters of employee empowerment and issues like consultation and vocational training (Lucio and Stuart, 2002).

An objective of this chapter was to inquire into the dispersion to Britain of the American model of collective organization for the revitalization of unionism. It illustrated that the Academy of the Trade Unions Congress has affected the dissemination of union organizing and that collective action has been adopted with eagerness by a small number of trade unionists (Heery et al. 2000) With reference to all the employee delegates, however, union organizing is identified by a variety of characteristics and the more progressive parts such as a vigorous attempt to appoint counselors in a wide range of

business, has not fared very well. The qualities of the framework which have a larger impact are those which stress the significance of effective worker participation as the underlying principle for membership density, because these are in agreement with the modes of operation in the United Kingdom and the dependence of trade unions on methods of exercising influence upon managers.

It has been recognized that to some extent employees are proprietors and customers in addition to members of staff, and that these multifaceted characteristics brought about a distinctive pattern of organizational operations (Heery, 1993). In this way, the language of social partnership can develop the general notion of a neo-pluralist employment relationship in the workplace to include directors, stakeholders and the workforce. The investigation into stakeholding, indicates that a modern style of industrial relations systems that recognize more than one ultimate principle, will also have an effect on the reconciliation of tasks and responsibilities (Ackers, 2001). The concept of workplace relations has been explained, up to the present, in respect to economics, as the need for employers and employees to maximize productivity (Ackers, 2002). From a different perspective, this is not a procedure, that can be attained or imposed by force. The employment relationship may as well contain an ingredient of coercion, nevertheless, it is essential that a cooperative liaison is based on reciprocal agreements and joint interests. High commitment human resource management champions the idea that a company pact is not good enough, but it entails specific external common rules of conduct. In sum, an industrial relations structure must be perceived as an economic association also concerned with accepted standards of behaviour.

By building up separate ideas into a new theory, I demonstrated that partnership is compatible with organization. In practice, the US variant of collective organization seems to be indispensable to a German style of stake holding. It is by way of providing an opportunity and exerting influence at the same time that trade unions have the ability and the authority to benefit from a collaborative employment relationship. This project suggests that employee delegates have to stand by union-management cooperation on the provision that the environment is favourable. The conclusion reached by this research challenges the perception that social partnership is quiescent and culminates in the fragmentation of labour institutions.

With regard to union tactics, the balance of making provisions for old workers and enrolling new employees was not clearly determined. To this point, collection of statistics and monitorship of promotions, had not been given careful thought. It was taking too much time for labour institutions to deal with the professional administration of business concerns and in particular to cope with the breakdown of centralized arrangements. The emphasis laid on business ethics implicates that these problems must have been resolved.

When a trade union is absent the desire for collective organization among employees in unorganized sites originates from their knowledge about the political and socioeconomic environment, their understanding of industrial relations and the potential for collective organization in the existence of an acknowledged trade union. Accordingly, to enhance their effect in unorganized sites trade unions have to identify what workers have in mind on those topics, and with conference, attempt to persuade them of the advantages of unionization. This analysis suggests a number of institutional policies. Trade unions have to concentrate on non-unionized workers, inasmuch as they are more



receptive to mobilization. Unorganized employees are more sensitive to union activity when they consider the relationship with the employer as one that is not founded upon general agreement, and there is also a deficiency of functional communication. Labour institutions must decide on the course of action to be taken which is not Human Resource Management oriented because this is associated with a decline in the desire for unionization. Although they are not likely to harm employee mobilization, works councils are more popular than trade unions among unorganized workers. Labour institutions have to take into consideration alternative ways in which to perform tasks so as to reinforce the urge for union activity. Finally, the desire for unionization is dependent upon an augmented membership, to guarantee a favourable employment relationship in an unorganized place.

In Britain, generally, the most important institutions for industrial relations relate to collective bargaining. However, in late years, collective bargaining in Britain has dropped off. Accordingly, the data indicates that, in places with a recognized trade union, collective bargaining declined from 86 per cent in the eighties to 67 percent in the nineties (WERS, 2004). None the less, agreements at company level appear to have been on the upgrade, for example via regular meetings for managers and workers, and through other channels (Poole et al. 2005). However, the distribution of earnings, after an increase in the eighties did not change in the nineties, and employee shareholding was on the downgrade until the turn of the century (Millward et al. 2000). This situation drew attention to another issue that had to be discussed. To what an extent is the gradual evolution of workplace relations resistant to change? An answer to this question is that

institutional complementarities have a great effect on the role of managers and the forms of collective representation.

One more perspective is how American MNCs act together effectively with the employment relationship in Europe and how trade unionists react to this, in other words, how the country-of-origin effect is mediated by the host country conditions. I have explained why US multinationals have not acted in accordance with the practices of British labour institutions, though this is alleviated by the necessity to adapt to the national system of workplace relations. There are not many studies, however, which examine in detail the structure of a multinational corporation (Royle, 2000). There is practically no insight on how a single company level policy is implemented and becomes operational in integrated systems like Germany or France in comparison with flexible structures like Britain. A proposition for further research, is how the non-union culture of many American MNCs is accommodated in a host country climate that provides for union activity? A response to this query is that in more coordinated networks US multinationals with a non-union culture are reasonably expected to seek alternatives to unionism such as mutual gains enterprises.

From another perspective, workplace relations systems are path dependent and may be difficult to replicate. The appearance of workers councils during the first quarter of the 20<sup>th</sup> century was the most advanced expression of the old proletarian movement, but it was unnoticed or forgotten, except in travestied forms, because it was repressed and destroyed along with all the rest of the movement. Now, from the vantage point of the new stage of proletarian critique, the councils can be seen in their true light as the only undefeated aspect of a defeated movement (Debors, 2006). The historical consciousness

that recognizes that the councils are the only terrain in which it can thrive can now see that they are no longer at the periphery of a movement that is subsiding, but at the centre of a movement that is rising. The point is that there are lessons to be learned for British trade unions from the continental states. If British labour institutions follow the American way they will become isolated in the shrinking field of collective bargaining. On the other hand, it is quite possible that they can profit from works councils type arrangements, as in Germany. However, the French example illustrates there is not one best way to succeed, unless they are able to benefit from these arrangements. With regard to Germany and France the argument is that European style representation and consultation can be transferred to Britain. I have demonstrated that there have been reforms in British law towards multiple channels worker participation, and advising and counseling has become important for both managers and workers. Furthermore, the implementation of the EU Directive Establishing a General Framework for Informing and Consulting Employees is expected to have a great impact. To conclude, this reinforces the central argument of the second chapter that social partnership and collective organization can be complementary because a multi-channel network of worker representation and participation with works councils and labour institutions can support such an organizational compatibility.

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