More Rhetoric Than Reality: Enterprise Level Industrial Relations Partnerships in Ireland

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Abstract: Since 1987 Ireland has had a sequence of centralised agreements on pay and other aspects of economic and social policy negotiated between the "social partners". A criticism of this period is the failure to extend the partnership approach to the level of the enterprise. This paper considers the reasons why enterprise level partnerships have now emerged as a significant debate in Irish industrial relations and reviews recent position papers and research evidence on the nature and extent of such partnerships. The paper concludes that despite a decade of national "partnership" agreements, there is little evidence of any significant uptake of employer-labour partnerships at enterprise level.

I INTRODUCTION

T he achievement of a high level of national consensus through a model of "bargained co-operation" is probably the most significant contemporary development in Irish industrial relations. This model also provides an important contrast to the trade union exclusion/diminution policies adopted in a number of countries, such as the UK and the US in the 1980s. Since 1987 Ireland has had a sequence of national agreements negotiated between the so called "social partners". This period has been characterised by moderate wage increases, low levels of industrial conflict and strong economic growth. Although one will find some dissenters, considerable credit for this success is attributed to centralised agreements.[1]

This most recent period of centralised bargaining is sometimes characterised as representing a shift towards a more corporatist approach to

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1. For a critical review of the impact of centralised agreements in Ireland since 1987 see, for example, Teague (1995), O'Donnell and O'Reardon (1995).

industrial relations in Ireland (see, for example, O'Donnell and O'Reardon 1995; Roche 1997). Indeed, the four centralised agreements negotiated since 1987 appear to meet most of the essential characteristics of "corporatist" arrangements, namely: (i) government intervention in collective bargaining so that negotiations become tripartite, (ii) a debate over broader issues such as economic and social policy, and (iii) the existence of consensus in the national interest.

However, an important criticism of this period of centralised agreements is the failure to extend the partnership approach below national level interactions. As Roche (1995) specifically comments, the Irish model of social partnership is somewhat narrow, involving only the top levels of the union and employer bodies and has not significantly impacted on developments in enterprise level industrial relations. As a consequence, Roche (1995, p. 28) describes the Irish model as a "truncated" social partnership, inferring that while a partnership orientation exists at the pinnacle of union and employer interactions, old fashioned adversarialism characterises employer-union relations at the enterprise level.

Consequently, the development of enterprise level partnerships has been the focus of much recent debate in Ireland (see, for example, Roche and Kochan, 1996). In particular, institutions such as the National Economic and Social Council and the Irish Congress of Trade Unions have pointed to the potentially significant role of enterprise level industrial relations part- nerships in contributing to improvements in both management-employee relations and economic performance. At national level we have seen the establishment of a National Centre for Partnership, based in the Department of An Taoiseach, while at European Union level, 1997 saw the publication by the European Commission of a green paper "Partnership for a New Organ- isation of Work".

II THE CONTEXT FOR ENTERPRISE LEVEL PARTNERSHIPS IN IRELAND

Why have enterprise level partnerships now emerged as a significant dimension of the debate on changes in work organisation and workforce management? In general, one can identify two broad stimuli. First, we have the increasingly competitive environment facing organisations and encourag- ing them to re-configure their industrial relations policies to facilitate improved performance and productivity. Second, we have the decline in trade union penetration which has prompted the union movement to seek mechan- isms to increase their legitimacy and representativeness at both enterprise and national level (see Beaumont, 1995a; Sparrow and Hiltrop, 1994).

Traditionally, industrial relations arrangements in Ireland were grounded in the pluralist tradition: that is, based on an acceptance that a conflict of interests exists between management and labour and reliance on collective bargaining as the primary means of resolving these conflicting interests (see Roche, 1990). There is little doubt that this pluralist model has come under increasing challenge in recent years (see Kochan *et al.*, 1986; Beaumont, 1995a). The most widely accepted explanation of this challenge is the increasingly competitive nature of product and service markets. The main sources of increased competitiveness are well treated in the literature and include: the liberalisation of European and world trade; associated deregulation in product, service and capital markets; improved communications and transport infrastructures; developments in information technology and greater market penetration by emerging economies (see Beaumont, 1995b; Roche, 1995; Roche and Gunnigle, 1997).

These developments have particularly significant implications for Ireland as a result of its status as a small, open economy which is heavily reliant on export performance. The impact of increased competitive pressures has been to focus attention on both cost *and* product innovation/quality as factors impacting on competitive positioning, and to create a "flexibility imperative" whereby more and more organisations have to be increasingly responsive to consumer demand on dimensions such as customisation, delivery and support services. The implication of these developments seems to have all but diluted the premise that companies compete on either a price (low cost) or a product differentiation (premium price) basis. Increasingly, it appears that all firms — not just the low-cost producers — must tightly control their cost structures. While the need to control labour costs may be greater in labour-intensive sectors, it is also important in other sectors as market competition increases. It is significant that these competitive trends are increasingly penetrating the State sector (see Hastings, 1994). A major reason is the erosion of State monopolies as a result of developments at European Union level. Such changes are likely to have profound effects on industrial relations strategies, policies and practices in these companies.

In responding to the challenges posed by increased competition, organisations appear to have followed two broad strategies. First, we witnessed widespread rationalisation, especially during the 1980s (see Sparrow and Hiltrop, 1994). Common characteristics included redundancies, contracting out or selling "non-core" activities, and "de-layering". A second common organisational response was to engage in mergers, acquisitions or strategic alliances as a means of improving competitive position. An important dimension of these organisational responses was an increased focus on improving human resource utilisation, particularly in seeking increased productivity

and reduction in labour costs. Related strategies here included the increased use of atypical employment forms, improved performance management and initiatives to improve task flexibility. These latter developments strike at the very heart of established industrial relations practices and bring into focus the current debate on developing new industrial relations arrangements which serve to enhance enterprise level performance. This is the context of the current debate on partnership based industrial relations models.

III ENTERPRISE LEVEL PARTNERSHIPS — TOWARDS A NEW PARADIGM IN INDUSTRIAL RELATIONS?

In a 1996 paper, Professor Robert McKersie (1996, p. 12), the eminent MIT academic and authority on labour-management partnerships, suggested that Ireland was an ideal location to test the premise that "strategic partnerships, coupled with modern human resource systems" could be the basis for a new and successful model of industrial relations. We have since seen many others take up the running on enterprise level industrial relations partnerships, particularly the European Commission and, in Ireland, FORFÁS, Irish Congress of Trade Unions and National Economic and Social Council. It is unfortunate that much of this debate is characterised by confusion about the precise nature of such partnerships. We find, for example, the widespread use and conflation of terms such as "workplace partnership", "employee involve-ment", "strategic partnership" without any clear definition of what these terms mean or, more importantly, how they differ.

An important example in this respect is the European Commission's Green Paper *Partnership for a New Organisation of Work* (European Commission, 1997). This paper argues that improvements in competitiveness and employ-ment can be stimulated through "a better organisation of work at the workplace, based on high skills, high trust and high quality" (p. 5). It goes on to invite the social partners to "build a partnership for the development of a new framework for the modernisation of work". However, the paper does not provide any insights on the nature of such partnership. Indeed the Green Paper makes only very limited reference to industrial relations partnerships. It also provides little evidence of any causal relationship between enterprise performance and partnership based industrial relations arrangements. In Ireland, the current *Partnership* 2000 agreement is a little more specific in outlining the probable characteristics of partnership (Government Publications Office, 1996):

> ... an active relationship based on recognition of a common interest to secure the competitiveness, viability and prosperity of the enterprise. It

involves the continuing commitment of employee to improvements in quality and efficiency; and the acceptance by employers of employees as stakeholders with rights and interests to be considered in the context of major decisions affecting their employment....(it) involves common ownership of the resolution of challenges, involving the direct participation of employees/representatives and an investment in their training, development and working environment.

However, even where an attempt is made to define industrial relations partnerships, we find few insights on how to operationalise such partnership arrangements — an issue which is of critical consideration at enterprise level. Consequently, we find little direction on the paths to establishing viable partnership arrangements. Indeed there is a marked lack of direction in this regard with most of the policy documents recommending a contingency based approach. For example, the National Economic and Social Council (1996) suggest that the extension of partnership to enterprise level should be done "not by imposing a single structure or model, but in ways that recognise the need to tailor the partnership approach to fit different employment settings and take account of existing arrangements" (p. 166). The European Commission Green Paper is particularly lacking in this regard. A similar problem is evident in the FORFÁS (1996) document *Shaping our Future* which argued that a firm's ability to compete will depend "not just on new organisational structures but also (on) new consultative arrangements between managers and workers and their representatives" (p. 153). No evidence is provided to support this espoused link between performance and consultative structures. This is a significant lacuna in the debate on partnership.

At a recent Dublin conference the leading German sociologist Wolfgang Streeck, highlighted this issue by posing the critical question "how much pluralism do we need for high performance?" (Streeck, 1997). He suggested that we may not need as much as many European countries seem to think. Drawing on international evidence, Professor Streeck argued that organisations do not need high levels of employee representation or consultation to achieve high performance. This is quite a sobering message and one which has not been adequately addressed in the emerging debate on industrial relations partnerships.

Overall, we find that while there is widespread agreement on the need to adopt work systems and employment practices to deal with increased competition, there is little consensus on how best to configure enterprise level industrial relations arrangements to address this challenge. At European Union level we are witnessing an emerging body of opinion which favours a

partnership approach designed to facilitate change by consensus, and in a fashion which embraces the input of numerous stakeholders, particularly workers and trade unions. In Ireland most recent policy statements embrace this approach. However, we are not witnessing the concurrent development of policy guidelines on how to effect such an approach. In general, it seems that at both a European and national level there is widespread political support for enterprise level industrial relations partnership. However, this support seems to predominantly spring more from an ideological commitment to pluralist industrial relations principles than from any rigorous analysis of the relationship between firm performance and industrial relations arrangements or evaluation of the social impact of such arrangements. In particular, there seems to be broad agreement among EU policy makers that partnership arrangements represent a more acceptable future than the free market non-union approaches adopted in the US. This may well be the case. However, these broader societal issues need to be addressed more fully in assessing the pros and cons of partnership based industrial relations arrangements.

To effectively contribute to this important debate, it is probably best to return to first principles and explore what is meant by partnership in industrial relations. This will then allow us to evaluate the possible variants of enterprise level partnership which can be found in Ireland.

IV THE ESSENCE OF PARTNERSHIP

The proponents of partnership often point to perceived deficiencies in the adversarial industrial relations model, in particular the apparent dominance of distributive bargaining on short term issues and its emphasis on dividing limited resources. As a result of increasing competitive pressures, not least from non-union sources, it is widely argued that there is a need for a new partnership model of industrial relations which incorporates a strong trade union role but with a more long term strategic dimension (Kochan *et al.*, 1986; Kochan and Osterman, 1994). It is further argued that this new model allows both sides to break out of the traditional adversarial relationship through the adoption of a partnership model based on "mutual gains" principles as follows:

- employers recognise and facilitate worker and trade union involvement in strategic decision making;
- workers/trade unions commit themselves actively to productivity improvements;
- the gains of productivity improvements are shared between employers and workers;

- productivity improvements do not result in redundancies but rather employers actively seek new markets to keep workers gainfully employed.

The essence of this partnership thesis is that workers and trade unions actively pursue *with* management solutions to business problems and appropriate work re-organisation in return for greater involvement in business decisions and in the process of work re-organisation. It is characterised by a strong emphasis on consensual decision making using integrative rather than distributive approaches in management-union interactions/discussions.

While this model, based on voluntary employer-union interaction, is the most widely understood form of enterprise partnership it is not the only one. Cutcher-Gershenfeld and Verma (1994) identified three modes of shared decision making at enterprise level: (i) non-union high commitment system; (ii) legislated works councils and (iii) voluntary union-management joint governance. The non-union high commitment approach has its roots in the US and places the primary focus on facilitating direct employee involvement in operational decision making at workplace level. This system does not normally encompass representative participation. In contrast, works councils reflect a legislated form of representative participation. In this system elected worker representatives have a right to shared decision making in prescribed areas of work organisation such as working conditions, work practices and workplace change. This approach is particularly associated with Germany but also characterises a number of other EU countries. Voluntary union-management self-governance arrangements equate to our earlier discussion on management-union partnerships.

V DIMENSIONS OF PARTNERSHIP

Our preceding discussion points to three core dimensions of enterprise level industrial relations partnerships.

1. *Strategic Impact*: Employee and/or trade union involvement in the strategic decision making process is probably the *key* element which characterises a highly developed "strategic partnership" approach within organisations. The focus on high level strategic decisions is important and serves to differentiate "strategic partnerships" from lower level workplace partnerships which focus on operational level decisions (such as those related to work organisation or quality). That is not to say that operational workplace issues cannot be a focus of strategic partnership arrangements but rather to indicate that the "strategic" element refers to partnership in making long term strategic decisions which impact on the future nature and direction of

the enterprise as a whole. As McKersie (1996, p. 5) notes, a critical key feature of strategic partnership is union or employee involvement in key corporate decisions:

> A key feature of partnerships is that the trade union has an opportunity to challenge or confront management before a decision is made.

2. *Role of Trade Unions*: Given the critical role played by the Irish trade union movement in the four centralised agreements negotiated since 1987, the debate on partnership generally sees trade unions as integral to the development of enterprise partnerships. However, it should be noted that much of Ireland's industrial development over the last decade has been led by foreign owned firms who are predominantly non-union. Many of these have been to the forefront in claiming to employ "state of the art" human resource management practices. While often captured under the rubric of world class manufacturing or total quality management, many of these initiatives focus on facilitating individual employee involvement in workplace decisions. In the burgeoning Irish non-union sector, there are many organisations which claim to have well developed management-employee partnerships. A problem here, however, is the inherent difficulty involved in establishing the existence and nature of such partnerships since most accounts are based solely on a managerial perspective. As such, these cases present difficulties in evaluating the nature and extent of employee involvement. However, it is clear that at least some of these firms provide for a reasonable level of direct employee involvement in day-to-day decision making at workplace level.

3. *Institutional Sophistication*: This dimension refers to the extent to which there are well developed institutional arrangements to facilitate a partnership approach at organisation and workplace level. The non-union high commitment system mentioned earlier (see Cutcher-Gershenfeld and Verma, 1994) relies primarily on direct employee involvement through team-working and problem solving groups and does not normally involve formal representative structures. However, to effect a high level of partnership in decision making, one would normally expect to see the development of new management-union or management-employee structures. In unionised firms these structures would normally be introduced in addition to established collective bargaining arrangements. For strategic partnership one would expect to see provision for union or worker representation at board level. An extract from a joint Bell (Canada)/Communications, Energy and Paper (CEP) Union (1993) task force paper illustrates this point:

> [Union-management partnerships need to] involve, through the corporate steering committee and other exchanges of information,

appropriate union executives in planning, strategy, training, and policy formulation in areas such as quality, human resources planning, new technology, major product development and market changes, and strategic alliances with other telecommunications companies ... Another key distinction is that *these partnerships are at the corporate level where key business decisions are made that affect the viability of the enterprise* (Italics added).

To underpin well developed partnership arrangements at the operational level one might also expect to see the development of management-employee/union institutions to facilitate joint decision making. A recent Irish example is provided in the partnership agreement between Howmedica and SIPTU (Industrial Relations News, No. 40, 1997). This provides for the establishment of a "partnership forum" whose role is to plan, design and support implementation of the customised continuous improvement programme. However, partnership arrangements, particularly those of an operational nature, need not necessarily be underpinned by well developed institutional arrangements at enterprise level. One can point to arrangements for periodic management-employee or management-union briefings where the focus is on information sharing and consultation. It should be noted that such approaches do not normally provide for joint decision making: management agree to discuss issues, consider employee or union opinion but retain the prerogative in decision making.

It is possible to identify two other important components which appear to form part of many industrial relations partnerships, namely gainsharing and job security commitments. *Gainsharing* broadly incorporates arrangements which reward workers for improvements in enterprise performance via profit sharing, share ownership or some other reward mechanism. Such schemes are critical in giving effect to an underlying principle of partnership, namely that the gains from improved performance are shared between employers and workers. *Job security commitments* also form an important part of the partnership equation. They are particularly important in securing employee and union commitment to changes in work practices since they alleviate the fear of job losses resulting from such changes.

VI MODELS OF PARTNERSHIP

Using these core dimensions of enterprise level partnerships, we can identify two broad models of partnership.

Initially, we can identify what can be termed *strategic partnerships*. These provide for union and/or employee involvement in top level corporate decisions. In this respect one would expect to find two variants. First, we

might have *union-management partnerships.* Such arrangements are characterised by institutional arrangements which allow for union involvement in strategic decision making while also facilitating a strong trade union role in operational decision making at workplace level. In practice this normally means union representation at board level or equivalent together with union representation in sub-board level bodies which engage in shared decision making. A second variant is *employee-management partnerships* whereby employees are represented in the highest levels of corporate decision making.

In evaluating the prospects for strategic partnerships one cannot be optimistic. Managers have traditionally been extremely reluctant to share decision making power and, particularly so, in relation to strategic decisions. A particular instance in Europe was the widespread employer opposition to the introduction of worker directors during the 1970s and 1980s while currently we are witnessing increasing employer opposition to works councils as an institutional form of employee representation. Other factors also mitigate against the uptake of strategic partnership. The growth of larger publicly quoted organisations is a case in point. Stock markets tend to favour "strong" executive control and the development of strategic partnerships may not be viewed positively. This may be particularly the case among "high technology" stocks. An issue with especial resonance in Ireland is the great difficulty likely to be encountered in developing strategic partnerships in foreign owned companies. In the great majority of such firms strategic decisions are made at corporate level — at a significant remove from the Irish subsidiary. As such it may be virtually impossible for an Irish trade union to develop a strategic partnership.

The indigenous sector and, particularly, the public sector is somewhat different. Here we have seen some of the most significant developments. Trends in the ESB, Telecom Eireann and Aer Rianta indicate that many of the appropriate institutional arrangements are in place, such as board level worker representation and reasonably well developed sub-board level structures to facilitate partnership. However, it is also clear that partnership in these organisations is at a very developmental stage and its prospects are dependent on how these organisations cope with imminent competitive challenges in their respective product markets. It is also dependent on the impact of privatisation and strategic alliances. Such developments are likely to mitigate against the development of strategic partnership, particularly the issue of worker directors. For example, it is doubtful whether the utilisation of worker directors, as provided for in many semi-state organisations, would endure should these organisations become privatised.

A second partnership model which we can identify is what might be termed

operational partnerships. Again we can point to two possible variants. *Operational union-management* partnerships are normally characterised by union acceptance of change in work practices in return for participation in operational management decisions such as those involving work organisation. In essence the union provides a commitment to greater task flexibility and acceptance of change in exchange for greater union involvement in day-to-day decisions which affect the working of the enterprise and for greater direct employee involvement in daily operating decisions. Such arrangements may often entail some job security commitments and the introduction of gain-sharing. The second variant is *operational employee-management partnerships*. These partnership arrangements are to be found in some non-union firms. Many of these firms are US owned and operate in the so called "high tech" sectors, particularly electronics and software. They bear all the hallmarks of operational union-management partnerships but exclude trade union involvement and do not normally provide for any form of representative participation. As noted earlier, such arrangements present a difficulty in evaluating the extent of employee involvement. The crucial differentiating factor between strategic and operational partnerships is that, in the latter, there is no scope for union or worker involvement in long term strategic decision making.

It is important to point out that the extent of employee or union influence in operational partnership arrangements can vary considerably. Highly developed operational partnerships are likely to be based on joint decision making principles whereby union/employee agreement is a requisite element of the decision making process. Consensus is therefore a prerequisite and both party's approval necessary before proposals under consideration can be proceeded with. Less well developed arrangements tend to have a more consultative focus. In this scenario, management agree to discuss upcoming decisions with employees/union(s) and share related information. Thus, employees or unions have the opportunity to influence decisions before implementation. However, there is no commitment to joint decision making and management may or may not take on board the opinions proffered.

VII THE EVIDENCE TO DATE

There is little empirical research on enterprise level partnerships in Ireland.[2] However, there are some studies which either directly, or through

2   A research team representing the Smurfit Graduate School of Business, University College Dublin, and The Economic and Social Research Institute have recently completed a workplace study of industrial relations and human resource management. This study should provide considerable insights into extent and pattern of utilisation of partnership based industrial relations arrangements. This work is due for publication later this year.

the use of proxy measures, throw some light on the diffusion of partnership based industrial relations arrangements among Irish organisations. This paper reviews three particular studies, namely, the Irish Management Institute (IMI) pilot survey of enterprise level partnerships, the European Foundation for the Improvement of Living and Working Conditions' study on employee participation in organisational change (EPOC) and the Cranfield-University of Limerick (CUL) study of human resource management practices. We also consider some other sources of information in the area.

The only specific study of partnership arrangements at enterprise level which is currently available is that conducted by the Irish Management Institute (IMI) in November 1997 (Hannigan, 1997). This pilot study involved a survey of participants who attended a Department of Enterprise Trade and Employment/IMI Conference on the theme "Workplace 2000". This Conference addressed the issue of industrial relations partnerships with particular emphasis on the EU Green Paper, the role of the National Centre of Partnership and case experiences of organisations who have undertaken partnership initiatives. Inevitably, this survey is likely to represent a biased response as one would expect participants at such a conference to have some positive interest in developing or promoting workplace industrial relations partnerships. As such, one would expect that the survey would reveal a positive picture on partnership. Interestingly, this was not the case. The survey response rate was 32 per cent representing 42 replies out of 130 questionnaires distributed. The survey explored a number of dimensions of partnership. Some of these might be considered direct indicators of the presence of partnership based industrial relations arrangements while others represent more indirect or contextual variables. Respondents were asked to indicate the presence of these dimensions in their organisation on a 1 to 5 scale (low to high). The mean scores are outlined in Table 1.

In evaluating these findings in relation to the median value of 3, we find a reasonably clear picture. First, the direct indicators of partnership based industrial relations arrangements all score below the median value. Thus, it appears that partnership based approaches are not well developed in the respondent firms. As the author comments:

> ... the key features of a partnership agreement, for example, employee involvement in strategic decision making and sharing in the rewards of success, are not present to any degree in this sample. (Hannigan, 1997, pp. 1-2.)

A second important trend discernible in the IMI survey, is that the variables which score highest are those which evaluate worker flexibility and responsiveness to customer requirements, i.e., indicators of employee

Table 1: *Partnership Arrangement in Respondent Organisations*

	Mean scores (range 1 — 5)
Direct Indicators of Partnership	
To what extent do you believe that partnership exists in your organisation?	2.79
Sharing in rewards of success	2.50
Employee involvement in strategic decision making	2.10
Existence of formal partnership agreement	2.05
Indirect Indicators of Partnership	
Open two way communications	3.33
Employee involvement in decision making in work units	3.21
Top management commitment to partnership	3.07
Single status for all employees	2.95
Efficiency / Performance Indicators	
Employee responsiveness to customer requirements	3.81
Employee flexibility	3.67

Source: Hannigan, 1997.

performance/efficiency. Finally, we find that management perceptions of their commitment to partnership score higher than their evaluation of the extent to which partnership actually exists in their organisations.

The study also explored the impact of ownership (Irish Private Sector, Public Sector and Foreign owned) on variations in the uptake of partnership. The overall conclusion was that the "relative strength of each of the features of partnership do not differ greatly depending on the ownership structure of the respondent" (Hannigan, 1997, p. 4), although public sector organisations and other Irish firms were more inclined to use the term partnership as compared to their foreign owned counterparts.

A second important source of data is the recently published cross-national survey of employee participation conducted under the auspices of the European Foundation for the Improvement of Living and Working Conditions (EFILWC, 1997; Sisson, 1997). Generally known as the EPOC (employee direct participation in organisational change) project, this multi-phase study encompassed a empirical investigation of direct participation in ten EU member states, including Ireland. This investigation focused particularly on what is termed *task participation,* which Geary (1998, p. 3) describes thus:

> With TP [task participation], then, employees are granted more control over their immediate work situation and are invited to participate in decisions that relate to the organisation of work at the point of production. Thus, workers may influence the manner in which work is allocated, the scheduling of work and when to take breaks. They are also actively encouraged to seek solutions to problems and to make suggestions that will improve the organisation's efficiency.

Sisson (1997) identifies two key forms of task participation: (i) *consultative participation* whereby workers are given the opportunity to become involved in decisions and make their views known but does not involve joint decision making; (ii) *delegative participation* whereby workers are empowered to make key decisions without the need for management approval. Delegative participation thus means that individual workers assume greater autonomy in their work. Team-working is generally seen as an advanced form of delegative task participation whereby workers are entrusted with key decisions, such as those concerning the selection of team leaders, team members, team roles, and task allocation (Geary, 1995; 1996).

The EPOC study looked at both the incidence of employee participation and also the nature of such participation, particularly the scope and extent of autonomy afforded to employees. In Ireland, the EPOC study surveyed a sample of Irish companies, excluding those with less than 25 employees. The study achieved a response rate of nearly 39 per cent (382 organisations), which represented the highest response rate among all the countries involved in the study (EFIWLC, 1997).

Looking first at the diffusion of consultative participation, the EPOC study found that what Geary (1998, p. 12) labels "temporary groups", particularly project groups or task forces, were found in 36 per cent of firms while "permanent groups" such as quality circles were present in 28 per cent of firms. Turning to delegative participation, the EPOC study found that team-based structures were present in 42 per cent of respondent firms. Based on these findings, Geary (1998) estimates that task participation is present in around one-third of Irish workplaces.

However, as noted earlier, the EPOC study sought to move beyond the incidence of task participation and to look at the nature and intensity of such participation, particularly delegative participation (incorporating team-working). The EPOC study utilised two measures in this regard: (i) the scope of team-working, which measured extent of employee's rights to solely make decisions in relation to their work; (ii) the extent of autonomy afforded to employees to select team members and to decide on which issues the team should tackle (EFIWLC, 1997). The EPOC findings indicate that just 17 per

cent of Irish firms which used team-working were characterised by a high level team or group delegation.

In a further and somewhat more sophisticated attempt to identify the depth and scope of task participation, the EPOC study first distinguished between the Japanese "Toyota" model and the Scandinavian "Volvo" model of team-working and then considered which was the most prevalent model among respondent organisations. In this conceptualisation, the "Toyota" or lean production model is seen as one which places strict limits on team autonomy and where employee skills are largely of a generalist or routine kind, while the "Volvo" model is seen as providing greater autonomy to teams and team members and where workers are comprised of a variety of skill groupings with considerable emphasis on training and development (Frohlich and Pekruhl, 1996; Geary, 1998). The EPOC findings in relation to Ireland suggest that where team-working is used, it most closely approximates to the "Toyota" model, with less than 1 per cent of Irish firms utilising the "Volvo" model (Geary, 1998).

In evaluating the implications of the EPOC findings, it appears that while task participation is reasonably well diffused in Ireland, most organisations rely on predominantly traditional forms of work organisation. Of particular note is the fact that the uptake of modes of work organisation which devolve a high level of autonomy to workers and work teams is very low. This finding leads Geary (1998, p. 14) to conclude that task participation "of an advanced form, is a minority practice in this country".

A third source of data on the incidence of partnership based industrial relations arrangements is the *Cranfield-University of Limerick (CUL)* Study. Data from this study is based on a survey of human resource management and industrial relations practices in a representative sample of Irish organisations. This survey was run in 1992 and 1995.[3] The sample frame used was the *Business and Finance Top Trading and Non-Trading Bodies* and the response rates were 23 per cent (1992) and 21.5 per cent (1995). It should be noted that this study did not attempt to explicitly examine the incidence of partnership based industrial relations arrangements. We

3.   *The Cranfield-University of Limerick Study of Human Resource Management in Ireland* forms part of the Price Waterhouse-Cranfield Project on International-Strategic Human Resource Management, first established in 1989 and currently involving twenty participating countries. The Irish node of this study is located at the Employment Relations Research Unit, University of Limerick. For a summary of data emanating from the international study see Brewster, C., and A. Hegewisch, 1994. *Policy and Practice in European Human Resource Management: The Price Waterhouse Cranfield Survey,* London: Routledge. For a review of the 1992 Irish data see Gunnigle, P., P. Flood, M. Morley, and T. Turner, 1994. *Continuity and Change in Irish Employee Relations,* Dublin: Oak Tree Press, and for the 1995 data see Gunnigle, P., M. Morley, N. Clifford, and T. Turner, 1997. *Human Resource Management in Irish Organisations: Practice in Perspective*, Dublin: Oak Tree Press.

therefore rely on some proxy measure considered indicative of partnership approaches.

An important pre-requisite for employee participation in management decisions is the provision of information on enterprise performance. The CUL study explored the extent to which senior management communicated formally with employees on business strategy and financial performance (see Table 2). Looking first at *business strategy*, we find a high level of communications on strategy with management and professional/technical grades but a much lower level of communications with clerical and manual grades. Just 38 per cent of participating organisations reported that they communicate on strategy with manual grades. This result is surprisingly low even allowing for an expected differential in the level of communications on strategy between higher ranking and lower ranking employees. A similar picture emerges in relation to the extent of communications on *financial performance*. Again we find much lower levels of communications on financial issues with clerical and manual grades.

Table 2: *Formal Communications on Business Strategy and Financial Performance*

| Employee Category | FORMAL COMMUNICATIONS ON: | | | |
| | Strategy | | Financial Performance | |
	1995	1992	1995	1992
Management	95.0	93.9	94.3	93.0
Professional/ Technical	71.6	65.8	64.4	60.1
Clerical	50.2	41.7	50.6	41.2
Manual	37.9	39.0	39.1	36.0

The CUL study also explored the incidence of joint consultative committees and works councils. The findings indicate that the extent to which organisations are facilitating increased employee participation through institutionalised arrangements in the form of joint consultative committees and work councils is quite modest. Just a quarter of participating organisations reported the existence of joint consultative committees or works councils. Such consultative arrangements are more widespread in the public sector with 38 per cent of organisations reporting the existence of some form of institutionalised participation, compared with 21 per cent of private sector organisations. The great majority of organisations with a works council or joint consultative committee were unionised (53 of the 63 organisations).

An additional source of information is a study of new "greenfield" firms established in the manufacturing and internationally traded services sector over the period 1987-1992.[4] This study found a similar picture to the CUL study. While there was considerable evidence of managerial attempts to introduce a modicum of individual employee involvement, partnership approaches were not a common feature of enterprise level industrial relations in these new firms.

Overall, these studies provide little or no evidence of trade union or employee involvement in strategic decision making. Rather the predominant focus was on employee involvement initiatives aimed at facilitating the involvement of individual employees and small groups on issues of immediate work relevance. These initiatives seem to be predominantly concerned with encouraging greater employee "voice" on workplace issues rather than employee "influence" on higher-level management decision making.

A significant contrast between the CUL study and the greenfield study relates to union recognition. Evidence from the CUL Study provides a positive picture of union penetration: almost 80 per cent of participating organisations recognised trade unions for collective bargaining purposes. However, the greenfield site study found quite a different picture, and pointed to a high incidence of non-unionism (see Gunnigle, Morley and Turner, 1997). A more recent study by Industrial Relations News (1996) found even lower levels of union penetration. This study examined union recognition trends among overseas firms which announced at least one hundred new jobs between January 1994 and November 1995. Out of a study population of fifty companies, only twelve (24 per cent) recognised trade unions. When the population is disaggregated into "new" (32) and "expanding" (18) firms, an even starker picture emerges. Of the twelve firms which recognised trade unions, ten were expanding companies. Thus, only two (6 per cent) of the thirty-two new companies recognised trade unions. These findings suggest that the likelihood of union-management partnerships in more recently established firms is extremely poor.

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4. This study analysed industrial relations and human resource management practices in all "greenfield" companies established in the manufacturing and internationally traded services sectors over the period 1987-1992. The study population was fifty-three firms (firms employing less than 100 employees were excluded). For a summary of the main findings see Gunnigle, P. (1995), "Collectivism and the Management of Industrial Relations in Greenfield Sites", *Human Resource Management Journal*, Vol. 5, No. 3, pp. 24-40; also see Gunnigle, P., M. Morley, and T. Turner, 1997. "Challenging Collectivist Traditions: Individualism and the Management of Industrial Relations in Greenfield Sites", *The Economic and Social Review*, Vol. 28, No. 2, pp. 105-134.

VIII THE PROSPECTS FOR PARTNERSHIP

In spite of these findings on the low take-up of partnership, the "established sector" does seem to provide potentially fertile ground for management-union partnerships. A critical area of concern for many such organisations is that of facilitating improved levels of performance on dimensions of quality and productivity. For many older, established organisations this requires extensive change in industrial relations, specifically on aspects such as (less) demarcation, (increased) task flexibility, (increased) responsibilities for workers and (reduced) staffing levels. Given their high levels of union penetration and collective bargaining traditions, such changes must normally be achieved through negotiations with trade unions. Traditionally this would be achieved through adversarial bargaining and it is likely that this will remain the case in many organisations. However, it is also likely that some companies will try to adopt a partnership approach. We can see evidence of such initiatives in the Electricity Supply Board and Aer Rianta in the public sector and in Howmedica in the private sector. It is instructive that the two major future challenges identified by respondents to the *CUL Study* were: (i) efficiency, productivity and flexibility issues; (ii) industrial relations. It is likely that many such organisations are attempting to change their industrial relations paradigm from an adversarial approach focused on pay and conditions to a partnership approach focused on performance and flexibility.

However, a moot point in such change management initiatives is the trade union role in partnership. One often finds that change initiatives in many organisations stem from serious trading difficulties or other competitive challenges/crises such as a dilution of monopoly status. In these circum-stances trade unions are often faced with a type of "Hobson's choice" in dealing with employer requests for greater task flexibility and related changes in work organisation. In essence, employers engage in a degree of concession bargaining which trade unions can either oppose or agree to (subject to certain conditions). However, outright union opposition runs the serious risk of company closure or relocation with the attendant public relations fallout due to employment losses, etc. In such circumstances, the only viable option for the union is to go along with the management instigated changes and try to influence the nature of change in a way which protects worker interests. Although such changes are often described as partnership, the relationship is one where management are very much the leaders of change — senior partners — with the union(s) playing quite a reactive role, in effect that of junior partner.

IX CONCLUSIONS

So what conclusions can we draw from our analysis of recent developments in industrial relations and, specifically, about the prospects for enterprise level partnership arrangements? As noted earlier, at a general level the evidence suggests that despite a decade of "partnership" agreements between Government, employers and organised labour, there is limited diffusion of employer-labour partnership at enterprise level. It is also clear that we are witnessing a dramatic decline in trade union recognition and collective bargaining in many of the new growth industries.

Looking specifically at the issue of partnership based industrial relations arrangements at enterprise level, we can point to the following important conclusions:

1. Despite some case evidence to the contrary, partnership approaches are not well developed in Ireland.

2. Where partnership exists this tends to take the form of operational management-union partnerships dealing with work re-organisation. Most of these are based on a consultative rather than joint decision making principles.

3. The majority of these change based partnerships are quite new and it is too early to evaluate their impact. There is also a possibility that in some cases the changes in work organisation and structure may lead to union marginalisation in the longer term.

4. One cannot be optimistic about the development of strategic partnership arrangements. This is particularly the case in the private sector and especially in subsidiaries of foreign owned companies. The public sector is somewhat different and here the prospects for strategic partnership are considerably brighter.

5. There is, however, widespread evidence of employer initiatives to facilitate higher levels of direct employee involvement in operational decision making, particularly on issues such as work scheduling. These initiatives often form part of drives towards total quality management or world class manufacturing. Such initiatives are generally aimed at involving the individual worker and do not necessarily include trade unions.

6. The extent and nature of employee involvement initiatives in the non-union sector is difficult to estimate. It would be useful to have some independent verification of the extent of employee involvement as might be achieved through rigorous employee opinion surveys. Nevertheless, it is clear that a number of non-union firms do provide for a level direct employee involvement, particularly in relation to

operational issues affecting work organisation, such as job content, scheduling, and allocation of duties.

7. For the union movement, the partnership debate may raise some "old chestnuts". By and large Irish trade unions have embraced the concept of enterprise partnerships at a policy level. In particular, the union movement have emphasised their desire for the development of strategic partnerships, which provide for a significant union input into strategic decision making. Indeed, successful management-union partnerships are seen by many in the union movement as a "bulwark" against the growth of non-union approaches. If the union movement can point to high performing companies which adopt management-union partnership approaches, then these can be held up as exemplars both to new companies and to the various agencies vested with responsibility for industrial development. Interestingly, some of the most widely quoted examples of successful partnerships are in US owned unionised companies such as Abbott (Ireland) and Analog Devices. The union movement has also been to the fore in calling for public policy interventions to legislatively underpin partnership arrangements at the enterprise level.

8. The position of employers and their representative associations is more ambiguous. While the Irish Business and Employers Association (IBEC) have made some encouraging noises in favour of enterprise level partnerships, their approach appears largely based on voluntarist principles. Essentially, the employer position seems based on the premise that while it would be good to have some exemplars of well developed partnerships, it is up to individual employers to decide on their chosen approach. Thus partnership is not seen as an ideal approach but rather as one of a number of options for employers (including union avoidance) for dealing with enterprise level industrial relations.

9. At the moment there are a number of prominent cases which are posited as exemplars of industrial relations partnership. While this may indeed be true in some instances these are most probably notable exceptions of partnership which mask a more general picture of reliance on either traditional, adversarial industrial relations or union avoidance/substitution strategies.

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