



# chapter 9

## Bonus HRM in practice

### Partnership arrangements: the end of an era?

Although partnership arrangements had existed prior to the election of the Labour Government in 1997, they were specially promoted from that date. An important element of the Employment Relations Act 1999 was its support for voluntary partnership arrangements to achieve cooperation between employers and trade unions, based on the principal of mutual benefit.

Throughout the 2000s, debates took place between academics as to whether mutual gains were possible, or whether partnership arrangements actually benefited managers. With trade union membership numbers having declined for two decades, partnership arrangements were seen by many trade unions as a potential route for renewal and expansion. This case was made most influentially by Ackers and Payne (1988), who argued that partnerships gave trade unions ‘a seat at the table’ – a view that trade unions themselves seemed to accept. In contrast, many empirical studies raised questions over whether the trade unions made any significant gains or were pulled instead into cooperation around controversial management change initiatives. Oxenbridge and Brown (2004) encouraged the debate to move away from this static good/bad dichotomy: they described cooperative arrangements as relationships, which could change and develop and should be seen on a continuum from robust to shallow.

The latest policy discussion paper from ACAS (Wright, 2011) suggests that trade unions no longer favour the partnership approach:

*This approach assumed that cooperation would produce more efficient working practices and improved financial performance, which firms would then share with employees through better wages and conditions (Terry, 2003: 462–7). The 248 partnership agreements signed between 1990 and 2007 covered around 10 per cent of all workers in Britain (Samuel and Bacon, 2010: 431). A recent study of these agreements found that most were ‘substantively hollow’, and not instruments for exchanging greater employment security for more flexible working practices, as their proponents intended. Partnership agreements tended to achieve a more modest trade-off of guaranteed union involvement in managerial decisions in return for commitment to work towards the firm’s success. As such, partnership agreements were not mechanisms for employer dominance over employee interests, as many had predicted (Samuel and Bacon, 2010). The election of several prominent critics of the partnership approach to union leadership positions in the early 2000s marginalised it as a central renewal strategy, and partnership is unlikely to be re-embraced across the union movement any time soon.*

Samuel and Bacon’s paper argues that partnership arrangements actually offered few benefits to either employers or trade unions, being largely procedural. This, they say, reflects the UK tradition of voluntary collective bargaining, which has always had a strong procedural element.

**Stop!** What do you think? Why have both employers and trade unions been so keen on partnerships if the mutual

gains are limited? How significant might a change of government be to employers' and unions' attitudes towards partnership? Do we need legislation to force employers and unions to work together?

**Sources and further information:** See Wright (2011), from which the extract here was taken. See also Ackers and Payne (1988), Oxenbridge and Brown (2004), Samuel and Bacon (2010) and Terry (2003).

**Note:** This feature was written by Anne Munro at Edinburgh Napier University.