Critical incidents of partnership at NatBank: the first five years

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Abstract

Despite a rich partnership literature in the UK, relatively little is known about the processes of decision making under partnership regimes. This study examines the first five years of a high profile agreement in a British retail bank. Inspired by critical incident technique, this article explores the way key issues such as globalisation, offshoring and work organisation are handled, and decisions are made. It is argued that one cannot fully understand the outcomes without exploring both the context and process in detail. Benefits for management, unions and employees are also explored, and some of the main challenges to partnership considered. The article suggests that partnership requires a clear understanding of the purpose and the rules of engagement, and highlights a possible gulf between academic and actor expectations. It also highlights the importance of exploring the partnership processes and reveals evidence of the dialogue exerting a moderating effect over decision making, with management, union and employee actors all in favour of the collaborative partnership approach.

Keywords: partnership, unions, employee representatives, financial services, case study

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INTRODUCTION

Since the early 1990s the notion of workplace partnership has been a key plank of the New Labour government's employment policy of 'modernisation' (Stuart and Martinez, 2004), and has attracted great attention from both policymakers and researchers (Acas, 2003; DTI, 1998, IPA, 1999 TUC, 1999). Despite conceptual ambiguity (Guest and Peccei, 2001; Terry, 2003), most would agree that it concerns an attempt to shift the culture of employment relations away from zero-sum adversarial relationships, towards co-operative employment relations and delivering mutual gains (Stuart and Martinez-Lucio, 2004). A key conceptual debate appeared in the literature towards the end of the 1990s, with optimists suggesting partnership may offer an opportunity for unions to extend their representative capacity (Ackers and Payne, 1998), while critics questioned the coherence of the partnership model, and pointed to the risks of adopting such an approach (Claydon, 1998; Kelly, 1996; Marks et.al, 1998; Taylor and Ramsey, 1998). A significant number of empirical studies followed, focusing primarily upon the implications of partnership for trade unions, the extent to which partnership delivers "mutual gains". Most early empirical studies were critical in tone, and provided limited evidence of increased employee voice, mutual gains or union legitimacy (Stuart and Martinez-Lucio, 2004, 412), with only a minority reporting more sanguine findings (see for example Haynes and Allen, 2001).

More recent accounts have begun to investigate the processes of partnership, and reveal that earlier debates were deterministic (Samuel, 2005). Such studies reveal that partnership outcomes may depend upon various conditions including management and union strategies, rationale for partnership, and the way in which it has been implemented (Roche and Geary 2003; Samuel, 2005; Wills, 2004). Different "types" of partnership arrangement can be also be identified including formal/ informal, union/non-union, private/public sector forms. Various typologies of partnership arrangements have since emerged, between for example, 'labour-dominant' and 'labour-parity' (Kelly, 2004), ‘containing’ and ‘nurturing; (Oxenbridge and Brown, 2002) and ‘mature and enduring’ and ‘weak and disintegrating’ arrangements (Deakin et.al, 2004).

However, there remains a need for further studies to aid understanding of how and why partnership plays out in different *contexts* (Jenkins, 2008; McBride and Stirling, 2002). Though most of the literature is case study based (notable exceptions include Guest and Peccei, 2001; Guest et.al, 2008; Kelly, 2004), and therefore demonstrates a degree of sensitivity to context, some of the most overtly critical studies do not (e.g. Kelly, 2004). Some researchers also overlook the importance of *process*, tending instead to favour fairly crude attempts at ‘measuring’ outcomes, against often against extremely high measures of success informed by a romantic historical view of IR where trade unions and collective bargaining dominate the IR landscape. Indeed, though most UK commentators agree that partnership is concerned with the broader issues around the regulation and governance of employment relations (Stuart and Martinez-Lucio, 2004), and that the nature of participatory processes are important (Danford et.al 2004; Oxenbridge and Brown 2004; Stuart and Martinez-Lucio, 2004; Terry and Smith, 2003) relatively few existing studies have explicitly focused upon understanding the *process* as well as the *outcomes* in order to achieve a more holistic understanding[i]. As Dietz et.al (2005) argue:

> *We would argue that the litmus test for all partnerships...is the quality of the joint problem solving processes....of giving significant influence to employees over organisational decision making early in the process...and in delivering regular, acceptable mutual gains for all parties” (Dietz et.al, 2005, 302).*

However, for some commentators voice is simply viewed as a means to an end. This seems to imply that the priority is achieving ‘better outcomes’, and that the process through which these are achieved is almost irrelevant, be it state intervention, employer goodwill or union negotiation. Admittedly, voice which never influences outcomes is unlikely to be tenable, however we would argue that even when the final outcomes are not as all organisational actors would have wanted, participation is still of intrinsic value. This may reflect difference in industrial relations frames of reference (Fox, 1974), with pluralists perceiving intrinsic value in the process of voice itself (Ackers, 2007; Clegg, 1975), while radicals tend to view voice more as a means to an end. It is proposed that, in order to advance the debate, attention should be paid to the *context, process and outcomes* of partnership (Guest and Peccei, 2001; Jenkins, 2007; McBride and Stirling, 2002). The remainder of the paper is structured as follows. The next section outlines the research setting and methods employed in the study. This is followed by a detailed case study of a high profile union-management partnership at NatBank. The evolution and context to the partnership is outlined, as well as a detailed exploration of the processes and outcomes. The last part of the paper presents a discussion of these findings, before drawing some conclusions.

RESEARCH SETTING AND METHOD

The article presents a case study of a UK bank referred to as *NatBank*, where a high profile partnership agreement was struck in 2000. The financial service sector represents a key component of the UK private sector and of the economy as a whole, and has a long and distinctive tradition of both union and non-union employee representation. The sector has also experienced massive change from stable post-war oligopolistic 'traditional banking', characterised by conservative, paternalistic employers, to a turbulent and highly competitive global 'new banking' in the 1980s and 1990s. This led to organisational attempts in the 1990s to change organisational culture, pay, staffing and work organisation (Storey et.al, 1997; Stuart and Martinez-Lucio, 2008*).* The 1990s also saw *a s*ignificant rise in high profile disputes and calls for industrial action (Gall, 2001). Since the late 1990s, the sector has also had the highest incidence of partnership agreements in private sector services in the UK (Samuel, 2005), with at least fifteen agreements struck in companies including Barclays, Co-operative Bank, Legal and General and National Westminster (Bacon and Samuel, 2009; Gall, 2001). Poor IR is often reported to be one the main catalysts for such partnership deals (Kelly, 2004), and though some question whether interested partnership has receded (Heery, 2009), around 2/3 financial sector partnership agreements have proved to be relatively enduring (Bacon and Samuel, 2009). As such, the sector provides an excellent operational test of the realities of partnership in a key sector of the British economy.

The unit of analysis was the credit card business which holds significant autonomy from the rest of the Bank, employing over 5,000 people at four locations across the UK. The bulk of the research was conducted at a large call centre in the North East of England. It is noteworthy that the call centre was previously the location of many other back office functions before offshoring to India several years ago. Up until the 1990s around 90% staff were in administrative roles such as data processing/input or cardholder servicing. Females accounted for the majority of the workforce, and working hours were traditionally Monday to Friday 9-5. Today the centre employs around 1000 people. Most are employed as 'Customer Account Managers' (known as CAM's), resolving inbound telephone queries from customers and promoting credit card products and services. With the exception of pay negotiations, many employment relations issues have always been dealt with locally within the credit card division.

A key objective of the study was to obtain the perspectives of different actors including senior managers, line managers, employee representatives, and in particular employees. The bulk of the data was gathered through semi-structured interviews conducted in 2005, prior to the subsequent global economic downturn. These were recorded and transcribed verbatim. Six interviews were conducted with managers, three with employee representatives, and three with union full-time officials. Managerial respondents included the Administration Centre Manager, Call Centre Manager, Director of Customer Service, and team managers. In addition, the Employee Relations Manager based at the bank's business headquarters in London, was also interviewed on two occasions. Employee views were also obtained by conducting four focus group sessions with employees from a range of functions. All interviews were conducted on a one-to-one basis, except the employee interviews where a focus group format was thought to be more appropriate. All interviews lasted approximately one hour, while focus groups were typically 45 minutes duration.

A danger with research into experiences of partnership is that attitudes may be clouded by recent events, such as a recent pay rise or announcement of job losses. Inspired by 'critical incident technique' (Flanagan, 1954), a particular aim of the interviews was to *"capture the thought processes, the frame of reference, and the feelings about an incident...which have meaning for the respondent"* (Chell, 2004, 56), to mitigate the risks of obtaining data which reflects vague underlying feeling regarding recent organisational events, as oppose to attitudes to partnership per se. CIT interviews, however, involve the discussion of significant occurrences (incidents, events) identified by the respondent, the way they were managed, and the perceived outcomes and effects (Bryman and Bell, 2007). In practice, this method required interviewees to identify some of the main organisational and employment relations issues/incidents which have been prominent in the last five years (or since they joined the organisation if less than five years). This allowed context-rich examples which illustrate the 'lived realities' of the partnership process over a five year period to be obtained, rather than exploring employment relations in a more decontextualised snapshot way (Marchington et.al, 1994).

Interviews were subsequently coded, using both categories which informed the interview schedule (Lofland and Lofland, 1995) such as understanding of partnership, current and past employment relations, background to the partnership agreement, management-union relations, effectiveness of current structures. Many new categories also emerged from the data especially in relation to the 'critical incidents' identified by respondents (Saunders et.al, 2002). Such incidents were probed in detail in order to ascertain the background to the incident, what happened, how it was managed, who said what to whom, how the respondent felt at each stage, and how they perceived the outcome. The analytical framework was both deductively and inductively derived, with major headings derived from a fairly structured template, while specific issues concerning the day-to-day realities of partnership were largely emergent. Given the quantity of the interviews, qualitative analysis software was not deemed to be necessary on this occasion. Documentation was also provided useful additional material both for the purposes of triangulation (Denzin, 1970), as well as to obtain a richer contextual understanding of the organisation. As with much case study research, some of the findings are likely to be context-specific, however, creating statistically generalisable findings was not the primary aim of the study. Moreover, when compared with other published studies of partnership, and especially of those in the financial services sector, a degree of 'analytic generalisation' may be possible. Finally, though the number of informants is not large, the study benefits from rich interviews with a carefully selected cross-section of senior/line managers, union officials/ representatives, and employee perspectives.

WORKPLACE PARTNERSHIP AT NATBANK: THE FIRST FIVE YEARS

Background to the agreement

The partnership agreement at NatBank was borne out of a very poor climate of industrial relations in the late 1990s, culminating in industrial action over the proposed introduction of performance related pay in 1997. Union representatives admitted that there was a need to end the hostile *'everybody out mentality'* that prevailed within the Bank whenever an issue arose. A union official also confirmed how relationships between the bank and the union in the 1990s were generally characterised by *"arms-length legislative compliance, rather than any real enthusiasm"* with limited interaction between union officials and senior management. Equally, managers reported how the 1990s also presented tough market conditions for the bank as competition in the sector intensified, resulting in several changes in the senior management team in order to *"turn the bank around"*, and this is confirmed by media reports from the time. The Employee Relations manager explained how the industrial relations climate was poor:

> "The relationship was absolutely shocking...There was industrial action in the branch network. It was the culmination of a lot of things going badly in terms of the overall relationship. During the 1990s the relationship between the union and the company had been quite fractious...there would be long days and evenings at ACAS trying to solve problems" (Employee Relations Manager).

At the same time, notions of workplace partnership were being promoted as part of the 'Fairness at Work' agenda of the Blair government (DTI, 1998), as well as the Trade Union Congress and Involvement and Participation Association (IPA, 1997). Management and union officials agreed that the situation was untenable and that there was a need for a fresh approach. A formal partnership agreement, prepared by a working committee of senior managers and union officials, was signed at a national level between NatBank and the recognised union in 2000. These were based upon an adaptation of six principles of partnership espoused by the TUC (TUC, 1999), and are summarised below:

The principles of partnership:

1. to secure and promote the long terms success of *NatBank*
2. to promote the interests of employees, customers and shareholders
3. to ensure that *NatBank* meets customer expectations by having people with the right skills in the right place at the right cost
4. to facilitate the management of change
5. to ensure employees are managed fairly and professionally
6. to promote equality of treatment and opportunity for all, valuing diversity

There were three accredited union representatives on site, while for a period before there had been none. All were long-standing employees of the Bank and had been in the role as representatives for around two years. The union representatives explained their motivation for standing as a representative. The key driver was the suggestion that flexible call centre-oriented contracts were to be introduced. As one representative explained:

> I thought I'm going to need to get more involved here... they were looking to get everyone off the original NatBank contracts which were fantastic contracts, and get them all on these flexi contracts which are pish! Very little pay, staggered start and finish times, you don't know when you are in from one week to the next really...that's why I got involved. I thought it's not happening. And I haven't let it happen! (Union representative).

Representatives received two days per month for union duties although there was scope for scheduling of extra time if union duties required it, and the representatives suggested that this was normally granted by their line-managers. The representatives also had weekly meetings together to discuss issues, fortnightly meetings with the call centre managers and monthly meetings with the Head of Site. They also held quarterly meetings for members, although it was reported that most members preferred to make informal contact during the working day. Representatives had frequent contact with the central union, and appeared to be fairly active, suggesting that they dealt with at least one union issue each day. They described the role of the NatBank full-time union official as one of 'mentor' offering advice and support when they feel they need to escalate an issue, although many decisions are devolved locally. The FTO suggested that it was an explicit aim to build a solid cadre of local representatives because this was practical, but also because he believed partnership working required strong local representation.

According to the Employee Relations manager partnership could be defined as:

> "Sensible, modern industrial relations. There is a mutual self-interest. We want to make lots of money for our shareholders, and the union would like us to make lots of money so we can continue to employ lots of staff who can in turn contribute to the union's funds. The central core of partnership is about long-term business success, but that the perspectives the employer and trade union are coming at it are completely different" (Employee relations manager).

Management suggested that in practice this meant more dialogue and interaction with the trade union, and considering decisions from an *employee* as well as business/financial point of view. Without a partnership approach, the Director of Customer Service suggested that, *"the union wants what is best for the union, and the business simply wants what is best for the business, whereas with partnership when you take an issue to the table, everybody wants to get it solved".*

Local managers also suggested that partnership concerned a more proactive problem solving approach, understanding the rationale behind decisions and business pressures, and working together to get the best outcome. For the union national secretary, 'partnership' also concerned problem-solving and closer interaction between the union and the management team, but warned that perhaps the term partnership itself is a misnomer:

> "Respect, transparency... a move from 'institutionalised' conflict to problem solving. The whole ethos around partnership is problem-solving. But partnership is not the right word. It can never be a partnership. What it *does* mean is that we are now in the tent rather than out the tent, interfacing with the main leaders of the bank, in terms of business decisions and the impact on staff" (Union National Secretary).

In other words, he believed it was "pointless" to get involved in a debate as to whether partnership offered an 'equal' relationship, overlooking the benefits such a framework offers, including access to key business decision makers, better information, and a greater respect for each parties point of view, and setting out the 'rules of the game'.

Representatives suggested that both sides now had to consider decisions from a staff and business point of view, and that partnership concerned consultation at an earlier stage than is typical in non-partnership arrangements. It was made clear by the management team, however, that the union representatives did not need to *agree* or "rubberstamp" decisions. When no agreement could be reach locally there was the option of escalating it to monthly national consultation for further detailed discussion. Nevertheless, the Employee Relations manager made clear that with partnership the business retains the right to make the final decisions:

> "The union is not always going to agree with us. We are not always going to agree with them. It's ok to have rows. It's ok to have diversity of opinion. It just means one side has to convince the other that their arguments are stronger. But ultimately the business will make the decision. Because it's the business that has to answer to shareholders. Sometimes it might stop us from doing something, but ultimately we would proffer the view that we are dealing with the shareholders not the trade union" (Employee Relations manager).

Indeed it was suggested by the call centre manager that if employees perceived that the trade union actually signed off all decisions, this could lead to misunderstandings between representatives and union members:

> I think the reps get themselves into a bit of a corner sometimes, because I think they like people to think that they agree everything and that nothing can happen until they've said yes. But when something does happen they didn't agree, staff are up in arms with them. It's in everyone's interests to be very clear, the union reps do not need to sign everything off (Call centre manager).

Critical incidents of partnership

The CIT technique uncovered four main organisational issues which concerned interviewees in the period 2000-2005: offshoring, re-grading, flexible contracts, and the 'sales/service split'. The implications of each issue are now explored in turn.

i) Offshoring

The main issue to affect the centre in recent years was agreed to be the off-shoring of several back office administrative functions to India. The Head of Site suggested that this meant that *"India was on everyone's radar"*, and inevitably led to fears regarding job security. In practice, most employees previously in non-customer facing clerical roles were offered roles as telephone based customer agents. As one manager explained, *"It's quite a change in culture to put a headset on and answer the phone call after* *call…a lot of the old school took very hard to that change".* It was suggested that the union lost many members as a result of the off-shoring issue, which one union representative described as *"an almighty cock up...people thought the union were pretty crap".* Union representatives (who were not representatives at the time), suggested the announcement was *"out-of-blue...a major hoo-ha, we were all very worried".* The union and the Bank have since signed a 'globalisation agreement' outlining various joint commitments regarding off-shoring practices. A union statement described the agreement as *"representing what can be achieved through an atmosphere of partnership between unions and employers".* At the centre of the agreement is a framework to avoid compulsory redundancies in the event of future offshoring. The key provisions of the agreement were:

- Voluntary redundancy register across geographic regions
- Enhanced use of voluntary job matching
- Redeployment into alternative employment where a role is undertaken by a contractor or agency staff trial periods and no loss of redundancy option
- £2000 gross training support for external career retraining
- In-placement and outplacement support by consultants
- 3 months advanced notice plus 3 months displacement
- TUPE transfers and globalisation such as redundancy terms and pension provision
- International Labour Standards – freedom of association in international operations
- Rolling management information on job transfer possibilities

The union National Officer suggested that this meant the employer now has *"hoops and barriers they need to jump across"* to mitigate the worst excesses for employees, and that without such an agreement the union would not necessarily be consulted as early, and the bank could potentially make only cursory efforts at redeployment. To date nobody has lost their job as a result of the off-shoring programme; indeed according to the representatives many older members were very interested in pursuing the attractive voluntary redundancy package should further job cuts arise, and this was confirmed during employee interviewees. The National Officer argued that, since the Bank initially proposed 1000 job cuts and the union managed to reduce that to 225, as well as ensuring an excellent severance scheme for the displaced, this represented a good measure of success.

The Employee Relations Manager suggested that having an agreed process meant that the business was upfront and involved the union early on, while equally the union appreciated competitive pressures and business rationale. In a similar vein, the Director of Customer Service suggested a need to confront tough realities and that there is no such thing as a 'job for life'. As such, for him the priority is treating people correctly if they are made redundant. Full time officials and representatives agreed that the union priority must be to mitigate the effects of such decisions through redeployment, training, early consultation, and ensuring employees affected get treated fairly and with respect.

ii) Re-grading

Most roles are now telephone based, and a decision was taken to conduct job evaluations of the new roles. As many of decisions in the call centre environment are systems based, the job evaluation concluded that the call agent role was more suited to grade 2, one grade below the current 3. The management and union explored the various options and a decision was made to leave existing employees unaffected to avoid conflict. As the Employee Relations Manager explained, without the extensive dialogue through the partnership process, a 'logical' business decision may *"have been imposed from on high without much consideration".* Under partnership protocol, the final decision followed a long period of consultation and discussion about the potentially disastrous impact on morale. The final decision was therefore to leave existing staff on grade 3, but to recruit new employees on grade 2, which management believed better represented the market rate and demands of the job. This was described by union representatives as an example of a *"good win"*. For one union representative, *"Although it's not ideal, it's not benefiting the business as much as they would like to have from a money perspective. It made everybody happy. They knew the score".* As the call centre manager concluded *"it wasn't a great shock, it was the most palatable option. They got their win really"*, and she explained how pre-partnership, "*it would have just been delivered. A fait accompli dropped on them, cloak and dagger behind closed doors".*

iii) Flexible contracts

The third issue concerned the introduction of a new flexible contract to replace the traditional 9-5 contract existing staff had. From a business perspective, it was believed to be increasingly important to be able to answer customer enquiries twenty four hours a day. For many long-serving employees, however, a flexible contract was seen to represent a significant diminution in their terms and conditions. Again, following union discussions, it was eventually decided to keep existing staff on existing contracts to avoid the potentially negative impact on morale. New bank employees were recruited on the basis of the new flexible contract of course. Management suggested that without discussions with the union providing an insight into how potentially damaging this could prove in terms of employment relations and attrition the decision may simply have been imposed. As the Employee Relations Manager explained:

> If we hadn't had that ongoing dialogue with the Union, there is no doubt we would have imposed something from on high, would have pissed a load of people off, would have moved our attrition rates up, and it would have cost us more in the long term. People would have left, and we would have had to recruit people, trained them, invested in them. We had people stay on those contracts, kept them happy and working, and didn't make radical changes we didn't need to (Employee Relations Manager).

Representatives also suggested that the new flexible contract initially proposed offered no weekend or bank holiday shift premia for new employees, and this was also vehemently opposed by the union, who subsequently managed to negotiate a 25% premium:

> "We got new employees 25%. That was a big win. Because management came in and said there was no way they were going to budge. Even thought it was still crap it's better than nothing. But times have changed, and they need to change. (Union Representative).

Partnership therefore appeared to have encouraged management to take a more long-term view.

iv) Sales and Service Split

NatBank was also keen to make the organisation much more sales-oriented, encouraging employees to proactively cross-sell a range of products and services on calls, rather than reactively servicing customer. However, the response to this change towards a more intense sales culture was not positive, with many customer advisers uncomfortable working with the pressure to sell on even the most routine calls. This was a culture shock for many of the long-serving employees, who were therefore extremely resistant to change, and many even left the organisation. Eventually, it was decided after long consultation with the union, that all customer advisers would no longer be take on a dual service/sales role. As one manager commented:

> "For a long time, because we hadn't thought of it quite frankly, we resisted the unions call for splitting the sales and service. And then – lo and behold - there's nothing so zealous as a recent convert, we suddenly 'came up' with the idea. Wouldn't it be good to split sales and service, and the union said we told you so. It's another good example of where we have worked together" (Employee Relations Manager).

He argued again that the consultation process meant there was a greater understanding of the day-to-day dynamics of call centre work, and the views of grassroots employees rather than just a *"pure technical, commercial model".* For the union representatives this was another example of successful consultation exercise. They argued that there is a need to be a certain type of person to be good at sales, and many long-serving employees had no experience in sales, and found sales too stressful. The incident highlights how partnership facilitated discussions around the business rationale, and identified potential flaws and pitfalls based upon the particular historical context of the credit card centre.

Benefits

Overall, several benefits were identified compared to the pre-partnership days at the centre. Firstly, one of the key benefits concerned the influence and regulation over decision making. While management benefited from constructive feedback and better decision making, the union benefited from the opportunity to have their say, often at an early stage in the process. The scope of union involvement was also now broader, and information was provided at an earlier stage. Though the process was not viewed as one of joint decision making, union officials and representatives believed they did have influence. Crucially, this was also recognised by employees as the following quotes illustrate:

> "We don't know all the ins and outs but you'd rather pay your subs, because you think, if I didn't, then what would happen!" (Employee Focus Group)
> "Every employees dream is to have some say in what the company does, and we believe we do get asked our opinion. It might not always suit everyone, but at least we have been asked (Employee Focus Groups).
> "The bank doesn't seem to go as far as they could sometimes. They seem to show some respect for their employees (Employee Focus Group).

Another benefit of partnership was said to be more local decision making, and improved employment relations generally. Representatives were active and knowledgeable, and appeared to be well respected by management and employees alike:

> "Everybody knows the union reps, they are all characters so you definitely know them!" (Employee Focus Group)
> "I think the reps are a lot more approachable now. A few years ago, you wouldn't have had a clue who they were" (Employee Focus Group)
> ""They do a lot behind the scenes. They seem to be very active and to play a part. I wouldn't hesitate to see them if I had a problem" (Employee Focus Group)
> "The union are a great mechanism, they make you stop and think. Are we being fair? Is it reasonable? Is it even legal? So by the time we actually make a decision we are convinced it's the right thing to do" (Call Centre Manager).

More generally, all the representatives agreed there had been an increase in union legitimacy. Prior to partnership, the union were said to enjoy much less resources and facilities, and much representative work was said to have been undertaken at home. Representative vacancies were often unfilled. Since partnership, credible and active representative roles had been created, and all the union committee positions had been filled. Representatives also hold a recruitment day in the canteen every three months, attend staff inductions, and have even won an award from the union for their success at increasing membership at the site. Representatives were also pleased with other factors including time off for duties, and access to company facilities.

Nevertheless, some challenges remained. It was suggested that, at a national level, a minority of management and union actors sometimes still had difficulties with the partnership arrangement. This related to the challenge of embedding a partnership culture across the entire organisation, especially at middle management level. Winning the buy-in of employees was also cited as challenge for the reps, although the research revealed that most employees at the North East centre did trust the union to work effectively behind the scenes to protect their interests. A particular worry from some union representatives was the danger that they may be perceived to be *"in the Bank's pocket",* as employees often only heard about the final outcomes of a decision, and not the actual process. Even the Employee Relations Manager acknowledged that partnership relationships are significantly more low-key, potentially making it more difficult to demonstrate influence to members. As such there was a feeling that with partnership it can be difficult to advertise the successes of the union to members, and there was a perception that this may have been easier under traditional bargaining. A final concern was the sustainability of the partnership over time, in particular in response to a major organisational crisis, though in this case was there was evidence to suggest partnership had already survived a period of organisational turbulence. Equally, there were concerns if some of the key partnership figures, were to leave the organisation.

CONCLUSION

There are several implications from this study. Firstly, partnership requires a clear understanding of the purpose and the rules of engagement in the particular context in which it is espoused (Cooke, 1990; Haynes and Allen, 2001; Stuart and Martinez-Lucio, 2004). Intriguingly, the understanding of partnership held by the actors in the NatBank case did not always correspond with the interpretation adopted by the critical commentators in the academic literature. It is quite possible that the expectations of workers and trade unionists do not match the expectations of radical academic theorists. Critics often denounce partnership on the basis that it does not offer unions "joint decision-making", "joint governance" or "co-determination"(see for example Danford et.al, 2005; Upchurch et.al, 2006) but it is important to use the perspectives of actors on the ground. Thus the actors at NatBank did not believe that partnership meant the co-determination of decisions. Partnership was viewed as problem solving and a means to promote information, consultation and dialogue at an early stage, but representatives agreed that ultimately with a partnership framework management retain the right to manage, and to make the final decision. This was not perceived to be a particular problem; indeed workers and employee representatives believed that on balance they did benefit from partnership working, and were generally positive about the arrangement, arguing that decisions were often better as a result. In essence, much depends whether one views the glass to be 'half-full' or 'half empty'.

Secondly, it is difficult to gauge whether the situation would have been different without a partnership approach, i.e. with a more ‘traditional’ approach. This is often overlooked by critics who stress the need for negotiation and not ‘just’ consultation which is seen as ‘second best’. It is worth emphasising that there has been a shift away from negotiation to consultation in the UK for many years (Charlwood and Terry, 2003; Cully et.al, 2006; Oxenbridge et.al, 2003; Terry, 2003, Wilkinson et al 2004, 2007). Quantitative studies such as WERS (Cully et.al, 1999; Kersley et.al, 2006; Millward et.al, 2000), depict the demise of traditional collective industrial relations, while others chart the increase in ‘never-membership’ (Bryson and Gomez, 2005). Charlwood and Terry (2007) note how employee representation is often judged in accordance with a romantic idealised benchmark of joint regulation between management and unions which was probably only applicable in a minority of workplaces at the peak of trade union power. Setting appropriate benchmarks for success is therefore crucial.

Thirdly, it is argued that existing studies often overlook the process of partnership, and in particular the ‘litmus test’ in terms of quality of the decision making processes (Dietz et.al, 2005). In the NatBank case, there was evidence of the partnership process exerting a moderating effect over decision making, particularly where a ‘business case for equity’ could be made, resulting in decisions which accommodated the views of representatives/employees to a greater degree than they may otherwise have done. To use the language of Walton and McKersie (1965) partnership theory implies a process characterised by more aspects of an integrative approach and less characteristics of a distributive approach. Of course, in reality decision making processes are likely to involved aspects of both, but is noteworthy that at NatBank there was evidence of attempts to identify common interests, brainstorming to identify solutions, and an emphasis on trust and transparency. Actors regularly spoke in terms of ‘problem solving approaches’, and there was evidence of innovative solutions emerging out of the partnership dialogue. Relationships between local management and local reps, and union officials and senior managers appeared to have improved significantly over the last five years. In addition, by exploring the process and context of decision making, it became evident that as a result of the voice and dialogue channelled through the partnership system, union representatives were often able to moderate decisions to mitigate the worst effects for employees. Thus there is evidence to support the arguments of Findlay and McKinlay (2003) that it is from the process of partnership itself that employees may stand to gain most from partnership. In addition, it underlines how crude use of labour outcomes, such as number of job losses, without reference to specific context and process, may tell us little about the quality of employment relations.

Fourthly, practices must be seen to be beneficial for managers, unions, and employees if the partnership is to be enduring (Haynes and Allen, 2001). This study found that, on balance management, union and employee actors were all in favour of a collaborative partnership, and attributed various benefits to the approach. Management were pragmatic, and valued the additional input they received through dialogue and the facilitation of organisational change, and for unions this is optimistic. Union actors also valued the additional resources they had been provided under partnership, such as the improved access to information and key management figures, and the wider scope of involvement. Such findings are inconsistent with critical studies which predict that partnership will necessarily lead to the subordination of unions. This particular partnership, which arose out of crisis, actually revitalised workplace union organisation, as in several other studies of partnership in the financial services sector (see for example Haynes and Allen, 2001; Samuel, 2005, 2007; Wills, 2004). Employee responses – often overlooked in many studies – were also generally critical of adversarial strategies, and suggested positive gains had been achieved since the partnership agreement signed in 2000.

Such positive responses offer a stark contrast to the critical literature. Again, much depends upon the benchmarks for success, and perhaps confirms the "inappropriateness of 'mutuality' as a device for conceptualising the employment relationship under partnership regimes" (Suff and Williams, 2004). Terms such as 'mutuality', 'reciprocity' are simply too vague. While they suggest a relationship between two parties, and the notion of an exchange where each party gains something, this reveals very little about the quality of the employment relationship; indeed even a

Dickensian sweatshop could be described in such terms. ‘Co-operative employment relations’ is also ambiguous, as a co-operative relationship to one person could be perceived as co-option by another (Dietz, 2004), and in reality even a healthy partnership relationship will be characterised by aspects of both co-operation and conflict (Terry and Smith, 2003). Perhaps ‘mutual gains’ are better thought of as a regulative ideal (Budd, 2004, see Weber, 1951), and this is compatible with a pluralist notion of the employment relationship, where the aim is some levelling of the playing field. These reservations notwithstanding, in this case, partnership facilitated voice and dialogue, which promoted more considered decision making and mitigated the impact on employees. When judged in this light, the NatBank partnership demonstrates some success, despite recent arguments that interest in partnership in the UK has receded (Heery, 2009).

Despite the positive overall conclusions, significant challenges to ensuring partnerships remain, but these need not necessarily provide arguments against partnership *per se*. As Geary and Roche (2004) note, partnership needs to be institutionalised to a significant degree, taking root at multiple levels and operating consistently over time. In common with other studies, embedding partnership at all levels was a problem, with representatives frequently citing inconsistencies in approach (Heaton et.al, 2002; Dietz, 2004; Marks et.al, 1998). Middle management in particular were identified as a potential barrier, but this is a common finding across the employee participation literature (Dundon et al 2004; Marchington and Wilkinson, 2005; Taras and Kaufman, 2007) rather than an issue exclusive to partnership arrangements. Representative efficacy was another challenge. Given that “success in consultation is perceived to rely on force of argument and technical competence rather than muscle” (Terry, 2003, 493), this may be difficult where representatives have traditionally criticised rather than proactively engaged in decision making. It may also be more difficult for representatives to know what to support, and may create gulf between representatives and their members. There is a delicate balancing act to be struck by representatives between being perceived to be ‘too strong’ and ‘too weak’ to retain the support of employers and employees (Ackers et.al, 2004). Strong partnership appears to require a different style of trade unionism, supported by skilled representative with different knowledge and capabilities to those required with more traditional bargaining. A final challenge is the ability of partnership to withstand a period of adversity. Partnerships cannot be thought of as a static agreement (Stuart and Martinez-Lucio, 2004) but must be able to stand the test of time, and this is more difficult to predict. Challenges may include 'champions' leaving the organisation, a major organisational crisis or event, a change in government, and the impact of the global economic downturn.

To conclude, this study offers support for the advocates, but also illustrates some of the concerns expressed by the critics. The article has proposed a need to understand more about the context and process, in addition to the hard-to-measure benefits of partnership, and to compare the gains not just with the 'ideal' but also with other possible alternative outcomes. It is argued that the views of the critics are too defeatist, and of little use to ordinary employees and managers looking for a way to improve the quality of employment relations. There is a need to re-think exactly what partnership means, and what it is expected to achieve, and to judge accordingly. Partnership will not deliver a equal balance of mutual gains to actors – whatever this would look like – but is quite possible that outcomes were more balanced than they otherwise would have been, and this is a central component of the pluralist ethic. Partnership studies must also be informed by a realistic public policy framework, located within the broader British IR context of union decline and less jointly regulated employment relations.

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[i] To date, much of the research exploring the complex dynamics of partnership processes is located within the studies of labour management co-operation in North America and the Republic of Ireland (see for example, Kochan and Osterman, 1994; Kochan et.al, 2008; Roche and Geary, 2002).

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