Employee representation and partnership in the non-union sector: a paradox of intention?

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Non-union forms of employee representation have become increasingly prominent in UK workplaces in the last 15 years. In addition, partnership working has been encouraged by New Labour, the Chartered Institute of Personnel and Development, the Confederation of British Industry and the TUC as a route to higher commitment and higher individual and organisational performance. These trends have been further encouraged by recent European Union legislation. This article seeks to examine the implied linkages between non-union employee representative mechanisms and partnership working and their influence on the effectiveness of employee voice as a conduit of high performance. The article is based on a case study organisation from within the UK finance sector, and data are drawn from semi-structured interviews with managers and staff and a survey of employee attitudes. The article concludes that employers' attempts to utilise a non-union partnership framework for organisational gain are severely constrained by structural limitations on effective employee voice.
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The 1998 Workplace Employment Relations Survey (WERS) recorded a growth of non-union forms of joint consultation between employers and employee representatives in recent years, together with a more pronounced growth of direct forms of employee participation. WERS records that the proportion of workplaces with union-only 'voice' fell from 24 to 9 per cent between 1984 and 1998, those with a mixture of union and non-union voice fell from 42 to 33 per cent, those with a non-union only voice increased from 16 to 40 per cent and those with no voice remained steady, increasing from 16 to 17 per cent (Millward *et al.*, 2000: 122, table 4.13).[1] Initial figures from WERS2004 suggest that 5 per cent of workplaces contain 'stand-alone non-union forms of employee representation' either alongside unions or, more likely, in workplaces where there is no union presence (Kersley *et al.*, 2005). When presented as a whole, these figures would suggest that UK industrial relations had moved over the last two decades from a predominantly traditional, union-based system of representation to a multi-channel system of representation that includes a substantial section of non-union representation (Gospel and Willman, 2003; Ackers *et al.*, 2005). This emerging picture of multi-channel representation raises crucial concerns and questions. First, there is clearly a 'representation gap' among UK workers, especially in the private sector. This may be worrying not only for trade unions but also for proponents of the thesis that an effective employee voice aids organisational efficiency and productivity. This latter contention is shared by the UK government, which has promoted models of the 'High-Performance Workplace' based on effective employee voice and partnership working (Department of Trade and Industry (DTI), 2002). The Information and Consultation of Employees Regulations, implemented in the UK in April 2005, reinforces this approach and contextualises the move towards a more supportive institutional environment for employee representation, including notions of enhanced economic and industrial 'citizenship' (Kristensen, 2001; Martin, 2003). However, UK government statements on both partnership and employee voice as well as on reports from other interested agencies such as the Chartered Institute of Personnel and Development (CIPD, 2001) fall conspicuously short of translating the desire for employee representation into trade union representation and collective bargaining. What is proposed instead is a range of employee representation models, including both union and non-union representations as well as forms of direct representation associated with soft HRM techniques. The omission of the *social* aspects of partnership in terms of an institutional framework supportive of unions is a confirmation of the UK's commitment to modified neo-liberal economic agendas, as evidenced by the government's hostility to the European Union's (EU) Charter for Fundamental Rights (Watt and Black, 2004). It may also reflect the different tradition of UK industrial relations when compared with the core countries central to the European Social Model (Hyman, 2005).

This commitment of government and employers to the multi-channel model poses important questions that need testing by case study evidence. There has been an emerging body of literature examining non-union workplaces, usually from within perspectives that focus on particular aspects of managerial strategy (see Dundon and Rollinson, 2004 for a review). Most studies have presented models describing strategies for union avoidance and the maintenance of managerial authority (Roy, 1980; Guest and Hoque, 1994; McLoughlin and Gourlay, 1994) while others have focused on product markets as contextual driving factors (Rubery 1988; Kochan *et al.*, 1986). However, given the new institutional environment, it is now of increasing interest to examine the voice effectiveness of *non-union forms of employee representation* (NER) rather than that of non-unionism *per se*, particularly in cases where there is an expressed management preference for a partnership route to organisational effectiveness and efficiency. As Gollan (2005) notes, debates in this field of inquiry focus on the ability of NER to match or exceed the effectiveness of trade unions as conduits of employee voice and interest. Is it the case that employees might work successfully within consultative-based mechanisms to further their interest (Bryson, 2000), or is NER a cosmetic process of employee representation that is likely to be dominated by management sympathisers (Kelly, 1996; Terry, 1999, 2003; Wills, 2000)?

In this article, we explore such a case study from the UK finance sector where a Partners' Council (PC) has been established on a non-union basis. We ask two major questions. The first focuses on management motives and objectives in creating and supporting such an employee relations structure. Second, we explore the effectiveness of the particular structure for expressing employee voice. We also make some comments on the implications of changing UK legislation for this and similar non-union forms of employee representation. Our research included over

40 interviews of employees at FinanceCo during 2003, ranging from managers, specialists and administrative/secretarial staff and 128 email-based survey returns from a sample of 400 employees across all occupations. The selected sample reflects the occupational and divisional spread of staff in the organisation. FinanceCo is a UK-based building society that recently became part of a British Isles-based banking and financial services group. The building society has never recognised trade unions, and historically, any collective employee voice was channelled through a dependent staff association. In recent years, FinanceCo established a PC of non-union employee representatives, which was then revamped and consolidated after a failed attempt was made by the banking and finance union (UNIFI) to establish a union recognition agreement. The research is part of a wider examination of case studies into the 'Patterns and Prospects for Partnership at Work in the UK' funded by the Economic and Social Research Courcil (ESRC) Future of Work Programme.[2]

EMPLOYEE RELATIONS IN THE FINANCE SECTOR

Finance and related businesses in the UK now represent about 19 per cent of all UK employment[3] and have had a long tradition of non-union staff representation or representation by dependent staff associations. This is in addition to sections of trade union representation. Within the sector as a whole (financial intermediation), the 2003 Labour Force Survey recorded union density at 25.9 per cent, with 51 per cent of all employees working in a workplace where trade union members are present.[4] Industrial relations practices have historically been extremely diverse. In the past, divisions between the three sub-sectors (banking, insurance and building societies) in the UK were fairly well established, but since the 1980s, boundaries within the sector have become blurred as they have undergone the 'financial services revolution' (Moran, 1991). The sector has been especially affected by mergers, acquisitions and takeovers alongside deregulation and then re-regulation of financial markets and demutualisation within the sector. This process has been a response to increased competition as organisations seek to develop economies of scale and secure an increased market share (Hasluck, 1999).

Challenges to the staff association dominance began to emerge in the 1970s, especially in retail banks whereby the Bank, Insurance and Finance Union (BIFU) absorbed some of the staff associations. The independent unions representing the sector (predominantly Amicus – through its old Manufacturing, Science and Finance Union (MSF) section – and UNIFI) have traditionally recorded low levels of militancy. This has been explained in the past, with a particular reference to banking as a reflection of the conservative organisational culture of the industry, setting banks apart from the 'more vulgar occupations of industry and commerce' (Nevin and Davis, 1979). In the 1990s, Gall (1999) recorded a change in bank workers' attitudes towards a more collective and pro-union orientation driven by work intensification and regimentation, which may be a precursor of similar developments in the rest of the finance sector. Employer strategy, in response, includes the development of partnership arrangements, with 14 signed in the sector between 1997 and 2000 (Gall, 2000).

Alongside capital, concentration and restructuring major changes to the organisation of work have taken place as employers have sought to become cost-efficient in a competitive product market (Danford *et al.*, 2003: 97–121). De/re-regulation and demutualisation are reasons for the emergence of a new management 'model' whereby the old model based on paternalism, conservatism and bureaucracy has given way to a model of sales and performance orientation and technocracy (Cressey and Scott, 1992). Evidence from the banking sector (Storey *et al.*, 1997) and from insurance (Danford *et al.*, 2003: 97–121) suggests that this new model has not always been successfully translated into the creation and consolidation of softer HRM techniques based on employee involvement and participation. This is partly because of a continuation of the old management culture and partly because of staff reductions and low trust of management motives fed by job insecurity. Delayering of management jobs has been accompanied with the break up of the whole business into separately accountable business divisions. New forms of pay are prevalent in the sector, based on individual performance and sometimes linked with job evaluation to accommodate shifting skills in relation to new technology.

FINANCECO'S EMPLOYEE RELATIONS STRATEGY

No trade unions have ever been recognised at FinanceCo, but a Staff Association had been in existence prior to the establishment of PC. FinanceCo both before and after the takeover had restructured itself on the basis of business divisions, each with their own budget and targets, which were linked to a profit-sharing scheme (*Sharing in Success*). The PC was established in 1992 and then revamped in 2001. From this date, it comprised elected employee representatives from different sections with a full-time chair of the PC seconded to the post. All staff members are automatically members of the PC. In constructing the PC, the company decided to conduct a ballot asking the staff on the type of representation they would prefer, including the option of trade union recognition. The chair of the PC explains:

> . . . there was a Staff Association, but what point there was, nobody could really see because it made absolutely no difference to the decision-making process at all. So they had a staff survey asking how would you like to be represented, would you like us to recognise a union, are you happy with what you've got, or would you like what you've got but with a bit more teeth? And that's what the majority of staff voted for. . . .

Since then, the PC has continued to operate in the building society section of the overall banking group, with a central PC supplemented by smaller PCs based in each business division. Following an attempt by UNIFI to recruit members and to seek a recognition agreement at the organisation in 2001, the PC was consolidated, and new efforts were made by the HR Department to strengthen representation. Within the framework of Marchington's (1994) 'models of employee consultation', the PC would thus fall within the non-union model category designed by management with the primary intention of keeping out a union presence and of acting as a 'safety valve' for employee opinion. One member of senior management admitted this in stark terms when asked the reason for the PC: 'Being fairly cynical I would say it is fear of trade unions, would be my first reaction'. The PC was enhanced to give staff members a greater say 'in influencing important issues such as HR policies, business changes, fairness in reward and staff satisfaction' (Internal FinanceCo document).

Other reasons for this strengthening of employee representation are twofold. First, the improvement was necessary to comply with existing legal obligations to consult with employees, especially in the light of the incoming Information and Consultation Regulations. Second, while UNIFI had dropped its campaign to seek recognition, the threat of union incursion remained. In the rest of the Bank Group, including its own UK operations outside FinanceCo, unions are recognised. Senior managers at FinanceCo have been faced with the strategic decision of whether or not to 'fall in line' with the rest of the Group and concede union involvement, or to continue to pursue the non-union PC approach. To date, senior management have chosen the latter course. This may reflect a degree of employee relations 'path dependency' whereby any option to change from non-union to union environment would involve considerable transaction costs (Willman *et al.*, 2003). However, as Willman *et al.* (2003: 6) also suggest, the contextual algebra of employer opposition to unionism, potential union incursion and employee desire for voice makes such employee relations' regime potentially unstable. Too little independence for the PC may re-invoke union insurgence; too much may create the conditions for the absorption of the PC by union merger.

One senior manager, for example, recognised the competing pressures:

> We have one full-time representative now who runs the Partners' Council who is paid, but one for an organisation of however many thousand people. Is that really a serious commitment? I think there's a lot more we could do to make that a far more effective way otherwise if culturally we've said we don't want to be unionised, we are in fact just really keeping the door open for a hostile unionisation to happen because if people aren't satisfied with the representation they're getting, they will eventually go and seek it somewhere else.

In terms of process, the PC also clearly plays the role of the transmission belt of management decisions and thinking, reinforcing the 'non-union' aspects of Marchington's (1994) model. The dilemmas involved in managing such a process were recognised by managers, one of whom referred to the PC as both 'immature' and 'paternalistic' in its form and content while criticising senior management for not having 'an awareness of how beneficial it (the PC) can be to create a positive environment'. The immaturity was caused by the relative lack of awareness and training of the intricacies of the employment relationship of the PC representatives, while the authoritarian paternalism is built into the structure of the PC itself. This is evidenced by the method of election of the PC chair, who was selected by the senior HR Director as one of two official candidates for election from a wider field of employee nominees previously vetted by the HR Department. The chair was then given a responsibility payment for an indeterminable period of tenure as well as an office next door to the HR director. The dependent nature of the PC is further evidenced by the lack of formal joint codification of decisions. Although all meetings are chaired by an elected chairperson, minutes are recorded by the personal assistant to a senior manager (often the director of finance) without recourse to amendment by the PC representatives. Crucially, there are no negotiations over pay, which instead is determined centrally and unilaterally by the HR. This sense of powerlessness is best summarised by a PC representative commenting on the internal workings of the PC:

> I don't actually think we carry as much weight as we'd like, really. . . . There've been instances where we've been consulted about a particular policy that's going to be changed, put forward all of our feedback and then next month the policy has actually been finalised without us actually having been consulted . . . the minutes that we have taken each meeting are prepared and typed up by senior management who are distinct from Partners' Council, so when it gets actually written up the essence of what was talked about isn't relayed.

Commentators on non-union representation have drawn attention to the ability to negotiate and bargain as a real test of employee representativeness (Terry, 1999, 2003; Gollan, 2000; Lloyd, 2001). At FinanceCo, the opportunity to negotiate was limited with most meetings centred on management presentations of key business decisions followed by a discussion of the implications of these decisions. This was true of distributive issues such as pay where management prerogative was upheld by delivering results of the pay round on an informative rather than a consultative basis. This is not to say that there was no disagreement over the substantive issues but rather that there was little scope within the structure for review or for the overturning of management imperative.

THE EFFECTIVENESS OF EMPLOYEE VOICE

Employee voice can be measured by the *mechanisms* for expressing voice (both directly and indirectly) while the effectiveness of voice can be measured by a qualitative analysis of *processes* and a quantitative analysis of *outcomes*. Debates on employee voice have focused on the work of Freeman and Medoff (1984) and in particular on whether or not non-union forms of representation can be effective as a union representation in expressing voice. Freeman and Medoff (1984) argued that employee representation must be both collective and independent if it is to be effective and that trade union representation is the best alternative. However, in analysing the WERS1998 data, Bryson (2000) has suggested that the *degree* of representativeness and direct (individual) voice may be more important in producing effectiveness.

In order to disassemble these variables, we use employee involvement (EI) as a proxy for 'voice' (see Table 1) because it is a concrete expression and because employees' perception of the effectiveness of the EI mechanisms will determine their perception of voice effectiveness. We define effective voice as the employees' 'power to persuade' management in a particular or general course of action (Greenfield and Pleasure, 1993: 193). We can identify the degree to which management takes seriously (or not) this particular form of NER as a conduit of representation and hence confirm or deny their employee relations objectives. Proponents of the partnership approach argue that employees and their representatives should have a greater involvement in organisational decision making as a way of establishing trust and commitment. Decision making should be transparent in that management should share information about the business at an early stage and conduct a

TABLE 1 *Employee voice mechanism and process in FinanceCo*

Issue	Mechanism	Process
Working arrangements	Team working, team briefing	Individual, direct
Redundancy	PC briefing	Collective, Information/ consultation (formal)
Business plan	Team briefing, e-mail, intranet, breakfast meetings PC	Individual and direct, Consultative (weak)
Car parking, office relocation	PC	Consultative (strong)/ negotiative
Pay	PC	Information
Grievance, discipline	Codified, line management and/or PC	Choice of individual or collective approach

PC = Partners' Council.

meaningful consultation with their employees and their representatives (see Dietz *et al.*, 2005). However, there is a potential 'paradox of intention' apparent with regard to partnership in an NER context. If management wishes to use NER as a vehicle to suppress unions, then does this mean that the claimed benefits of partnership are unlikely to materialise simply because an effective representative voice is suppressed? As Hyman (2005: 259) puts it in his critique of Hirschman (1970), 'There is a familiar and chilling phrase: "I hear what you say". The corollary is: "I will take absolutely no notice". The issue is whether, and how, voice achieves a regulatory impact'.

First, it is clear from the survey results that there was a high awareness of the PC and of the PC representatives. All of our respondents had heard of the PC, and 97 per cent knew who their representative was. In addition, 82 per cent agreed that their PC representatives put forward employees' views. However, there was a drop in positive responses when asked the question of whether or not the PC was effective in representing employees' views, with a slight majority of 56 per cent agreeing. This discrepancy between the ability to represent and the effectiveness of representation is explained in two ways. First, there is a feeling that the PC is management-dominated in terms of agenda setting, and ordinary PC representatives' views on contentious issues are not taken seriously. Second, it is clear that the PC has been a useful forum for agreeing *integrative* concerns through consultation (which helps explain why a clear majority agreed that the PC was effective) but, as we explore later, the PC is considered as an ineffective forum for agreeing *distributive* issues through negotiation.

On the first point, we tested employees' evaluation of how good managers are at employee communications and involvement. The results are presented in Table 2. Employees were evenly divided in regard to their evaluation of how good their

TABLE 2 *Employees' evaluation of how good managers are at employee communications and involvement, by occupational group, n = 128*

Occupational group	Very good (%)	Good (%)	Poor (%)	Very poor (%)	Undecided (%)
Involving employees in decision making					
All respondents	5	38	40	6	11
Manager	0	46	50	0	4
Professional specialist	0	35	41	3	21
Technical	0	40	30	10	20
Administrators, clerical, secretarial and others	10	35	37	8	10
Keeping everyone up-to-date about proposed changes at work					
All respondents	9	49	30	6	6
Manager	0	54	29	8	9
Professional specialist	7	62	21	7	3
Technical	10	40	40	0	10
Administrators, clerical, secretarial and others	13	42	34	6	5
Providing everyone with the chance to comment on proposed changes					
All respondents	6	52	28	7	7
Manager	0	58	33	4	5
Professional specialist	0	69	14	10	7
Technical	20	60	0	0	20
Administrators, clerical, secretarial and others	10	40	37	8	5
Responding to suggestions from employees					
All respondents	3	39	37	11	10
Manager	4	46	29	13	8
Professional specialist	0	41	35	10	14
Technical	10	40	20	10	20
Administrators, clerical, secretarial and others	3	34	44	12	7

managers were at involving them in decision making, with 43 per cent indicating a positive result and 46 per cent indicating a negative one. Some managers indicated that neither staff nor PCs should be involved in decision making. Rather, staff should be kept informed of decisions and of the way in which those decisions may have an impact on their jobs:

> The Partners' Council representative's role is again support, ensuring people are communicated with in the right way, that we've followed, as a management team, due process.

The survey results also indicate that women (37 per cent) had a lower opinion of managers in this respect, with the majority of men (54 per cent) believing otherwise.

Fifty-four per cent of managers (who comprised 19 per cent of the total sample) in our sample were women and 73 per cent of the lower-grade administrative staff (49 per cent of sample) were women. The lower score given by women may be explained by a concentration in lower grades. However, it is worth recording that in interviews, a number of women managers referred to the 'boys' club' nature of the organisation whereby women had difficulties in rising to the top jobs because of male networking (Upchurch *et al.*, 2003). The performance of management in keeping people up-to-date about proposed changes at work was regarded by the majority of employees as good or very good, with the professional and specialist staff returning the highest rating (69 per cent). Most areas thought that they were well informed in terms of operational issues but less so in regard to the wider picture. Changes have been conveyed to staff in a structured way, much of it on the Intranet or via email and team briefings. However, some staff commented on the quality of information. For example, one PC representative was critical of the efficacy of management communication on the then (2002) recently announced restructuring programme:

> The information that was given isn't complete, the staff do not know whose departments they are going to be working in, they do not know who they work for, they don't know if they're going to have new terms and conditions of employment.

Overall, these results are a little different from those reported for all workplaces by WERS (Kersley *et al.*, 2005). However, in this example of NER, rather than putting an effective mechanism in place to encourage comment and reinforce a high-commitment practice, there was too great a reliance on managers' individual commitment to achieve this end. One PC representative argued that it was a question of leadership and the structure of staff meetings. Communication events such as breakfast meetings, when staff were likely to be on their best behaviour, were not conducive to airing controversial points of view. Her view was that 'enlightened HR practice' was preferable to dependence on 'enlightened' managers, with the implicit criticism that such enlightened practices were generally absent.

More importantly, managers' record of responding to employees' suggestions was considered by almost half of the staff as poor or very poor. Administrative, clerical and secretarial staff rated managers particularly poorly in this respect (56 per cent). Managers' rating of their own bosses barely reached a 50-per cent positive score. According to one PC representative, HR was aware of this problem: 'All the things that we said with the last restructuring . . . it's just been completely ignored, and I know HR said the same thing'. Others have commented that if managers are pushed hard enough then feedback is forthcoming even though 'you have to wait a while'. And one ex-PC representative reported that the company did respond well, citing feedback to comments on plans for a new building:

> We were shown the plans, the ground plans and they said 'have a look at them'. Actually this was when I was on the Partners' Council. So it was given to the Partners' Council to look at but we did make a lot of suggestions and we said 'this isn't going to work', and they did change it which was good.

Responses from some PC representatives such as the one previously quoted and managers suggest that a meaningful exchange of information does feature between some PCs and management, particularly with regard to integrative issues. But as the results in Table 2 indicate, many employees are either unaware of this exchange or feel detached from the process. This is despite the high awareness of the PC and the high recognition of PC representatives by employees.

When substantive and distributive issues are examined, the weakness of the PC as an agent of employee voice is exposed. The degree to which participative rights were given to employees is a strategic question for the management. Releasing more power to the PC was a sensitive issue within the managerial hierarchy, reflecting both division of opinion and concern over the degree to which the PC should be maintained as an informative/consultative rather than a negotiative body. One manager who was clearly uncomfortable about the extent to which employees should have an influence was concerned about 'economy with the truth' coming out of PC minutes. He thought that at least one PC representative had 'their own agenda' and remarked that he disliked the term 'employee rights' because of its connotations; 'sounds a bit too unionised'. Another manager commented:

> I think people believe consultation is about collaboration in terms of what you can actually redesign. . . . People enter into consultation believing they can put things back to where they started and that's unfortunately not the way it is. So people have a cynical view on consultation in that actually 'you're just consulting us because you have to consult with us'.

Table 3 records employees' responses to how often they felt they were asked their views on a range of concerns of a substantive nature. It would be expected that if the partnership approach was an active process of employee involvement then there would be positive feelings from employees that they are listened to and that managers actively solicit views. However, as Table 3 shows, there were strong negative rather than positive feelings expressed about managers' willingness to take note of employee concerns, especially when it came to substantive issues such as pay.

In regard to seeking employees' views on staffing including redundancy, a high proportion of staff apart from managers reported that they were hardly ever or never approached for their views. The picture in regard to changes to working practices was seemingly quite positive. A majority (66 per cent) specified that managers, sometimes or frequently, asked for their views. Administrators, clerical and secretarial staff, however, were evenly divided over this issue. The interview data suggest that the situation concerning consultation over changes to working practices is complex. One response reveals again that there is a distinction between how managers and employees interpret consultation:

> There's a restructure happening and we have no involvement in what the new jobs look like. . . . You can discuss it, but they won't consult us. . . . I think that's quite annoying because your future is being shaped in the room and you're not even allowed say what you think, what it should look like or what this job really is and you're the person who does it but you've got a manager who is making all these decisions.

TABLE 3 *Employees' response to how often managers ask for their views on different employment issues, by occupational group, n = 128*

Occupational group	Frequently (%)	Sometimes (%)	Hardly ever (%)	Never (%)
Staffing issues, including redundancy				
All respondents	7	24	38	31
Manager	12	46	17	25
Professional specialist	4	24	55	17
Technical	10	20	10	60
Administrators, clerical, secretarial and others	6	16	42	36
Changes to work practices				
All respondents	14	52	24	10
Manager	25	50	17	8
Professional specialist	7	76	14	3
Technical	10	80	0	0
Administrators, clerical, secretarial and others	14	37	36	13
Pay issues				
All respondents	6	19	48	27
Manager	17	16	42	25
Professional specialist	0	24	48	28
Technical	0	20	50	30
Administrators, clerical, secretarial and others	5	16	51	28

This suggests that employees feel marginalised when it comes to reformulating or redesigning jobs. But no doubt managers feel that they are always happy to discuss the issues and, where viable, implement changes to working practices suggested by employees. The different positions held by managers and employees in regard to the scale and scope of employee involvement was a manifestation of the conflicting perceptions of the meaning involved in words such as consultation and discussion, which we suggest is a process dilemma of the partnership framework.

FinanceCo perceive pay as subject to discussion between the individual and the appropriate manager. Only a quarter of the respondents indicated that they were frequently or sometimes asked for their views on pay. Managers were the most likely group to be consulted, but among them, two-thirds indicated that they were hardly ever or never approached on pay issues. It is clear from the interview data that pay was considered as a source of grievance and dissatisfaction. Pay is a complex issue in the organisation, with individual performance targets linked to broad banding developed from the Hay job evaluation and then overlaid with business division and occupational bonuses associated with *Sharing in Success*. This complexity is likely to have two by-products. First is a potential lack of transparency within the organisation as the peer knowledge of others' pay is obscured. The second natural comparator made by individuals is the relationship of their own pay with that perceived for equivalent jobs outside. Within this mix of comparisons, the individual will develop a sense of fairness or unfairness, which can sometimes be contradictory in its motivational effects. *Sharing in Success* proved to be the most contentious source of complaint, and the sense of grievance over the unfair distribution came at a series of presentations by senior management to the PC. The average management bonus was in double figures while staff bonuses varied from nothing to a single figure amount. The management reasoning for the inequity was based on the stated premise that the management 'bore all the risk' in the organisation. After the presentation was made, there was uproar within the PC, with reports from representatives that if 'a union had been standing outside the gates now they would get busloads of members'. While PC representatives were given the opportunity to complain about the unequal distribution of the bonus, there was no provision for negotiation or review. The PC was effectively used by management to release information, with the secondary aim of allowing the PC representatives to 'let off steam' but at the same time offer some legitimation to the process of consultation and, by implication, to uphold management prerogative.

WHY THE LACK OF EFFECTIVE VOICE?

The preceding section leads us to believe that in this case study, the mix of NER and partnership had proved relatively ineffective for employee voice. But was this a result of partnership, non-union representation, or both? To probe further, we tested employees' views on how their voice might be better considered. Did the PC need more independence from management, or would they consider trade union representation, for example, to be a more effective conduit? Our survey also asked staff whether or not the PC was good at communicating with members and took notice of members' complaints. On these latter questions, there was a very positive response with 80 and 86 per cent responding positively for each question, respectively. When asked if the PC was taken seriously by management and if the PC made a difference to working life in the organisation, positive responses fell to 48 and 36 per cent, respectively. The drop in response rate would indicate problems of effectiveness of the PC but does not tell us if a trade union would be any more effective. Table 4 provides more illuminating evidence on the reasons for the dissatisfaction with the PC's effectiveness.

What should be noted about the results is that there was no question about trade unions and representation in terms of pay. This question was not asked at the insistence of FinanceCo for the reason that pay is non-negotiable within the organisation apart from on individual appeal. For the same reason, only 10 per cent of respondents would use the PC to gain a pay increase, preferring mostly to go direct to their line manager. A different picture emerges in respect to representation concerning grievance and discipline. Respondents were divided over whether they preferred to represent themselves, opt for PC, or trade union representation, with highest numbers preferring self-representation. This reflects a polarisation between collectivist and individualist approaches to personal survival and progress within the organisation. Some gender differences were apparent. In regard to work-related

TABLE 4 *Partners' Council and representation by occupation, n = 128*

Occupational group	Myself (%)	PC (%)	Line manager (%)	Undecided (%)
Who do you think would best represent you if you want to gain a pay increase?				
All respondents	33	10	49	8
Manager	33	17	42	8
Professional specialist	38	10	42	10
Technical	40	10	50	0
Administrators, clerical, secretarial and others	29	7	56	8
	Myself	**PC**	**Trade union**	**Undecided**
Who do you think would best represent you if you have a work-related grievance?				
All respondents	43	29	14	14
Manager	38	29	8	25
Professional specialist	48	21	21	10
Technical	50	40	0	10
Administrators, clerical, secretarial and others	41	31	15	13
Who do you think would best represent you if a manager wanted to discipline you?				
All respondents	38	29	15	18
Manager	27	36	14	23
Professional specialist	43	21	21	15
Technical	44	44	0	12
Administrators, clerical, secretarial and others	38	29	15	18

PC = Partners' Council

grievance (36 per cent) and discipline (29 per cent), women were less likely to favour self-representation than men (56 and 57 per cent). According to one PC representative:

> The constituents have got this feeling which I've got to try and get out of their systems, that if they raise issues then it might become a black mark for them with the line managers, or if the problem is going to go to a committee meeting and talk about an issue that I've raised, 'will he discuss my name'?

The management domination of the PC as representatives posed problems for the effectiveness of the PC in representing lower-grade staff. Employees who raise grievances or seek representation over disciplinary matters will often find other managers representing them. One respondent noted that 'I don't know anybody that isn't management that is in it [PC] really'. Thus, employees face a second dilemma. Can PC representatives who are also managers fully represent employee interests? Will managers' allegiance to the organisation mar their PC representative role?

In fact, the management dominance of the PC came through in a number of ways. First, senior HR management had control over who was 'allowed' to stand for election to the full-time chair of the PC; second, senior management controlled the taking and publication of minutes; third, the emphasis of the PC was on information giving and minimal consultation rather than on negotiation; and finally, management staff dominated the representative structure of the PC. In addition, evidence from interviews would seem to confirm that such an approach was part of a conscious management strategy to neutralise the PC as an effective vehicle of employee voice. Rather, the PC was seen as a transmission belt of the management message, and representatives were expected to be lubricators of the management imperative. A mortgage specialist was particularly blunt about what she thought of the PC – 'bloody waste of time'! – on further probing, she added:

> Because it's [PC] not independent, because it is run by their own management, people won't really say 'this isn't fair' or 'this isn't right'. Nobody's got the guts to say because it's in-house.

In reality, the strategic role of the PC was more nuanced, and some managers expressed their views of the role of the PC in a more complex fashion. These managers implied that PCs should be integrated into the business and used as a mechanism to legitimise the decision-making process and the direction of company policy by bringing employees or at least their PC representatives onside. This was often expressed in terms of having PC representatives that have a 'balanced view and opinion'; as one manager said: 'On the basis I believe I've got someone there who you know is balanced I think [PCs] can work very well'. Paradoxically, the message coming from the executive level of the organisation is for employees to have a greater say in the organisation even to the extent of consulting 'about the pay and pay rounds', but not negotiation. 'But at the moment you don't even get consultation'. A comment on this subject from another manager suggests that the important contribution PCs can make is to create a more pluralist environment to reconcile any areas of conflicting interests: 'The senior management need someone to push against, as opposed to actually having it all their own way'.

Such views and opinions from management and staff support the view that partnership in FinanceCo was in essence a process whereby management imperative sought legitimation through a consensus-based framework. Concerns about lack of effectiveness focused primarily on the substantive issue of pay where employees perceived that union representation might outperform NER.

DISCUSSION: THE 'PARADOX OF INTENTION'

We have sought in this article to explore the effectiveness of non-union employee representation in progressing employee voice in an explicit 'partnership' organisation. From an employers' perspective, partnership has two major objectives. First is to harness employee creativity through commitment and motivation engendered by techniques of employee involvement and participation. This is the stated objective of government organisations such as the Involvement and Participation Association, CBI and CIPD, as well as the British TUC. It provides the rationale for the benefits of the high-performance workplace and the 'win-win' scenario whereby organisational productivity improves and employees experience an enhanced job satisfaction and security in return. Associated with such a partnership approach is the desire for transparency of information, a mutual respect for different interests and a focus on improving the quality of working life. A second reason for partnership for the employer is the desire to provide a micro-institutional avenue for employee voice and dissent that does not threaten managements' prerogative on the introduction of change and which acts as an alternative to potentially threatening adversarial or conflictual models. Ackers (2002) attempts to define this approach as a neo-pluralist one as a replacement for traditional but outdated pluralist adversarialism in a new age of risk and uncertainty. Critics, however, argue that such a partnership approach, when used as an employee relations strategy, is reminiscent of the collaborationist 'business unionism', which emerged in the UK in the 1980s (Kelly, 1996; McIlroy, 1998). In the context of FinanceCo, the fact that non-union employee representation was constructed to express a collective employee voice also raised the question of whether or not the employer was consciously adopting a union substitution strategy. In addition, we argue that our case study is of contemporary importance both because of the implicit commitment of the government to a 'multi-channel' model of industrial relations in Britain and because of the Information and Consultation Regulations.

Our study finds that there were limits to the amount of involvement and influence in the organisation flowing from a contradictory position of management compared to non-management grades. Although much information was provided by managers on workplace change, there was a marked unwillingness of managers to act on employees' concerns at the effects of these changes. Employee voice, expressed as the ability of employees to persuade and invoke change, was subsequently constrained. In this respect, employee involvement was prioritised by management in its negative rather than positive sense and was used, as Ramsay (1996) has suggested in other cases, to shape employees' attitudes so that employees are more likely to accept change as the imposition of management will rather than through their own independent will. Neither has partnership been used to develop a real and equal dialogue about key aspects of the business. The PC had been constructed by management as the formal expression of non-union workplace partnership, but in reality, the PC is an ineffective agent of collective employee voice because of its dependent nature, its management dominance and its inability to move beyond the most basic consultative mechanisms. The evidence here would support Freeman and Medoff's (1984: 108) original contention that an effective worker voice requires that '. . . management give up power and accept a dual authority channel . . . (but) if management gives up power it creates the genuine seeds of unions; if it doesn't, employee representation plans may be mere window dressing'. To a certain extent, the unwillingness to release power may be historically determined by the employee relations tradition in the building society industry whereby non-unionism has been *de rigueur*. It may also be a product of the rule- and procedure-bound environment in financial institutions where bad decisions can cost money and where the industry is subject to the scrutiny of external regulation. Despite these caveats, it remains the case that management has a strategic choice over its employee relations regime, and the choice made by management has severely constrained the options for real employee involvement and participatory working. We detected some discomfort within management over such a choice. Ironically, partnership is presented as a progressive way forward for employees in the organisation with an enhanced democracy within the workplace. But instead, the actuality of the partnership strategy both confirms and consolidates existing power discrepancies and presents only a façade of economic democracy in the process. Rather than developing mutual gains, partnership in our case study acts instead as a conduit for employer agendas (*cf.* Heckscher, 1996). As such, this case study of NER-based partnership suffers from our 'paradox of intention' and becomes the reverse mirror of its own ambitions, reflecting the very opposite of its claimed intent.

To meet the terms of 'independence' specified in the Information and Consultation of Employees Regulations 2004, it is likely that some of the less democratic practices (such as elections for lead positions) highlighted in FinanceCo could be challenged. However, even with the Regulations, the weak consultative nature of the PC would remain. We would argue that both the *mechanism* and *process* of employee voice in such forms of NER are embedded, and it is from this embeddedness that the paradox of intention arises. Given the drift towards non-union forms of employee representation in the UK, such a conclusion has a significance for policy and practice and suggests that further efforts at institutional enforcement of employee voice will be required if the goal of high performance is to be achieved.

Notes

1. Measured on five items, workplaces with 25 or more employees.
2. ESRC Award Number L212252096.
3. www.statistics.gov.uk
4. Labour Force Survey. There are considerable variations in regional trade union density in the sector, with a density of 57.7 per cent in the North-East of England (highest) compared with the 15.2 per cent in London (lowest). The South-West, where most of the case study employees are located, recorded a density of 31.0 per cent (Department of Trade and Industry (DTI), 2003).

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