

ILLUSTRATED REPORT & STOCKTAKE ON WORKPLACE PARTNERSHIP IN NEW ZEALAND – SUMMARY REPORT

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A REPORT COMMISSIONED BY
THE PARTNERSHIP RESOURCE CENTRE





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INTRODUCTION

In 2005 the Partnership Resource Centre commissioned a comprehensive review or 'stocktake' of union-management workplace partnership practices and behaviours in New Zealand. The study found that the penetration of partnership practices has been sporadic and/or experimental set in an environment that is oftentimes abrasive to the concept. Nonetheless, in many workplaces where collective bargaining has existed for a significant period, both unions and management are adopting some key features of a partnership approach. The study concluded that prospects for further penetration of partnership behaviours in unionized firms are positive as attitudes on both sides are relatively open to the approach.

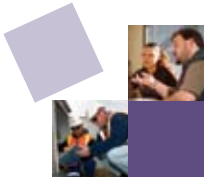
This paper is the product of a significant research project sponsored by the Partnership Resource Centre (PRC) in the New Zealand Department of Labour. The PRC sought to describe the current state of workplace partnership in New Zealand employment relations by documenting and analysing contemporary employer-union relationships in action.

Workplace partnership is about an active relationship between unions and employers to deliver outcomes that benefit both institutions and the employees and members who bring them together. Partnership is not an entirely new concept to New Zealand, but it is considered anecdotally to be an exception to the norm in union-management relations in our workplaces.

The core ideas behind partnership include: a collaborative approach to bargaining; wide union and employee consultation practices; a focus on extracting "mutual gains" from negotiations; a preference for consensus over conflict; and, mutual investment in protecting relationships. Partnership nonetheless respects the existence of a diversity of interests in the workplace, recognizes the potential for legitimate conflict there, but promotes restraint and protection of the relationship in the management of conflict. The PRC's definition of workplace partnership is:

Workplace partnership is about an active relationship between unions and employers to deliver outcomes that benefit the mutual interests of both parties.

The study involved a comprehensive review of all relevant New Zealand literature and documented case studies. With that background, a theoretical model identifying the antecedent behaviours involved in workplace partnership was developed and from that a structured questionnaire and survey process was completed. This paper summarises the results of the study, with a focus on the survey outcomes.



THE DEVELOPMENT OF WORKPLACE PARTNERSHIP THEORY & PRACTICE

The term workplace partnership incorporates a range of cooperative practices from societal to workplace levels. Today's interest in partnership arguably derives from several quite diverse concepts and practices.

One is the unitarist framework embodied in the “employee involvement” or “employee participation” schemes popularised in Britain and the United States, among other countries, in the 1980s. These were and are employer-initiated schemes that involved employees directly, sidelined unions where they existed, and frequently did little in the way of genuine power-sharing with employees (Marchington & Wilkinson 2000; Wilkinson 2001). Today, they are often supported by a strongly unitarist managerial rhetoric and a sophisticated suite of high commitment human resources management practices designed to “win minds and hearts” to organizational goals (Guest & Peccei 2001).

In more direct lineage to modern union-management partnerships are several pluralist strands, including one that flows from the post-World War II Western tradition of collective bargaining studied by Bakke and other institutional labour market scholars in the 1940s, '50s, '60s and '70s, particularly in the United States and Britain (Bakke 1946; Flanders 1974; Clegg 1979; Brannen 1983).

This tradition is what has been referred to as:

... a minimal pluralist-voluntarist sense of partnership as a stable, collaborative relationship between capital and labour, as represented by an independent union, providing for low social conflict and significant worker influence on business decision-making through strong collective bargaining (Ackers & Payne 1998: 533).

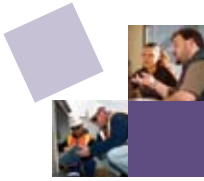
This is essentially voluntary, collective bargaining-based cooperation between management and union, with an acknowledgement of some differences of interest between employer and employee, and an acknowledged role for the union as representative of workers, albeit with a de-emphasis on the sort of sustained, overt industrial conflict that often characterized collective bargaining in earlier times and a greater emphasis on seeking consensus through integrative bargaining.

The second relevant pluralist concept is that of “industrial democracy” – an institutional arrangement that allows workers a collective say in company decision making beyond their involvement in decision-making over pay and conditions via collective bargaining. The German system of codetermination, which traces its intellectual origins as far back as the revolutionary upheavals of 1848, is the prime example of this sort of “consultation beyond collective bargaining,” although similar systems have long operated elsewhere in Europe and are now institutionalized in European Works Councils. The concept has attracted interest outside of continental Europe at times, with governments in Britain (1977) and New Zealand (1989) appointing committees of inquiry into “industrial democracy,” although neither generated any sustained collaborative outcomes.

The third relevant pluralist concept is partnership in the state corporatist sense, again with roots in Northern Europe and manifestations in the political and industrial “social partnerships” of Germany, Austria, and other nations of Western Europe and Scandinavia, often complemented by multi-level collective bargaining between the social partners, and a commitment to a sort of mutual gains bargaining and an effort to minimize industrial conflict. The success and attractiveness of this model in continental Europe has also inspired efforts at imitation in Anglo countries, for example efforts in New Zealand at tripartite wage conferences in the 1980s and the aborted

attempt to implement a “Compact” late in the tenure of the Fourth Labour Government. The succession of Accords in Australia in the 1990s represented a more sophisticated attempt to implement a state corporatist model “down under”, albeit on a bipartite rather than tripartite basis.

While New Zealand has toyed with these latter two concepts of union-management partnership, it is really the “voluntarist pluralist” concept of state-enabled, but not mandated, collective bargaining, perhaps with subsidiary consultation mechanisms, and incorporating an independent union voice for employees that would likely offer the most fruitful foundation for workplace partnership in this country. This is essentially the “mutual gains” approach advocated by Kochan and Osterman (1994), an approach that Guest and Peccei (2001) call “a hybrid approach,” accepting pluralist assumptions and the importance of representative structures, but also putting some emphasis on direct employee involvement, rather than solely through the union.



WORKPLACE RELATIONS IN NEW ZEALAND – THE RELEVANT SHORT HISTORY

For 90 years until the mid-1980s, the New Zealand labour market operated under a compulsory conciliation and contingent arbitration model for the setting of wages and conditions. This centralised and low-involvement model offered little opportunity for the development of collaborative workplace relationships between unions and managements, though there were some exceptions. Many worksites with active industrial relations environments – the freezing works, the wharves, the ferries, and so forth – tended more towards aggressive and even hostile union-management relations, rather than workplace partnership. Nevertheless, there was some scope for voluntary, single-employer collective bargaining both within the system and outside it. Much of the most intensive collective bargaining in this era occurred around composite agreements on major work sites, perhaps most spectacularly on some of the “think big” projects initiated by the Muldoon Government. Labour relations on some of these projects – the Marsden Point refinery, the Clyde Dam, the New Zealand Steel Plant at Glenbrook, for example – were anything but collaborative. The Motonui methanol plant project was the exception, standing out as an effort at some sort of union-management partnership in an environment that was not seeing a lot of such efforts (Cammock, 1987).

The Labour Relations Act 1987 (LRA) was intended to provide stimulus to further breaking down the award-based structures that had been stripped of arbitration backing in 1984, and to experimentation with industry- or enterprise-based, collective bargaining (Harbridge, 1988; Harbridge & McCaw, 1989; McAndrew, 1989). What was envisioned was a constructive engagement of unions and employers to get New Zealand industries and enterprises geared up for successful competition in a new fast changing global market environment.

In 1989 the government set up a Committee of Enquiry into Industrial Democracy, giving further articulation and impetus to the notion that unions should be accepted as constructive partners with business in negotiations at industry and enterprise level over a range of employment, operational and strategic issues as a part of New Zealand’s preparation for economic success in the new environment (McAndrew, 1989: 137).

For the purpose of the enquiry industrial democracy was defined as:

...the meaningful participation of workers in decisions affecting their working lives. Amongst other things, it includes the involvement of labour market participants at national, industry and work place levels and, through individual and/or union channels, the system of work-place delegates.

The final report identified a range of views on what shape industrial democracy might appropriately take in New Zealand. Perhaps predictably, employers tended to favour human resource management type interventions such as “worker participation”, whereas most unions saw protected and extended collective bargaining as the key.

In any event, the structure and nature of employment relations was soon to change dramatically under the Employment Contracts Act 1991 (ECA). Employers now had a relatively free hand and made most of the running, and many employees who had previously been covered by union-negotiated awards were moved onto individual employment contracts. The scope of union representation and influence waned considerably.

Interestingly it was during the era of the ECA that one of the most ambitious workplace partnership initiatives was launched. Workplace New Zealand (WPNZ) was established as a sort of co-operative group to organise a foundation conference on workplace reform. The major players in the establishment of WPNZ were the NZ Engineers Union, the Public Service Association (PSA) and several notable employer representatives who had dealings with those unions (mostly from the manufacturing or heavy industry sector). A conference was held in September 1992, was attended by over six hundred participants, and reportedly was considered by most participants as a notable success. Subsequently WPNZ continued operating as a non-profit incorporated society which aimed to promote a “high wage, high skill, and high added value economy through integrated workplace reform”. WPNZ strongly advocated the partnership of unions in workplace reform. It defined workplace reform as:

A comprehensive and integrated approach to redesigning the organization and management of work to achieve improvements in economic performance and adaptability and an improved life for staff. The redesign goes beyond shop floor production, service and processing systems to involve the integration of work organization with technology, information, learning, and quality and reward systems. Under workplace reform the twin goals of economic efficiency and an improved quality of working life become the optimal strategy. The participative and democratic workplace becomes the most efficient and productive workplace.

WPNZ did not endure, however, and was eventually voluntarily wound up. It is accepted by most of those involved that the environment created by the ECA was the key to its demise. However workplace reform did occur in pockets of New Zealand industry during the period, and it included some examples of union-management co-operation. For the most part it took place in industries heavily exposed to changing global economics and operating under significant business pressure.

Examples included: Weddells Tomoana; Interlock Industries; Macpac Wilderness; BHP New Zealand Steel; Toyota Thames (Perry, Davidson & Hill, 1995). In some cases substantive changes in both workplace relationships and business processes did occur. Unfortunately, in the majority of cases these initiatives were not sufficient to stave off either business closure or significant restructuring, effectively disabling any enduring workplace partnership.

The current legislation, the Employment Relations Act 2000 (ERA), is more conducive to fostering partnership than any previous legislation. Its underpinnings are the promotion of collective bargaining and the mutual obligation of parties to employment relationships to deal with one another in good faith. In a significant departure from previous legislation, the good faith obligation extends beyond the bargaining table to embrace the entire relationship between unions and employers, amongst others, and it expressly embraces “consultation” with unions. As was intended by policymakers, the ERA clearly provides more fertile ground for the growth of union-management partnership than did the legislation that preceded it.

In May 2000 the PSA and the Labour-Alliance Government signed the Partnership for Quality Agreement. The agreement recognised that public service workers as a group share common interests with their employers – high quality public services. That agreement set out an approach which:

... involves common ownership of plans, issues and problems, and involves the direct collective participation of employees through their union and an investment in their training, personal development, and their working environment.

The Public Service Association (PSA) Partnership for Quality (PfQ) strategy was the first explicit comprehensive attempt by a union in New Zealand to go down a comprehensive workplace partnership route. It was updated and in some ways expanded in November 2003. The PfQ provided a significant impetus for workplace partnership to enter the political and economic agenda, and was a strong catalyst for the Government to invest in the Partnership Resource Centre.

There have been occasional high-profile partnership initiatives in the private sector, perhaps most notably that involving the EPMU and the Dairy Workers Union at Fonterra. But these have come into public view only infrequently, and little was published about the extent to which partnership-style behaviours and attitudes were prevalent in unionized private-sector workplaces in New Zealand until the present study was commissioned by the PRC.

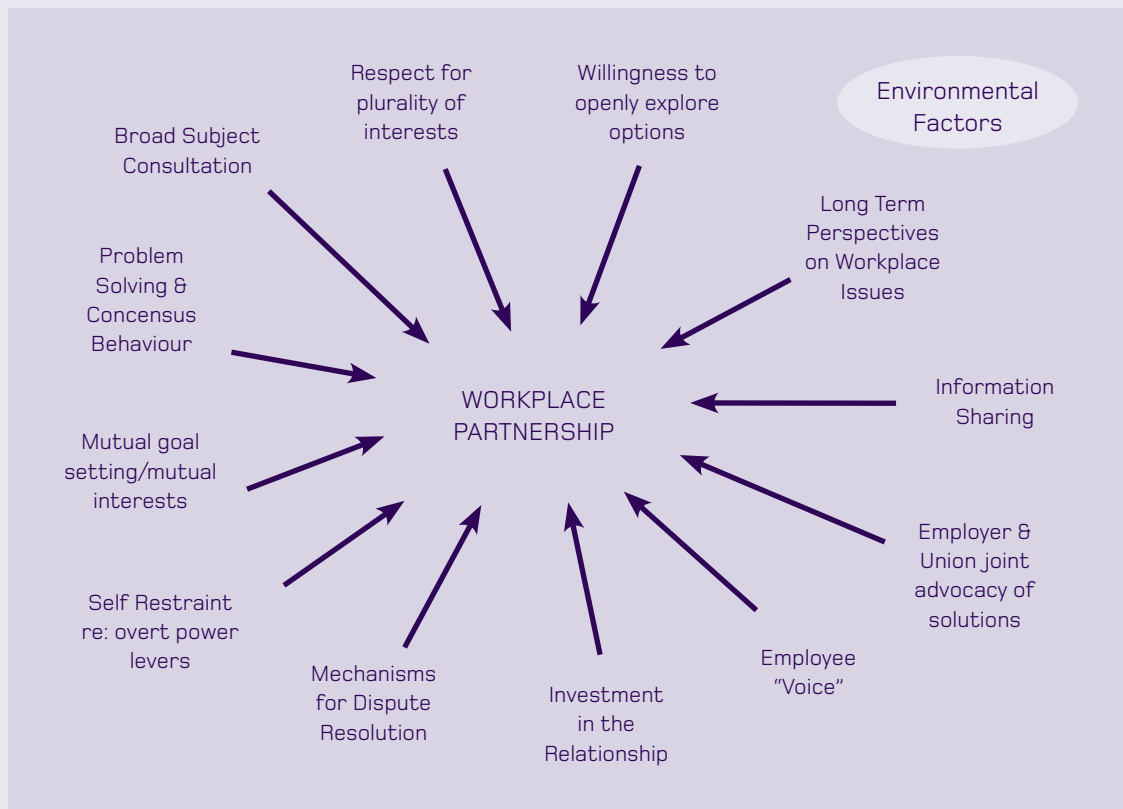


METHODOLOGY

A theoretical model was developed to extrapolate the behaviours which represent workplace partnership in action, allowing the development of appropriate research instruments to measure the extent and type of partnership behaviours that are occurring in New Zealand at this time.

The research model is shown graphically below:

Figure 1: Theoretical Model of Workplace Partnership



A survey was designed based on the theoretical model. The target population was all New Zealand employers who, at July 2005, had single-employer collective employment agreements registered with the Department of Labour, and representatives of the trade unions who were party to those agreements. It is recognised that the exclusion of MECA's from the study scope results in some significant partnership arrangements being omitted from the present stocktake (for example the Plastic Industry MECA).

The Department of Labour provided the research team with restricted access to the database containing details of registered collective agreements and the parties to those agreements, and also to an existing mail-out database. A comprehensive review exercise was then undertaken to construct a highly accurate and detailed survey database for the purposes of the present study.

An "online" survey tool was used in the development and conduct of the survey. Two draft surveys were developed; employers and union representatives undertook different but complementary surveys. All potential respondents (employer and union representatives) were sent a letter outlining the purpose of the survey and instructions for accessing the online survey site.

The survey population who received the letter numbered 904 employers and 189 union representatives from 52 unions. For the employer survey, 201 responses were received, for a response rate of 22.3 percent. For the union survey, 70 responses were received, for a response rate of 37 percent.

The response rates represent an acceptable result for surveys of this kind in New Zealand, and the data provide a snapshot of industrial relations behaviour in New Zealand which has rarely been available.

A limited list of targeted interview participants was selected from respondents who provided their details to be contacted for follow-up. Twenty employers and five union officials were selected for interview. Interviews were conducted during November 2005, with fourteen conducted in-person and eleven conducted via telephone conference.



SURVEY RESULTS

The employer and union representatives who responded to the targeted survey represented a broad profile of New Zealand industry by sector, size and location. Employers with collective agreements on the whole tend to have larger than average workforces and, accordingly, the survey response profile saw sixty-six percent of employers with workforces of more than 101 employees.

The results which follow are focused on and ordered as:

- The level of awareness of the concept and practice of workplace partnership;
- The extent that employers and unions are willing to partner with each other and the barriers to partnering; and
- The extent of workplace partnership practice and where and when it happens.

AWARENESS OF WORKPLACE PARTNERSHIP

To gauge awareness of the concept of union-management workplace partnership, employers were asked whether they had had any experience, in terms of formal processes, with a range of what are generally seen as collaborative practices – “mutual gains bargaining or workplace partnership with a union representing the organization’s employees”, and “workplace reform or consultative approaches to change management”.

Just 12 percent of respondent employers indicated that their organizations had had any experience with mutual gains bargaining or workplace partnership with unions in a formal sense. One quarter indicated that their organizations had experienced workplace reform or consultation over change management.

At a more perceptual level, 70 percent of the respondent employers believed that the employees of their organizations were in partnership with management, while 30 percent did not. Just half as many, 35 percent, believed that the union was in partnership with the management and employees of their organizations.

By contrast with the employers in the sample, a majority of union respondents, 58 percent, said that they had had experience with mutual gains bargaining or workplace partnership systems. About the same number, 61 percent, said that they had had experience with workplace reform processes or consultative approaches to change management.

It might be an accurate summary to say that a majority of union respondents and a minority – albeit a significant minority – of employer respondents have some familiarity with workplace partnership or the notion of union-management cooperation in the workplace more broadly.

WILLINGNESS TO PARTNER & BARRIERS TO PARTNERING

The second dimension of workplace partnership examined is the willingness of union and management parties to engage in partnership and, on the other side of that coin, the barriers to partnering that are likely to be encountered.

Eighty-one percent of respondent union officials said that their union saw its role as being a strategic partner in the management of organizations in which members were employed. Of these, one half said that their union strongly endorsed that view, while the rest reported that official union policy was somewhat supportive. Fifty-two percent of union officials agreed “totally” with the statement “unions should be prepared to act in partnership with an employer where the employer is willing to do the same”. Another 34 percent agreed “to some extent”, while 15 percent disagreed entirely with that statement. In other words, 85 percent of respondent union officials were prepared, at least to some extent, to engage with employers in workplace partnerships, on a reciprocal basis.

Union officials’ personal approaches to employers and collective bargaining are set out in Table 1.

Some interesting patterns emerged in the data associating union officials’ attitudes with their willingness to partner with employers. Significantly, officials clearly see partnering in pragmatic terms as being beneficial to their members. Eighty-seven percent of those who agreed “totally” that “a union’s role is to maximize direct benefits to members” endorsed reciprocal partnership either “totally” or “to some extent.” Most also saw partnership as materially benefiting employers. Three quarters of the union officials surveyed believed that union involvement in an organization “enhances an employer’s efficiency and productivity,” and those officials were somewhat more likely than the minority quarter to favour partnership. So a substantial majority of union respondents to the survey see close union involvement with management, in practical terms, as mutually beneficial to both employers and employees.

There were strong correlations between willingness to partner and some other relevant personal values. Those favouring partnership were, for example, also more likely to be willing to exercise restraint in the use of power, to compromise and to take a longer term view of employer relations. There were, as well, correlations between union officials’ endorsing partnership and the beliefs that “unions and employers have more common interests than conflicting interests”, that industrial action should be very much seen as a last resort, and that social mixing between management and union officials is “OK” .

Table 1: Union Officials' Personal Approaches & Beliefs

| 'Thinking about your personal views as a union/ association representative, please describe the extent to which you agree or disagree with each of the following statements.' | To a large extent % | To some extent % | Not at all % |
|---|---------------------|------------------|--------------|
| A union's role is to maximize the direct benefits flowing to its members | 87 | 11 | 2 |
| Unions should use their bargaining power in an overt manner when required to get what their members want from reluctant employers | 40 | 56 | 5 |
| Unions should take a longer term view and be prepared to compromise even when they have more bargaining power than the employer | 29 | 56 | 15 |
| Unions and employers have more common interests than conflicting interests | 35 | 53 | 11 |
| Industrial action is best avoided unless absolutely necessary | 85 | 11 | 3 |
| Unions should resist employer attempts at 'changes' which may disrupt the working lives of members | 35 | 58 | 6 |
| It is OK for union leaders to have a close social relationship with management | 8 | 54 | 38 |
| Most employers want to do the right thing by their employees | 5 | 84 | 11 |
| Most employers want to do the right thing by the union | 2 | 55 | 44 |
| A union should compromise its interests a little rather than damage its relationship with an employer | 6 | 43 | 51 |
| Having a union involved enhances an employer's efficiency and productivity | 75 | 22 | 3 |

The willingness of union respondents to engage in workplace partnerships with employers where employers were willing to do the same can be linked not only to their attitudes and beliefs, but also to their reported experiences with employers. However, these links are not, for the most part, statistically strong, suggesting that a union official's belief in partnership can withstand some snubbing by employers, and has some ideological base to it in addition to a pragmatic belief in the value of the concept.

There were no apparent patterns to union officials' willingness to endorse workplace partnership on any demographic dimension, other than the fact that union officials who gave Auckland as the primary geographical base for their work unanimously "totally agreed" that unions should be prepared to act in partnership with an employer where the employer was prepared to do the same.

What emerges then is a group of union respondents overwhelmingly supportive of a partnership approach to union-management relationships, believing that that approach benefits both

employees and the employer. Reciprocation by the employer is important to them, and they see the inclinations of the CEO as pivotal in the development or not of workplace partnership. Employers disrespecting the role of the union, by bypassing officials and attempting to deal directly with employees, is a turnoff for these union officials. However, their support for partnership is pretty resilient despite sometimes encountering employer conduct and attitudes not conducive to partnership.

Certainly the picture is of a group of union officials who believe that the union has something to contribute to employing organizations, who believe that members would benefit from a collaborative relationship between employer and union, and who are ready to play their part if employers are willing to play their's.

Employers were asked why they deal with unions representing their employees. In multiple union situations, employers were asked to respond with reference to the union that represented the largest number of their employees. Their responses are set out in Table 2.

Table 2: Why Employers Deal With Unions

| 'Could you please indicate whether you mostly agree or mostly disagree with each of the following statements about why your organization has a relationship with this union.' | Mostly agree % | Mostly disagree % |
|---|----------------|-------------------|
| Because it can't easily be avoided | 77 | 23 |
| Because our employees want it | 83 | 17 |
| Because 'it has always been that way' | 63 | 38 |
| Because it is beneficial to the organization | 41 | 59 |
| Because the law requires it | 65 | 35 |

While a significant minority of employers acknowledge that union involvement may be beneficial to the organization, this is not a driving motivation to deal with a union for most employers. When asked to choose which of the reasons listed in Table 2 was "the single most influential reason" for dealing with the union, just 11 percent of employers nominated "because it is beneficial to the organization".

One necessary ingredient for successful partnership, but not a sufficient one on its own, is acceptance of a diversity of interests in the workplace and the legitimacy of an independent voice for employees. In this respect, it is noteworthy that 83 percent of employers said that they dealt with a union because that was what their employees wanted, and 43 percent nominated this as the primary reason for dealing with the union.

Precisely 40 percent of respondent employers supported workplace partnership as likely to help New Zealand business, while 60 percent did not, and the responses show some interesting patterns by demographics, employer attitudes, and their reported experiences in dealing with unions.

There were no marked patterns to employers' expressed support for union-management partnerships as being beneficial for business by nature of the employer's business or industry classification, although respondents representing state agency employers were marginally more

likely to endorse partnership. Perhaps surprisingly, there were no patterns associated with the nature or scope of competition in markets for employers' products or services, or by self-reported indicators of market or cost pressures.

Employers in Canterbury were most likely (70 percent) to believe that the promotion of workplace partnership would benefit New Zealand businesses, with those in Auckland least likely (28 percent) of employers in major centres.

Whereas union officials' support for partnership was directly correlated with their attitudes and beliefs, to some extent withstanding negative experiences with employers, employers' support or not for partnership was more directly and solely tied to their experiences with unions.

Employers who said that they dealt with the union primarily because it was beneficial to the organization or because that was what their employees wanted were more likely to say that partnership would benefit New Zealand businesses (50 percent and 48 percent endorsement respectively) than those who dealt with the union because it couldn't easily be avoided (29 percent endorsement) or because it had always been that way (33 percent endorsement).

To a considerable extent, employers' attitudes to workplace partnership are reflected in their approaches to collective bargaining, and that is unsurprising given the central role of collective bargaining in union-management relations under the Employment Relations Act.

It is instructive to note relationships between some bargaining practices that would normally be associated with a "good faith" or "interest based" approach and a willingness to endorse workplace partnership as being beneficial for business.

Employers who said that they always openly shared with the union their thinking on the organization's needs to see whether they might have had common interests were far more likely to endorse workplace partnership as beneficial (53 percent endorsement) than those who said that they were open with the union only sometimes or not at all (24 percent endorsement). Employers who said that they always preferred to "brainstorm" with the union over a range of options before taking positions on how particular issues should be settled or dealt with were far more likely to endorse the benefits of partnership (80 percent endorsement) than those who only sometimes (38 percent endorsement) or never did so (28 percent endorsement).

Employers who said that they always "worked to find areas of mutual interest to the organization and the union, and to jointly develop proposals in those areas" were more likely to endorse the benefits of partnership (71 percent endorsement) than those who said that they only sometimes (27 percent endorsement) or never (13 percent endorsement) did so. On the other side of the coin, employers who said that they always "tried to protect the organization's interests by limiting the union's input to just wages and basic employment conditions, not management issues" were less likely to endorse the benefits of partnership (27 percent endorsement) than those who said that they took that approach only sometimes or not at all (50 percent endorsement).

A commitment to relationships is a key ingredient in successful partnerships. So it comes as no surprise that employers who said that they were willing to agree to some collective bargaining proposals that they did not particularly like in order to build a better relationship with the union were much more likely to endorse the benefits of partnership (49 percent endorsement) than those who said that they were never willing to do that (3 percent endorsement).

Employers were asked to react to a series of statements designed to gauge their attitudes to unions and collective bargaining. Some of these, principally dealing with employers' preferences

regarding unions, and the statistics on the percentages of respondent employers who agreed and disagreed with each statement, are set out in Table 3.

Table 3: Employer Attitudes to Union Involvement

| 'Please describe the attitudes or policies of those in your organization mainly responsible for dealing with the union.' | Agree % | Disagree % |
|--|---------|------------|
| We would like to see the union more fully involved in the organization | 11 | 89 |
| The union is a legitimate representative of employees, but not part of our team | 77 | 23 |
| The union is a source of conflict and division in the organization | 38 | 62 |
| The union officials will do the right thing by our organization | 37 | 63 |
| We would prefer to deal less with the union and more directly with employees | 76 | 24 |
| We have an effective relationship with the union and are keen to keep it the way it is | 78 | 22 |
| Our relationship with the union is tense and unproductive | 16 | 84 |
| We consult with the union before making decisions that significantly impact the organization and the way we operate | 72 | 28 |
| We would rather compromise our interests a little than damage our relationship with the union | 50 | 50 |
| We would trust the union to keep commercial information about our organization confidential | 59 | 41 |
| The union is a problem we could do without | 32 | 68 |
| Having union involvement enhances the operation of our business | 23 | 77 |
| The union creates a better workplace environment for employees | 30 | 70 |
| Employees will not achieve anything through the union that management would not have given them anyway | 50 | 50 |
| The union improves the organization's competitive position | 9 | 91 |

There were some interesting, if not always statistically significant, correlations between attitudes to union involvement and endorsement of workplace partnership as being beneficial to business. For example, employers who said that they had an effective relationship with the union were more likely (46 percent) to endorse partnership than those who weren't satisfied with their relationship with the union (22 percent).

Some correlations were statistically significant, which is to say that they are more than suggestive and could not have happened merely by chance. Employers who consult with the union before making significant decisions – what many would consider a fundamental of workplace partnership – were much more likely to endorse the benefits of partnership (51 percent endorsement) than those who

don't (14 percent endorsement). Employers who agreed that they would compromise their interests a little rather than damage their relationship with the union were more than twice as likely to endorse the benefits of workplace partnership (56 percent endorsement) than those who said that they would not compromise (25 percent endorsement).

Employers who agreed that the union creates a better workplace environment for employees were more likely to endorse partnership (67 percent endorsement) than those who did not agree with that statement (29 percent endorsement). Those who were prepared to go beyond that to say that having union involvement enhances the operation of the business were far more likely to endorse the benefits of workplace partnership (79 percent endorsement) than those who did not agree with that statement (28 percent endorsement).

Again, it is clear that employers who have the inclination to be relatively open in their dealings with unions, who are prepared to take the risks associated with openness and trust, and to pay the costs associated with protecting and building the relationship, are more often appreciative of the value of partnership than those who don't have those inclinations and experience.

It is also clear that employers' approach to partnership is a largely pragmatic one, not an ideological thing. The employers who most endorse the value of partnership are those who say, from their experience, that it not only benefits their employees, but that it benefits the organization as well.

The study extensively recorded the self-reported attitudes and behaviours of employers. But union officials were also asked about employers' attitudes and behaviours that they had encountered, and that impact on the chances of establishing collaborative relationships. These results are presented in Table 4.

To summarize the theme of Table 4, about three-quarters of union officials said that they either consistently or sometimes encountered a range of attitudes amongst employers that would not ordinarily be thought of as being conducive to establishing collaborative relationships. Most union officials had, from their perspectives, to deal – occasionally or often – with employers who were not open to collaboration, who didn't believe that unions had anything to contribute, who did not welcome union input into decision-making, who regarded them as outsiders to the management-employee relationship, and who essentially attempted to side-step the union and diminish its role.

Table 4: Union Officials' Perceptions of Employers' Attitudes to Unions

| 'Please describe the extent to which you have encountered the following problems in trying to establish effective relationships with employers.' | A consistent problem % | Sometimes a problem % | Generally not a problem % |
|--|------------------------|-----------------------|---------------------------|
| Employers attempt to deal directly with employees even when the union has an established role | 16 | 53 | 31 |
| Employers are not open to collaborative approaches | 11 | 60 | 29 |
| Employers assert a right to run their business however they choose to without 'union interference' | 23 | 44 | 34 |
| Short-term economic imperatives are the single most important factor to employers | 29 | 53 | 18 |
| Employers do not genuinely want employees or the union to have a real say in the running of the organization | 36 | 51 | 14 |
| Employers undermine the union's attempts at 'partnership' by establishing direct employee participation schemes that exclude the union | 15 | 42 | 42 |
| Employers are not really interested in any value that active union involvement could add to the business | 23 | 53 | 23 |
| Employers insist on treating the union and union officials as 'outsiders' rather than as an integral part of the organization | 35 | 39 | 26 |

These are not insignificant attitudinal barriers confronting a union seeking to establish a partnership relationship with an employer. And it is well to recall that a significant minority (40 percent) of union respondents said that they sometimes encountered resistance to their efforts to forge partnership arrangements with employers from their own members and delegates as well.

Without diminishing the barriers to partnership, the statistics can also be interpreted more hopefully. It is noteworthy that a substantial minority of union officials reported that they were generally not encountering these negative attitudes as a problem in establishing effective relationships with employers. Quite a lot of union officials in the sample were not being treated as "outsiders," were not finding employers bypassing them and attempting to deal directly with employees, were not finding employers closed to collaborative approaches, and generally reported that they were dealing with employers who appeared to believe that the union added value to their operation and who seemed interested in what the union could contribute.

WHERE IS WORKPLACE PARTNERSHIP HAPPENING?

There is no decipherable pattern of reported partnerships by the structure or ownership of the employing organization, with between 35 and 41 percent of respondent employers in all categories, bar one, reporting that they were in partnership with a union. The one exception was New Zealand operations of overseas companies, where the rate of reported partnerships was just 20 percent. The distribution of the sample amongst the various public and private sector categories was such that 54 percent of respondents who reported being in partnership with a union were representing “the whole of a New Zealand company”, suggesting that the partnership “prototype” is a whole private sector company (as against a branch, facility or cost centre within a company) dealing with one principal union for a single employer collective agreement.

There were differences, but no clear correlations, between reported workplace partnerships and workforce size. Forty-seven percent of employers with workforces of 50 or less reported being in partnerships with unions, whereas only 33 percent of employers with workforces of over 50 employees did so. On the other hand, because of the distribution of respondents, 78 percent of those reporting workplace partnerships had over 50 employees, and indeed a majority (57 percent) had workforces of over 100 employees.

Employers with unionized staff employed on just one or several work sites were more likely to report being in partnership with unions than employers with larger numbers of work sites. Intuitively, it would seem to be more difficult to foster a sense of partnership in circumstances where employees are scattered amongst many sites or branches of the organization. Thirty-eight percent of respondent employers who reported being in partnership with unions had just one work site.

There was an interesting geographical pattern to reported partnerships. Just 28 percent of employers with a primary base of operations in either Auckland or Wellington reported being in partnership with unions. In all other areas the percentages reporting partnership were in the range of 40 to 44 percent. Nonetheless, because of the distribution of the sample, one-half of those employers reporting workplace partnerships listed Auckland or Wellington as their principal base.

Employers were asked about the nature of markets in which they placed their products or services. In fact, there were few pronounced patterns evident by the nature of product markets. Employers in captured or monopoly markets, including many public sector employers and those competing in local markets were somewhat more likely (42 percent) to report being in partnership than those competing in national or international markets (30 percent).

Again, there were some, but not marked, differences in partnership propensity by self-reported economic position, with those employers reporting themselves as “under pressure” economically being a little less likely to report being in partnership than employers who reported their organization’s position as stronger, stable or fixed by government funding.

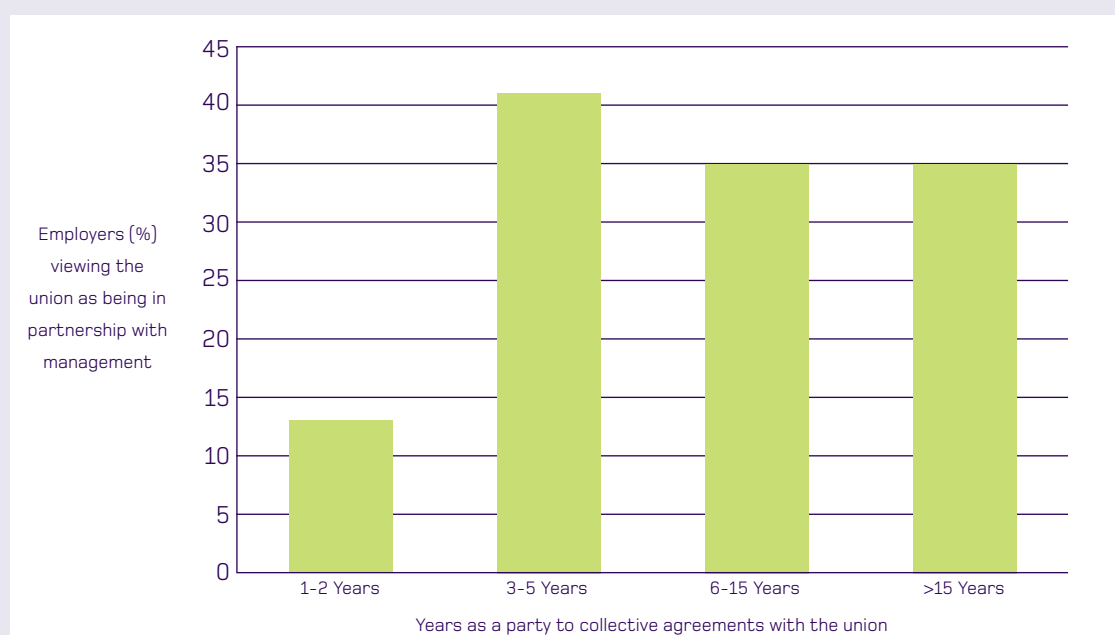
Generally speaking, demographics do not emerge as a reliable predictor of the practice of workplace partnership. There were some suggestive patterns but no statistically significant variations by the nature of the employing organization, by industry classification, or by workforce size. Partnerships were more likely to be reported by employers with just one or a few worksites than by employers with many sites, and employers in New Zealand’s two major cities were the least likely to report being in partnership with a union, although again these relationships were not at a statistically significant level.

All in all, while there were some interesting patterns to the demographics, there is nothing in the data to suggest that partnership is assured of flourishing in one particular location or industry or

market or plant configuration, but doomed to fail in others. The link between reported partnership and demographic variables is simply not that strong. It seems reasonable to conclude that there is potential for workplace partnership pretty much anywhere that union and management commit to it.

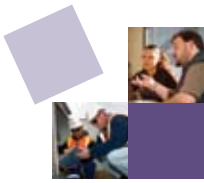
Employers were also asked how long they had been a party to collective agreements with the union (or, again, the union representing the largest number of their employees where the employer dealt with more than one union). The percentages of employers reporting partnership relationships with unions according to length of time dealing with the union are illustrated in Figure 2.

Figure 2: Partnership by years dealing with the union



There is obviously no consistent relationship between felt partnership and length of time working together in the sense that it cannot be said from the data that the longer the period a union and management work together the more likely they are to develop a partnership relationship. However, what is clear from Figure 2 is that a sense of partnership is not prevalent amongst employers in new bargaining relationships with unions. What is apparent on the face of the graph is that partnership takes some time to build. Indeed, 80 percent of employers who said that the unions with which they dealt were in partnership with management and the employees had been parties to collective agreements with those unions for six years or more. And indeed all but one employer describing the union-management relationship as a partnership had dealt with the unions for three years or more.

To summarize, an employer dealing with a single union representing a high percentage of the employer's employees, with the opportunity to develop over time a trusting relationship with a credible union official would seem to reflect some of the key ingredients in the recipe for a successful workplace partnership.



TOWARDS A MODEL OF WORKPLACE PARTNERSHIP IN NEW ZEALAND

The research confirms that a significant minority of employers in New Zealand have had experience of workplace partnership-type interactions with unions. A slim majority of union officials report such experiences; however a vast majority is supportive of the practice personally and suggests that their organizations are also sympathetic to partnership approaches. It is notable, however, that fifteen percent of union officials surveyed are individually suspicious of and opposed to the concept of workplace partnership.

The deliberate focus of this study was employers with single-employer collective agreements. Employers with multi-employer documents, largely in the public sector, were not included. Among employers with single employer collectives, the findings suggest that the most likely situation in which to find workplace partnership-type engagement in New Zealand at this time is an employer dealing with one principal union for a single employer collective agreement covering employees throughout the organisation. There are otherwise no very clear patterns by industry or area of the country.

In New Zealand there exists a core group of employers and unions that have been dealing with each other in meaningful collective bargaining for around fifteen years (39 percent of respondent employers have been in a bargaining relationship with the same union for fifteen years or more; another 41 percent have been together for between 6 and 15 years). Most of these relationships withstood the Employment Contracts Act and have not been materially affected by the Employment Relations Act, albeit that the power dynamics may have changed/oscillated over time. It is here for the most part that “workplace reform” took effect and here where most examples of partnership behaviour were anecdotally apparent outside of the state sector prior to the current research.

There are few examples of “pure” or “model” workplace partnerships evident in this research. In the sub-samples of employers and union officials who report either being in partnership or being inclined towards partnership, actual bargaining and other workplace relations practices tend to be a mixture of some behaviours and attitudes that would be associated with a partnership approach and other behaviours and attitudes that would normally be associated with, perhaps, a more traditional, competitive approach to union-management relations. It can be inferred from the research that most workplace partnership in New Zealand, at least in the private sector, is “self-taught” or experimental, is not strategically based on a cohesive concept or “theory” of partnership, and is “incomplete” in the sense noted above – parties mix partnership behaviours with more traditional ways of relating to one another. Beyond bargaining and beyond other statutory associations and forums (health and safety committees, for example) no consistent pattern of co-operative relationships or forums emerged, although there were a small number of notable exceptions.

Workplace partnership in New Zealand where it does occur, even in limited form, appears to take time to develop. It also appears to involve some natural ordering of circumstances involving (a) a mature collective bargaining relationship; (b) reasonable relationships between individual representatives of the employer and the union; and, (c) a catalyst initiative from one side or a circumstance requiring broader co-operation or joint discussion outside of bargaining and the usual day-to-day interactions.

One in every three employers surveyed is interested in partnership-type approaches with unions, albeit that the evidence suggests that what they currently envisage is something less than an all-

embracing partnership. Many union officials suspect that employers often want partnership “only on their terms”. It is clear from the research that employers’ views of workplace partnership are very pragmatic and experience-based. Employers who have had good experiences when trying to be more open with a union tend to be interested in partnership; those who have not, or who have had a bad experience, are less interested or opposed. One of the implications of this pragmatism is selectivity. A number of employers dealing with more than one union told the researchers that they would be open to some forms of partnership with a particular union, but not with another.

Around two-thirds of employers hold somewhat traditional values about the management of the workplace, and not surprisingly these employers are less inclined to believe that workplace partnership is potentially beneficial to New Zealand’s economy. The majority of employers surveyed have what might most accurately be described as a “limited” view of unions. Most respect the right of employees to have representation and accept the role of the union in representing employees. However, relatively few are prepared to go so far as to acknowledge the union as “part of our team.” As a result, a lot of union officials report facing a range of attitudes and behaviours from employers that only encourage traditional “position taking” in response.

The experiences and thus perspectives of on-the-ground union officials are mixed. A minority of less than a quarter think that any form of collaboration with employers is ideologically wrong and a betrayal of the membership. A second group is still dealing with bad experiences in the relatively recent past and these union officials are cautious with many employers with whom they deal, but nonetheless generally open to partnership under the right circumstances. A minority are fully embracing workplace partnership concepts in theory and in practice.

On the whole, however, the data suggest that a significant majority of the union officials surveyed are supportive of partnership approaches on a reciprocal basis (that is, where employers are open to the same) and believe that it would be of benefit to their members, would benefit the employer, and would benefit the New Zealand economy.

It is known from international experience that the legislative environment provided by Governments has a telling effect on the fostering of workplace partnership practices. Many commentators believe that engagement at the national level between the parties is a pre-requisite to workplace level engagement as it provides an over-arching platform, ethic and set of practices. However it is also accepted that there are clear constraints on the extent to which legislation can practically prop-up enterprise level workplace partnership in a decentralised collective bargaining environment. Globally the “voluntarist” practice of partnership (i.e. based fundamentally on collective bargaining and then broader union/management initiatives at workplace and/or industry level) is relatively young and it could not yet be described as having durable and enduring status.

If collective bargaining is accepted as the foundation of the type of union-management partnership that is most likely to take hold in New Zealand – workplace-based partnership – then the evidence would suggest that, while Government legislation is capable of supporting the industrial parties and prescribing processes for determining pay and conditions, the extent of collective bargaining seems to have become somewhat immune to legislation. Since the shakeout in the early 1990s, the coverage of “real” collective bargaining between unions and employers has remained fairly stable despite a decade of hostile legislation and half a decade of quite supportive legislation. That seems unlikely to change as long as legislation allows for, but does not mandate collective bargaining.

However the research does support the notion that “good faith” behaviours in collective bargaining, if observed by both parties, are more likely to lead to further open relationships between the parties. What the legislation may actually do these days is not so much determine whether there is

collective bargaining or not, but set the “tone” for the collective bargaining that does exist. In this sense, rather than promoting the spread of collective bargaining, the ERA goes to the nature of collective bargaining and provides a platform for promoting degrees of workplace partnership over more traditional, competitive styles of interaction.

Finally, if effective collective bargaining is accepted as a key pathway to broader workplace partnership, then Government via the Department of Labour has a key role to play in facilitating good collective bargaining behaviours. To the extent that the focus in the past has been on interventions in collective bargaining when things go wrong (as they sometimes do) and providing effective dispute resolution, then perhaps the role in the future should go further. The extension would be to promoting improved understanding amongst the industrial parties in New Zealand of ‘mutual gains’ (or similar) bargaining practices and of broader workplace partnership practices. Perhaps interventions should not end when immediate outcomes are reached in a collective bargaining dispute. Instead this could be followed with longer term assistance to get the parties behaving in a manner whereby the next time bargaining occurs another dispute is avoided.

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