

**The Development Of Mutual Trust In British Workplaces  
Through 'Partnership': Conceptualisations, Definitions  
And Experiences.**

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ERIM REPORT SERIES <i>RESEARCH IN MANAGEMENT</i>	
ERIM Report Series reference number	ERS-2002-97-ORG
Publication	October 2002
Number of pages	42
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## REPORT SERIES *RESEARCH IN MANAGEMENT*

BIBLIOGRAPHIC DATA AND CLASSIFICATIONS		
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Library of Congress Classification (LCC)	5001-6182	Business
	5546-5548.6	Office Organization and Management
	HD 5110.5	Work sharing
Journal of Economic Literature (JEL)	M	Business Administration and Business Economics
	M 10	Business Administration: general
	L 2	Firm Objectives, Organization and Behaviour
European Business Schools Library Group (EBSLG)	L 29	Organization, other
	85 A	Business General
	100B	Organization Theory (general)
	240 B	Information Systems Management
	100 F	Organizational relationships
Gemeenschappelijke Onderwerpsontsluiting (GOO)		
Classification GOO	85.00	Bedrijfskunde, Organisatiekunde: algemeen
	85.05	Management organisatie: algemeen
	85.08	Organisatiesociologie, organisatiepsychologie
	85.08	Organisatiesociologie, organisatiepsychologie
Keywords GOO	Bedrijfskunde / Bedrijfseconomie	
	Organisatieleer, informatietechnologie, prestatiebeoordeling	
	Vertrouwen, partners, organisatieverandering, Groot-Brittannië, casestudies	
Free keywords	Trust, Social Partnership, Organisational Change, United Kingdom, Case Studies	

# THE DEVELOPMENT OF MUTUAL TRUST IN BRITISH WORKPLACES THROUGH 'PARTNERSHIP': CONCEPTUALISATIONS, DEFINITIONS AND EXPERIENCES.

*"The defining characteristic of successful partnerships is trust"* (Cave & Coats [TUC], 1998).

## **Abstract.**

This article examines the alleged links between 'partnership' forms of managing workplace relationships in Britain, and the development of intra-organisational 'trust'. The *potential* for mutually complementary linkages between the two are clear, in theory at least: partnership, *as defined here*, should produce, nurture and enhance levels of interpersonal trust inside organisations, while in turn trust, *as defined here*, legitimates and helps reinforce an organisation's 'partnership'. Qualitative evidence drawn from the self-reports of key participants in four partnership organisations provides considerable support for the claimed linkages, while also highlighting several weaknesses, discrepancies and pitfalls inherent in the process of pursuing trust through partnership.

This research is of interest from a public policy perspective, most of all in the United Kingdom, where partnership is the favoured organisational model for the New Labour government, most trade unions, and many employers (not to mention the European Union) yet where an agreed definition of the idea has yet to emerge, and where still remarkably little is known about what partnership involves *inside* organisations.

This analysis also seeks to restore the curiously neglected idea of trust to a position of central importance to the study of employment relations.

## 1. Introduction.

The 1990s witnessed a revival in interest among management practitioners and academics in the notion of developing trust, both between and within organisations (see Lane & Bachman, 1998; Kramer & Tyler, 1996; the Academy of Management Review, volume 23, number 3, 1998). One strand of this interest viewed trust as a plausible target objective for management programmes seeking improved organisational performance from a more positive and mutually beneficial ‘psychological contract’ between management teams and employee groups (Rousseau, 1989; Shore & Tetrick, 1994; Robinson, 1996; Herriot, Manning & Kidd, 1997; Coyle-Shapiro & Kessler, 2002). Another strand, however, reflected widespread concerns at evidence of declining workplace trust levels following the ‘downsizing’ and work intensification programmes that characterised the middle period of the decade (Kessler & Undy, 1996; Baillie, 1995). Herriot, Hirsh & Riley (1998) reported a disastrous rupture of long-standing bonds of reciprocity, and recommended a programme to restore trust. These latter concerns, and the recommendations to re-build trust, echoed debate at a broader societal level (Misztal, 1995; Fukuyama, 1995; Warren, 1999) that continues still (O’Neill, 2002).

Linking the two, Sparrow and Marchington (1998) have posited the challenge facing HRM as one of unravelling its contribution to the process of organisational performance. Many ‘strategic’ HRM models rather assume that a happy alignment of shared interests between management teams and workforce will follow naturally from the effective implementation of its recommended policies and practices. This is, of course, far from assured. Becker, Hueslid and Ulrich (2000: p2) among many others have identified “the ability to execute strategy” as the differentiating factor between successful and failed HR strategies. Trust may yet prove a, if not *the*, decisive mediating factor. Sparrow and Marchington urged HRM scholars and practitioners to “demonstrate the cost of trust deficits” and how pursuing stronger organisational trust “outweighs the profit potential that comes from violating expectations” (op cit: p311).

Concurrent with this emerging interest in trust, the UK has undergone another of its periodic bouts of enthusiasm for ‘collaborative workplace’-style reforms. The latest version bears the label ‘partnership’. Since the return of the New Labour government in May 1997, ‘partnership’ has become, superficially at least, the foremost industrial relations policy paradigm in the UK. It is official policy - albeit in rather differing forms - for the government (DTI, 1999; 1999b; Knell, 1999), the Trades Union Congress (TUC, 1997; 1999) and most

trade unions. It is the policy recommendation of choice for think tanks such as the Industrial Society (2001) and ACAS (1999). It has even been welcomed, albeit with a large number of caveats, by the CBI, and several leading British employers. Finally, it is the favoured policy direction of the European Union (European Commission, 1997); indeed, the UK model has borrowed much of its vision, vocabulary, and evidence of validity from Europe (Terry, 2001).

In the 'partnership' literature 'trust' is a constant and defining presence. Advocates present their favoured prescriptions – in essence the pursuit of benefits for all parties through joint problem solving - as a 'high-trust' model for improving workplace relationships (witness the Cave & Coats quote above; also IPA, 1997), and organisational performance (Guest & Peccei, 1998; 2001). This conceptual linkage has been supported for several years now by anecdotal evidence from participants in partnership organisations, in case studies published by the IPA, the TUC, the DTI, ACAS, IDS (1998), IRS (2000) and at 'partnership' conferences. Over 100 case studies are summarised on the DTI's dedicated website (<http://www.partnership-at-work.com>).

Guest and Peccei pointed to a fruitful research agenda “on the role of trust in effective partnership at work... to identify the processes that must be in place for high trust to emerge” (2001: p232). Yet still we know little of how this happens.

This article offers an exploratory analysis of both concepts, and presents case study evidence of the experience of partnership and trust in four *genuine* UK-based partnership organisations.

Given the enormous significance of trust to partnership – it has been cited as a necessary pre-condition; the process through which partnership is realised; one of its most important outcomes, and the main method for monitoring progress and constraining 'anti-partnership' actions – the opening section sets out a nuanced definition of this elusive element. The second section then proposes a definition of partnership based on the identified requirements for trust. The third section sets out the potential complementary linkages between the two. The fourth section then summarises the narrative experiences in each of the four partnership organisations, and brief details of their partnership practices, followed by general findings and learning points from each. The conclusion offers some thoughts on what partnership can (and cannot) do to develop trust, and suggests an abundance of testable hypotheses for future research.

## 2. Definitions of trust.

Trust is best understood as a belief. In the most concise definitions it is depicted as “a psychological state comprising the intention to be vulnerable [to another] based on positive expectations” (Rousseau, Sitkin, Burt & Camerer, 1998: p395); as “confident positive expectations about another’s conduct” in a context of personal risk (Lewicki, McAllister & Bies, 1998: p439), and as reflecting “an expectation or belief that the other party will act benevolently” (Whitener, Brodt, Korsgaard & Werner, 1998: p513; see also Gambetta, 1988: p217; Mayer, Davis & Schoorman, 1995). These definitions share a number of conceptual points which can be divided into two strands (below): three set out the relationship’s structures and parameters, while five define the content of the trust belief.

The first straightforward point is trust’s mutuality or reciprocal principle (Fox, 1974: p67); it requires at least two parties.<sup>1</sup> Secondly, trust must exist in a context of risk; it “cannot exist without the possibility of being in error” (Bhattacharya, Devinney & Pillutla, 1998: p462). Trust is of trivial value if one enjoys *certain* knowledge about the other’s intentions and actions. Relatedly, all parties should be vulnerable to actions from the other; all parties should be in a position to damage the other’s interests, and to have recourse to mechanisms for enforcing trust, and for coping with any fall-out, including the freedom to withdraw from the relationship if necessary. This “mutual dependence” and shared vulnerability distinguishes trust from other forms of securing co-operation, such as coercion. Thirdly, trust is necessarily incremental; it can only emerge in any credible form “through repeated exchanges of benefits between parties” (Whitener et al, op cit: p515; see also Axelrod, 1984, 1997 on game theory in this regard).

Turning to the content of the belief, the reason for this last characteristic relates to trust’s inherent risk. It is not informed by certainty, nor is it a condition of ignorance; it is instead an “expectation”, a “probability” (Gambetta, 1988). This demands an evaluation of the other party’s *likely* future behaviour that can only be based on a sufficient body of credible evidence (from a series of interactions, ideally in a range of settings).

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<sup>1</sup> *One may speak of trusting oneself (or not), but this is illogical, for unless one is mentally impaired to a significant degree, one is in control of, and responsible for, one’s own decisions.*

Secondly, this evaluation needs to assess the trustworthiness not only of the other's *motives* (what some have divided into "benevolence" and "integrity"), but also their *competence* (i.e.: their capacity to fulfil their trust-based promises or realise their stated goals).

Thirdly, and crucially, trust's reliance on expectation carries with it a "strength of feeling" (Bhattacharya et al, op cit: p462), a significant confidence, that elevates it above what would otherwise be mere hopefulness, blind faith or gullibility, for to make oneself vulnerable to another *without* assessing the evidence in favour of such a decision is surely one of these three, and should not be conflated with trust. This point may seem like pedantic semantics, but it is important in order to protect trust from two criticisms: that it is "unreflective" (Garfinkel's claim, cited in Lane, 1998: p11) or, as Marxists might sneer, that it is 'false consciousness'. Its drawing reasonable conclusions from evidence refutes both allegations. Zand's definition - as the "*conscious* regulation of one's dependence on another" (1972: my emphasis) - reflects this, as does Sheppard and Sherman's concise definition where trust is "a *manageable* act of faith" (1998: p422).

The fourth point, that trust is a *desired* state, also addresses these criticisms. With trust each party the relationship must be "important" to each party, and the likely outcomes "positive" or "benevolent".<sup>2</sup> These outcomes need not be, as Hosmer argues, "ethically justifiable" and "morally correct" (1995: p399), just in one's interests. Judgements on the ethical or moral dimensions of decisions taken in employment relations are problematic, and unnecessary.

Finally, the evaluation of the evidence can be "compartmentalised and aggregated" (Lewicki, McAllister & Bies, op cit) such that parties, if they wish, may accommodate contradictions and errors, if they still judge the quality of trust *overall* to be worthwhile pursuing. (See the degrees of trust below.) Trust allows flexibility in response.

So, to summarise, trust exists between two or more parties that have entered an ongoing relationship willingly and positively in a context of risk for all parties. Trust itself is a subjective, aggregated, evolving and confident belief, based on a body of evidence, that the

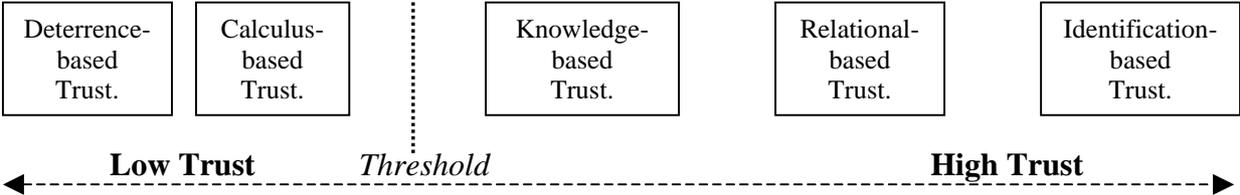
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<sup>2</sup> The remark "you can trust him completely, he'll always let you down" is a common misapplication of the word, and is recognised as paradoxical precisely because it plays on several of the elements of what does constitute trust.

other’s likely actions will have positive consequences for oneself, leading to a willingness to render oneself vulnerable to the other party.

Neither crude either/ or conceptualisations (trust or distrust), nor even categories of “conditional trust” and “unconditional trust” (cf. Jones & George, 1998: p536), or “strong” and “weak” forms (cf. Barney & Hansen, 1994), capture trust’s intriguing subtleties of degree. In the literature there are five such degrees of interpersonal trust, plus institutional-based trust (such as trust in doctors as a professional group), which is not relevant in a UK context (discussed in the next section). The five degrees can be placed along a continuum of intensity and progress (Figure 1):

**Figure 1: The five degrees of trust on a ‘continuum’ of integrity and progress.**



Unfortunately for clarity purposes, some of the terms are often confused and interchangeable: what Rousseau, Sitkin, Burt and Camerer (1998) call ‘deterrence-based’ trust is called ‘calculus-based’ trust by Lewicki and Bunker (1997). However, to take each in turn, *deterrence-based* trust (Rousseau et al, 1998) is, by the definition above, not trust at all, but a manifestation of distrust. Its wholly negative expectations are that the other party will abuse *any* willingness toward trust, and will only act co-operatively under the threat of punishment.

The ‘weakest’ form of actual trust is *calculus-based* trust (Lewicki and Bunker, *ibid*). Strictly based on a cost-benefit analysis trust is considered a worthwhile strategy, but a deep *a priori* suspicion of the other means that collaboration is only undertaken with the support of controlling sanctions, such as threats or contractual restraints.

Between this and *knowledge-based* trust (Lewicki and Bunker, *op cit*; also Shapiro, Sheppard and Cheraskin, 1992) a threshold is crossed, represented in Figure 1 by the vertical dotted line, when the suspicions that justify reinforcement from sanctions recede, and are replaced by a “positive expectation” based on predictability and expected benevolent treatment. Real trust,

as a positive belief, begins here. As behavioural expectations become self-reinforcing and are evidently in each party's own interests, more powerful forms develop.

The confidence in *relational-based* trust (Rousseau et al, op cit: p399) is more subjective, and even emotional in nature. Drawn more from the other party's overall record of reciprocal benevolent conduct in the relationship than from more systematic assessments of their likely intentions, it is the difference between "dependability" and "faith" (McAllister, 1995: p26). It can even tolerate minor 'defections' as somehow an uncharacteristic aberration from the powerful principles that have arisen to govern what is acceptable in the relationship.

Finally, the depth of all-powerful affection described in *identification-based* trust (Shapiro, Sheppard and Cheraskin, 1992) is such that each party may assume the identity of the other – their aspirations, objectives, decision-making and self-presentation - with the other's full confidence. Their identities merge. Trust is total and unquestioned. While it is contestable whether this is possible in employment situations (and if it is, whether it is desirable), at the risk of trailing in advance outcomes from the fieldwork, the case studies provide some striking findings in this regard.

## **2b. How is trust established?**

This section considers the antecedents of, and influences on, mutual trust at the level of interpersonal workplace relations. While Bachman rightly points to a "loose coupling" (1998) between interpersonal relations and the parameters set by institutional structures such as legislation, and other sectoral or national constraints, no such arrangements currently exert any significant influence in Britain (as they do in much of continental Europe). In any case, the attitudes and behaviours exhibited by parties to a relationship develop the quality, or otherwise, of trust, not institutional constraints. That said, comparative international research would be interesting to test for the influence of institutional arrangements, or national cultural norms in the development of trust (see Zak & Knack, 2001 for their excellent experiment).

Whitener and colleagues (1998: p516-518) cite five "categories of behaviour" required for "managerial trustworthiness". Given trust's reciprocal principle, these can, and should, apply to all other constituencies at work (hence, where appropriate, my amendments to their text):

1. *Behavioural consistency*. By this is meant reliability and, to some extent, predictability of actions.

2. *Behavioural integrity*. This involves telling the truth and keeping promises: “the consistency between what [someone] says and what he or she does”.
3. *Sharing and delegation of control*. By this is meant shared input into decision-making at a variety of organisational levels.
4. *Communication*. Information needs to be shared openly, it needs to be accurate and timely, and it also should be explained in its proper context.
5. *Demonstration of concern*. This means “showing consideration and sensitivity for [each party’s] needs and interests; acting in a way that protects [each party’s] interests, and refraining from exploiting others for the benefit of one’s own interests”.

In any HRM model purporting to promote and develop trust we would expect to be able to observe these behaviours, and policies and practices designed to encourage them. Can partnership fulfil these requirements?

### **3. Toward an *honest* definition of partnership.**

As with ‘trust’, confusion persists over how best to define ‘partnership’ (see Ackers & Payne, 1998; Guest & Peccei, 2001; Tailby & Winchester, 2000). The prolonged absence of an agreed and meaningful definition - one that is coherent and realistic, but more importantly *observable and testable* – is further exacerbated by a dearth of *genuine* and extensive case studies (exceptions being Marks et al, 1998; Haynes & Allen, 2001), and plenty of spurious ones. Both deficiencies have stifled progress in understanding partnership in the UK.

Partnership’s “inherent ambiguity” (Bacon & Storey, 2000: p409) is compounded by its application on several different levels. It is used to refer to the so-called ‘European’ model of ‘social partnership’, involving institutionalised dialogue on social and economic policy between different ‘stakeholder’ constituencies. This operates at national, sectoral and organisational levels in many European countries, the German co-determination system and the Dutch ‘polder’ model being two examples. In the UK, the New Labour government has initiated similar initiatives, notably over the national minimum wage (see Metcalf, 1999; Brown, 2000) and the Chancellor’s ‘productivity initiative’, but these have been one-offs rather than part of a systematic programme of multi-constituency congresses. The government has also used the term ‘partnership’, contentiously, to describe contractual relationships between private companies and public sector workforces to deliver public services.

However, it is most commonly used to refer to workplace or organisational employment relations scenarios (Tailby & Winchester, 2000: p374). Within organisations, the term can correctly describe a collaborative endeavour between managers and employees, such as over skills training and health and safety (Munro & Rainbird, 2000). But to be considered a ‘partnership organisation’ surely involves significantly more than demonstrating temporary, calculative co-operation over one or a handful of workplace matters. Indeed, it is important to rescue the potency of the idea of a partnership organisation (suggesting - as it surely does – a positive, enduring and committed pact for mutual gain between more or less equal participants) from its almost ‘Orwellian’<sup>3</sup> associations with patently unequal and even exploitative work situations or, more commonly, with only modest joint consultative efforts or cynically-manufactured union recognition deals (cf. Wray, 2001).

### **3b. Partnership defined: a set of principles and practices.**

Fortunately Undy (1999) has identified a gradual convergence of credible definitions around six essential components. These form the core of the two most influential and most commonly cited definitions, those of the Involvement and Participation Association (IPA), and the TUC:

1. A joint declaration of commitment to the success of the organisation
2. Mutual recognition of the legitimate role and interests of each organisational constituency: management, trade unions (where present), and employees
3. Sharing information and consulting in joint problem solving, involving representative arrangements for an ‘independent employee voice’
4. A determined attempt to balance flexible work practices with employment security
5. Sharing organisational success among all employees, and
6. Commitment and effort to develop and sustain trust between the organisation’s constituencies.

### **3c. The IPA definition of partnership.**

For the reasons I set out below, I consider that the partnership model articulated by the IPA remains the most coherent and viable model of trust-enhancing partnership on offer.<sup>4</sup> Itself a ‘partnership’ product of joint union-management consultation, the IPA model (1992) was the

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<sup>3</sup> To equate ‘partnership’ with such distortions are, to me, reminiscent of the Big Brother maxims “War Is Peace” and “Freedom Is Slavery”.

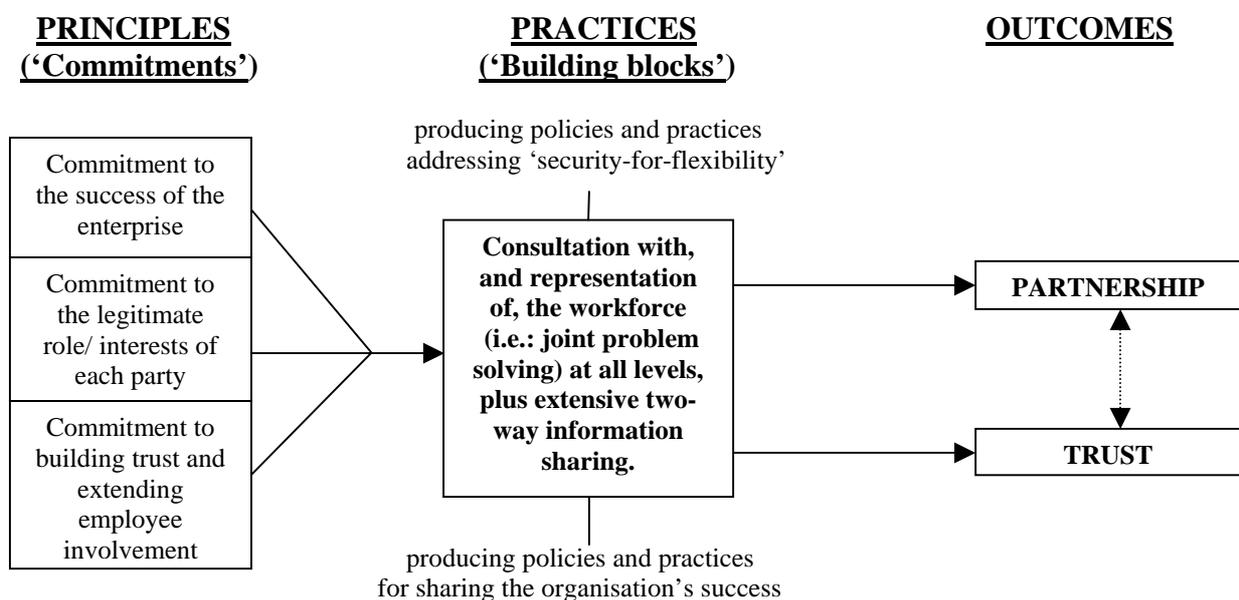
<sup>4</sup> I should declare an interest here. During the course of this research I worked part-time in a self-employed capacity for the IPA as their Research Manager. However, I would refute any allegation of an undue conflict of interest or influence on my research. The conclusions here stand on their own merit.

first attempt to define partnership in its present incarnation, and set the template for all who followed (Bacon & Storey, 1996: p41; IRS, 2000: p7).

Unlike many other conceptualisations (see ACAS, 1999), the IPA model goes beyond ill-defined aspirations to set out a ‘bundle’ of HR practices that, together, form a coherent HRM model for managing workplace relationships. The prescriptions are practically-minded: malleable enough to allow for several interpretations and adaptations, but sufficiently specific for associated practices and policies to be readily observable. Robert Taylor called it “the best example of the new consensual approach” for workplace relations (1994: p200), while Guest and Peccei judge it to be one of the “most systematic” definitions (2001: p211), along with the near-identical principles adopted by the TUC (1999).

The IPA model is set out in Figure 2 (note that this is the author’s own diagrammatic representation):

**Figure 2: IPA Partnership model (author’s own diagrammatic representation).**



It is to be preferred over the TUC’s definition for two important reasons. Firstly, the IPA model allows for non-unionised forms of partnership. Despite unions’ understandable protestations, these can and do exist, although they are very rare indeed. This extends partnership’s appeal beyond its present union-only ‘ghetto’, and reflects better the government’s own conceptualisation. More than this however, as will be shown in the next

section, the IPA model dovetails with the requirements for establishing trust (partnership's key process and outcome) better than any other model. The TUC principles for example contain no mention of 'trust' (although it has since been identified as a "defining characteristic" – cf. the Cave & Coats quote), but more curiously, the TUC also avoids any provisions for workforce consultation (though it is of course implicit) and for employees "sharing the success" of the organisation. They focus instead on "enhancing the quality of working life" which, tellingly, does not involve pay. (Perhaps the TUC avoided pay issues so as not to scare off future employer 'partners', or their own affiliates?) These are serious gaps.

In the IPA model the three 'commitments' are envisaged as firmly-held and passionately-defended organisational principles: not confined to warm words in the mission statement, but firmly rooted in the "organisational beliefs" (cf. Schein, 1986), or "overarching ideology" (cf. Mintzberg, 1995), about the nature of the employment relationship, and how it is best managed. They provide coherence to the HR strategy and to the design of policy and practice, and their presence is considered essential if a company is to be labelled a 'partnership' organisation (Guest & Peccei, 1998: p19).

The four 'building blocks' are observable, functioning policies and practices. The principal means of managing partnership (as depicted in the central box) is a continuous process of joint problem solving throughout the organisation, from the nearest to different constituencies' workplace up to the strategic level. The precise structure and content is left unproscribed, but might be expected to involve a mix of direct and indirect forms of employee participation in decision-making (works councils/ staff forums, employee board representatives, staff briefings, team structures, etc) – as appropriate to, and effective for, the organisation. The conduct of the joint problem solving needs to facilitate proactive and shared participation, and to be sincere and consistent. Employee groups do not control the decision-making, but do influence significantly (by their own standards) its outcomes. This in turn demands open and timely exchange of honest and accurate information "laterally, upwards and downwards" (IPA, 1997: p11) at what has been called the 'glint-in-the-eye' stage of planning, and throughout. This is expected to include sensitive commercial information (opening the 'books' – see Case, 1997). Skills training may be needed to help employees make an effective contribution.

While unions argue, with some justification, that they can best provide the independence, strength and wealth of experience that permits proper workforce consultation (USDAW, 1998), the IPA points to the effective, employee-led representation arrangements in non-unionised enterprises such as the John Lewis Partnership, St Lukes' Communications (see Law, 1999) and Sportasia (IPA, 2002) as counter-evidence to the unions' claim for exclusive dominion over partnership.

Of the policies produced by this process of joint problem solving, "recognition of the employee's need for employment security and the company's need to maximise flexibility" is perhaps the most important. 'Flexibility' is, again, left up to the partners to define, but 'employment security' is more precisely explained. To equate this with a 'job-for-life' promise is a lazy and often wilfully cynical misunderstanding. The IPA describes the arrangement as providing "a stable employment framework" (1997: p2). This means, ideally, a multi-year pay deal and/ or a no-compulsory redundancy package, complemented with a fair and just redundancy selection policy and the careful joint management of employees' expectations and needs both prior to, during and after the process of any unavoidable job losses.

The other key policy is means for sharing organisational success, by which is envisaged not just financial rewards (employee share ownership, profit-sharing or 'gainsharing' bonuses) but – with one eye on the public sector - other measures of organisation-wide commendation (such as celebrating improved performance). Single-status and/ or harmonised terms and conditions are considered important for the "symbolism" that all of the firm's employees are valued equally (beyond salary differentials of course).

To be considered a genuine example of partnership an organisation should be able to demonstrate tangible evidence of *all* of these principles, policies and practices. To have only the principles without the practices is to have merely produced a mission statement; to have only the practices, but no overarching principles, is to leave the practices floundering for want of direction, and vulnerable to abandonment. Equally, to have no all-level joint problem solving fails to differentiate partnership from passive compliance to managerial diktat, a minimal "sham" employee involvement effort, or paternalism and, finally, to have only joint problem solving, but no exchange of tangible mutual benefits (such as employment security for flexibility, and sharing success), *or* a commitment to improve relationships, fails to

distinguish partnership from any other collective negotiations. Partnership is, in short, a model that ought to be implemented in full.

None of this is especially new, of course. Some elements have been tried before in the UK (see Ramsay, 1977; MacShane, 1992), although *not together* in such a programme. Yet what is *really* claimed to distinguish partnership from both its elder relations (e.g.: the Mond-Turner talks, productivity bargaining, industrial democracy, and worker-directors) as well as from its contemporary cousins such as ‘stakeholder’ models (see Hutton, 1995; Kay, 1997) and ‘mutual gains’ enterprises (Kochan & Osterman, 1994), and Pfeffer’s ‘best practice’ HRM (Pfeffer, 1994; 1998) is the attention paid to improving relationships, and in particular, to developing trust.

From partnership advocates’ conceptualisations and participants’ accounts it is clear that neither the terms of a partnership agreement, nor especially its policies and structures, are as significant as these “internal behavioural transformations and attitudinal improvements” (Guest and Peccei, 1998: p2). In other words, there is something *qualitatively* different about how parties *go about enacting* partnership. For the IPA, this is “not so much about institutions or methods, as about attitudes and culture... building mutual trust, of recognising differences and finding common ground” (Coupar & Stevens, 1998: p145). IDS analysts note partnership’s “distinctive spirit... problem-solving and reaching decisions by consensus in an atmosphere of greater trust and openness” (1998: p2). Trust is its core idea.

#### **4. The development of trust through partnership.**

What is it about partnership, then, that might be expected to generate trust? The linkages between the two ideas, especially with Whitener and colleagues’ categories of trustworthy behaviour (op cit, above), are discussed below, and are set out in the Appendix.

A common objective such as a publicly stated commitment to “the success of the enterprise” initiates the search for grounds for mutual trust - even if what constitutes “success” and “joint commitment” perhaps should be subject to a clarifying discussion among the partners. (This process may prove beneficial to all concerned.) Shared pursuit of a common goal encourages “behavioural consistency” and helps monitor “behavioural integrity”. But in itself this is rather cosmetic; it is the *means* through which success is sought that is more important.

The commitment to “recognising the legitimate role of each partner” accepts pragmatically the potential for conflict, and thence mutual dependence and vulnerability. This sets clear boundaries around “behavioural consistency” and “behavioural integrity”, and demonstrates, if not concern for the other’s interests, then at least awareness of, and respect for, them. Again, it is the means by which this commitment is translated into policy and practice that is more important.

The commitment to “build trust” speaks for itself, of course, while “greater employee involvement” embodies Whitener et al’s “sharing and delegation of control”; indeed, the “extent to which managers involve employees” is a determining factor in the quality of trust (1998: p518). Employee involvement aids trust through helping employees render the factors affecting their working lives at least subject to some influence and allowing for some scope for protection of each party’s interests, reducing feelings of vulnerability. Greater input into decisions also reflects managerial confidence in employees, while refusal to countenance it on principle rather suggests the inverse.

The principal means of doing so is through greater and more open information-sharing, and employee involvement in joint problem solving. Both practices provide the means for the initial exploration of a common agenda, and potentially the realisation of that agenda, which would be expected to generate trust. Sharing information also demonstrates a willingness to be trusted, and facilitates the crucial “intelligent appraisal of evidence” of each party’s trustworthiness. In the early stages, greater appreciation of the other party’s agenda helps promote shared understanding, and begins to diminish the fear and suspicions associated with the risk of engaging in deeper trust. It helps legitimise the reasons for change.

If implemented to a sufficiently high quality at all levels, with all parties processing information in a trustworthy manner toward mutual benefits, joint problem solving cannot but enhance trust, and manage a successful partnership. Moreover, regular meetings over a mutually agreed agenda allow each party to familiarise themselves with each other(s), and each other’s motives and competence, further increasing trust levels. Joint problem-solving forums also act as a direct means of monitoring each party’s adherence to the common

agenda, although it would of course be hypocritical, not to mention untrustworthy, to enter into a partnership, only to revert to non-collaborative tactics.

If defined through the prism of trust, as here, it must bestow upon each party mutual capacity to influence the relationship's decision-making, to resist unilateral imposition of diktat, and to punish abuse. Independent workforce representation - with sufficient resources, authority and legitimacy - is the only realistic, and constructive, means by which an organisational model that does true justice to the idea of 'partnership' can satisfy what Whitener's team terms "sharing and delegation of control".

As suggested above, it is the *manner* in which this is conducted that is crucial. Partnership implies rather more than just 'getting on well'. The implied negotiating strategies in a partnership resemble the "integrative bargaining" advocated by Walton and McKersie (1965), and the "tit-for-tat" approach from game theory: rewarding co-operation, and punishing 'defection' (Axelrod, 1984). All of this links with each one of Whitener and colleagues' trustworthy behaviours.

In terms of organisational policy arising from the joint problem solving, partnership's pursuit of balance between, on the one hand, employees' desire for employment security and a share in success and a positive working environment and, on the other, employers' pursuit of a skilled, committed and flexible staff would appear to offer a common agenda around which parties can build trust. A carefully drafted agreement balancing the two desires might be expected to generate trust by, firstly, inculcating a sense of a shared future, and indicating that the relationship is expected to last, encouraging the 'leap of faith' into a trust-based relationship. In particular, employment security provisions reduce the risk to the workforce (and their representatives) in agreeing to flexible work practices that might otherwise necessitate job losses or intensified workloads. As a 'win' it offsets (in part) the impact of these 'losses'. Secondly, a negotiated exchange of acceptable concessions initiates feelings of reciprocity, from which trust may emerge. The quality of this exchange is a crucial test. The parallels with Whitener et al's "demonstration of concern" are obvious.

Finally, "sharing success" ties the workforce, and indeed the management team, to working toward ensuring the success as success is, self-evidently, in each party's interest. It also provides for mutual gain and the benevolent treatment that keeps the relationship positive.

(Employment security, and a share of the spoils, also answers the “what’s-in-it-for-us?” cry from sceptical employees.) Here too are obvious parallels with Whitener et al’s “demonstration of concern”. So, if partnership seems to offer a potentially trust-enhancing agenda in theory, does it deliver in practice?

## **5. Case studies: methodology.**

For my research I sought to examine the nature and experiences of participants from within identifiable, genuine ‘partnership’ organisations through qualitative case study research. Organisations were identified as able to demonstrate tangible evidence of a full and functioning partnership, as defined by the IPA and discussed above. The four organisations were:

- Allied Distillers, a multi-site drinks manufacturer
- Borg Warner Torq Transfers, a single-site engineering firm
- Sportasia, a small non-unionised clothing firm
- Wigan & Leigh NHS Health Services Trust.

I considered that the most appropriate research focus should be the content of interpersonal behaviour and interactions. Salamon is surely correct when he notes that trust can only be established “between *people* [my emphasis] rather than between organisational collectivities called ‘management’ and ‘union’: inter-organisational trust stems from intra-organisational [and, I argue here, inter-personal] trust” (1998: p79).

My principal data collection came from two or three sets of semi-structured one-to-one interviews with key players (i.e.: HR officers, union convenors and shop stewards where present, middle line managers and senior managers, including in each case the Managing Director or equivalent). In addition, I interviewed a small sample of non-key players from the ‘shop floor’ (i.e.: machine operatives, administrative officers, nurses, cleaners). This is the first time ‘shop floor’ workers have been asked about partnership.

The visits were conducted six to nine months apart to avoid a one-off ‘snap-shot’ of impressions, as well as to allow participants time for further reflection. The follow-up interviews tended to be with the key players. Additional material was sourced from company

documents, conference presentations, and media reports. Open-ended questions were used to invite a discussion of, in the first instance, the narrative of the change process toward ‘partnership’, seeking in particular to account for any attitudinal and behavioural shifts, and how these materialised.

During the follow-up interviews I showed each interviewee short definitions of the five degrees of trust, and I asked them to reflect on which best described relations in the organisation at key stages of the progress toward partnership. Though not without methodological weaknesses – such as participants projecting their own experiences onto the organisation as a whole, and respondent bias - this proved highly illustrative.

Space does not permit here even a summary of one of the case studies, let alone an overview of all four. What follows is at best a thumb-nail sketch of the main narrative events and noteworthy details from each.<sup>5</sup>

## **6. Case study: Allied Distillers.**

Allied Distillers had always suffered from highly adversarial industrial relations with its recognised unions, the GMB, AEEU and MSF. But because any additional production costs could be passed on to a loyal consumer base through price rises, the situation was tolerated. Changes to production were ‘bought’, “anything to get the stuff out of the door” (respondent ‘B’ below).

The catalyst for their partnership initiative came in the mid-1990s when the parent company conducted a benchmarking exercise that revealed Allied Distillers to be among the least efficient producers, but easily the best paid, in the sector. A veiled threat to the future of the offending subsidiary sparked moves toward reform.

The company brought in a new cadre of managers, coincidentally as the unions replaced many of their representatives. The partnership that was eventually agreed came at the fourth attempt, the previous efforts having been stymied by, variously, a reluctance among managers

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<sup>5</sup> *The four studies have been published by the IPA in slightly ‘sanitised’ form (IPA: 2001a, b & c; IPA, 2002) in which, to help maintain cohesion among key personnel in the participating organisations, some animosities and concerns were downplayed, but not edited out.*

to share information about their plans, deep suspicions from one constituency of the workforce, and a series of incidents that revealed managerial inconsistency and dishonesty, despite publicly stated aspirations to the contrary.

For the fourth attempt the management and union teams were 'locked' into a hotel for three weeks of negotiations. These succeeded primarily because managers shared confidential business information and their plans openly, and the talks secured significant 'joint wins' early on, demonstrating the viability of the partnership effort. Also, the intensity of the 'sealed' venue spurred parties toward compromise and joint problem solving, to get the deal finalised.

The agreement, called 'Change Agenda', was eventually approved in late 1996 after a costly and lengthy joint selling of its terms to a highly sceptical workforce. It comprised a guarantee of no redundancies for the deal's three-year lifespan (beyond those job losses set out in the agreement), in exchange for workforce commitment to multi-skilling, training and the abolition of all demarcations. As part of a skills-linked salary review, everyone's pay went up; there were "no losers" (respondent 'D'). The agreement also inaugurated a number of new joint consultation forums. It was rewarded with huge capital investment from the parent company.

The deal has since been ratified twice more, extending the employment security guarantee each time. But relations soured significantly in 2001. Inter-union animosities resurfaced, dismantling the 'single-table' process secured under partnership. More seriously, however, was a relatively minor incursion by management into employees' privileges, which nearly brought about a complete collapse in the hard-won trust, almost taking the partnership down with it. Perhaps, viewed through the prism of trust, an organisation's partnership is, to paraphrase the old football manager cliché, only as good as the last result?

As can be seen from Table 1 below, relations pre-partnership were bleak (deterrence-based), but during the talks that produced 'Change Agenda', and the subsequent joint campaign to 'sell it', trust levels soared to extraordinary levels (relational-based and even identification-based) among the key players. Note however that the union respondents are markedly more cautious about reporting exalted trust levels than are their management partners. Each

respondent conceded that trust levels were far higher between the key players than between the ‘workforce’ and the ‘company’. This remains an ongoing challenge.

**Table 1 – Allied Distillers respondents on trust continuum.** <sup>6</sup>

	<b>BEFORE PARTNERSHIP</b>	<b>AT PARTNERSHIP</b>	<b>2001.</b>
<b>HR DIRECTOR ‘A’</b>	-	4; 0-2	-
<b>HR MANAGER ‘B’</b>	0	3 to 4; 2	[2?]
<b>HR MANAGER ‘C’</b>	-	-	3; 1 to 2
<b>SENIOR UNION REP ‘D’</b>	-	3	3; 0
<b>SENIOR UNION REP ‘E’</b>	0	1-2	1; 0
<b>MANAGER ‘F’</b>	[0]	-	2 to 3; 1 to 2

## **7. Case study: BorgWarner Torq Transfers.**

BorgWarner is an auto components firms based in south Wales. In the 1970s it employed 1,700 and, to all intents and purposes, the militant and well-organised engineering unions “ran the plant” (respondent ‘E’).

The move toward partnership began in 1983 when a catastrophic downturn in what is a notoriously cyclical industry threatened to close the plant. Joint problem solving, reluctantly entered into but encouraged by increased information sharing about the business, produced a six-year pay deal that Bassett described in ‘Strike Free’ as “astonishing” (1986: pp98-99). It was not called a partnership, but that’s what it was. It demanded from those remaining “technical ability, flexibility and trust-based industrial relations” (then convenor). All rival firms were subsumed into one supra-ordinate enemy to foster unity, the Personnel manager commenting at the time: “We’re trying to get away from the concept of competition between

<sup>6</sup> In each of the tables, the key is as follows:

0 = deterrence-based trust; 1 = calculus-based trust; 2 = knowledge-based trust; 3 = relational-based trust; and 4 = identification-based trust.

The semi-colons (;) separate respondents’ comments on the nature of different relationships at work, with the respondent’s personal opinion and experience first, followed by any projected comment on relationships between ‘the workforce’ and ‘the organisation’.

The dashes (-) indicate that the respondent did not offer comment on this period.

The square brackets ([ ]) indicate that the respondent was not employed by the organisation during this period.

management and employees, and replace it with competition between ourselves and our competitors” (quoted in Bassett, *ibid*).

The flexible work practices that were patchily introduced improved performance, and staved off a further crisis until 1993. To save the plant this time job losses amounting to half the workforce were unavoidable, and some of them would have to be compulsory and would require the union (the AEEU) to abandon its ‘last-in-first-out’ principle. The enraged workforce only agreed to the deal once the union convinced them that they had seen the ‘books’ and the plans, and that the management was not lying, and the reforms could work. In the end, the workforce accepted the deal four-to-one in favour.

Shortly after this both sides committed to a process of joint problem solving to try to prevent such a catastrophe again, and to cement the benefits of the improved industrial relations. 1997’s ‘Margam Way’ partnership agreement emerged from these talks. An ex-union official noted a switch in emphasis away from “prescriptive” substantive terms toward a more “conceptual” agreement, revolving around the notion of trust. One plant manager considered its overall philosophy as intended to concentrate minds more on “the *way* of discussing [workplace relations and issues], not the detail” (respondent ‘A’). Another (respondent ‘B’) felt it had “built up the behavioural practices and the way this company thinks”.

In fact the text is dominated with substantive detail, so these comments would seem to elevate the *normative process* of partnership above its more tangible outcomes. The deal confirmed a jointly designed and agreed, and scrupulously fair, redundancy policy (employment security being an unattainable promise), alongside commitments to flexible work practices.

The union and management teams now meet almost daily, to discuss all matters pertaining to the running of the plant. All information is distributed openly: the union can even send the plant’s financial books to their own officials for scrutiny “to check we’re not having the wool pulled over our eyes” (respondent ‘E’). They have never felt the need. Team structures and continuous improvement techniques have improved production. All employees are rewarded with several gainsharing bonuses for hitting certain agreed performance targets.

The deal has been amended each year ever since, although some on the ‘shop floor’ expressed frustration at what they perceive to be a ‘take-it-or-leave-it’ choice.

*Table 2 – BorgWarner respondents on trust continuum.<sup>7</sup>*

	<b>BEFORE PARTNERSHIP</b>	<b>AT PARTNERSHIP</b>	<b>2001.</b>
<b>PLANT MANAGER ‘A’</b>	0 to 1	2	3; 1 to 2
<b>PLANT MANAGER ‘B’</b>	0 to 1	[unspecified movement]	3
<b>HR OFFICER ‘C’</b>	-	3	2 to 1; 0
<b>HR OFFICER ‘D’</b>		1 to 2	3 to 4
<b>SENIOR UNION REP ‘E’ + SHOP STEWARD ‘F’</b>	0	2	3; 1 to 2
<b>GROUP LEADER ‘G’</b>	1	2	2
<b>OPERATIVE ‘H’</b>	[No reply]	[No reply]	[No reply]

As can be seen from Table 2, the firm began from a position of debilitating mistrust after 1993’s crisis. Trust levels improved, albeit rather cautiously, during the design of the partnership in 1997, attributed in large part to the greatly increased information sharing and the siege mentality fostered from the two crises. Relations have stabilised [in 2001] into a comfortably high trust among all of the key players, although again the reps shy away from reporting very high trust levels. Shop steward ‘F’ argued that knowledge-based trust was “about the healthiest you can get... the ideal to aim for, because it doesn’t harm you to be wary”. The ‘shop floor’ is felt to be rather less trusting of managers, and of their union – this despite the very impressive information sharing which, intriguingly, is appreciated but still not believed!

### **8. Case study: Sportasia.**

This defiantly non-unionised enterprise, based in Sheffield, designs, prints and produces school and corporate uniform and accessories. It began as an entrepreneurial venture among friends, and has grown to employ around 100 people. From its inception, the Managing Director sought to create a business that had as its core belief the primacy of what are called its ‘community values’. After consultation with the workforce, these were enshrined in a set of partnership-style rights and responsibilities to which all recruits are asked to sign up to in their employment contract.

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<sup>7</sup> The key is as before. (See previous footnote.)

These establish joint problem solving and information sharing throughout the organisation, from each team and sub-department up to strategic level. There is guaranteed employment security after two years' service, but in return every employee must commit to working effectively toward community goals. Reward is based on individual contribution (perhaps a curious feature of a 'community'), and there are profit-related bonuses and an employee share ownership scheme.

There is no perceived role whatsoever for a union, although the MD insists that if the 'community' asked for one, he would have no problem with that. In fact, if anything, the 'community' model is such that the interests of the *employer* (efficiencies, productivity improvements, profitability) are rather downplayed.

This example belies the assumption that partnership is not possible in non-unionised settings, although some may balk at the rigour with which the community values are 'indoctrinated' (through educational training) and 'enforced' (through coaching, or disciplinary procedures where appropriate).

**Table 3 – Sportasia respondents on trust continuum.**<sup>8</sup>

	<b>BEFORE PARTNERSHIP</b>	<b>AT PARTNERSHIP</b>	<b>2001</b>
<b>FOUNDER/ MANAGING DIRECTOR 'A'</b>	-	-	2 to 3
<b>DIRECTOR 'B'</b>	-	-	3
<b>DIRECTOR 'C'</b>	-	-	3 to 4
<b>SUPERVISER 'D'</b>	-	-	4; 2 to 3
<b>TEAM LEADER 'E'</b>	-	-	3 to 4

As can be seen from Table 3, what is striking about the Sportasia 'story' is that since 1988 little of note has happened! The narrative is one of unbroken steady progress and achievement, with no crises. When one challenge to the community's shared values - a failed business venture in 2000 - hit everyone's pay packets and bonuses it did not cause any significant problems, and was barely commented upon in respondents' testimonies. All respondents reported very high trust levels throughout the firm, although anecdotal evidence

<sup>8</sup> The key is as before. (See previous footnote.)

from interviews with 'shop floor' employees did uncover, alongside sincere appreciation of the firm as a good place to work, mild dissenting grumbles about one or two of the community's more onerous strictures.

A challenge will present itself should the firm exceed a manageable headcount level. However, the stability of personnel and the robustness of the firm's constitution and systems suggest that Sportasia should be capable of retaining its unique culture during any future expansions.

### **9. Case study: Wigan & Leigh NHS Health Services Trust.**

Wigan & Leigh NHS Health Services Trust, as it then was, recognises eighteen different trade unions, of which three predominate: UNISON, MSF and the GMB. (The RCN declined to take part in this research.)

The catalyst for moves to address the organisation's antagonistic (but not especially aggressive) industrial relations came in 1997 with the realisation that neither the Trust's *modus operandi* – 'bulldozing' policy past the unions with only token gestures at consultation – nor the unions' defensive stalling and spoiling tactics matched the new government's exhortations for managers and unions to work in partnership. The unions were deeply suspicious, but reasoned that if partnership could deliver tangible benefits to their members it should be supported; if not, they could revert to adversarialism with a clear conscience.

The Partnership Forum operated in parallel with the Whitley-ist joint committees. A succession of impressive joint problem solving initiatives produced significant 'joint wins', including the shared research and authorship of around 20 organisational HR policies. These helped to demonstrate to cynics on all sides the merits of partnership. A joint 'meet-the-workforce' walkabout event to solicit staff suggestions on ways to improve the organisation was hailed as "the best thing we've ever done" ('D').

Several months into the process, in 1999, the joint working party wrote a joint statement of [partnership] intent. The text was confined primarily to well-intentioned aspirations rather than firm policy commitments, and so while it cemented the joint effort further, the wider workforce met it with indifference.

When a number of leading architects of the burgeoning partnership left the Trust, new leaders reiterated support for partnership, but signalled a change in approach. Decision-making was gradually withdrawn from the protracted joint design process and replaced with management-penned proposals tabled for discussion. In doing so, HR highlighted a perceived conflict between the unions’ need to ensure their own internal democracy [i.e.: consulting their members continually and adequately] and administrative effectiveness: “You have to continually pose the question, ‘what is the purpose for using partnership?’ Is it for employee involvement and ‘inclusivity’, or for better policy outcomes?” ( respondent ‘A’). Some union reps responded in kind, using scepticism and adversarialism in the infrequent joint meetings. Others continued to try to work with the new approach.

A revised partnership agreement was nodded through in 2001, with few union objections. It sets out a potentially very impressive model of devolved joint problem solving, and in the words of the text, “joint decision-making wherever possible”, at all levels of the Trust. The vision is for workplace-level joint forums to feed into sectional forums and up to the strategic level, and for the higher-level forums to issue guidance and direction to the lower-level forums. When the research finished this had yet to be implemented.

**Table 4 – ‘Wigan & Leigh NHS Trust’ respondents on trust continuum.<sup>9</sup>**

	<b>BEFORE PARTNERSHIP</b>	<b>AT PARTNERSHIP</b>	<b>2001</b>
<b>SENIOR HR MANAGER ‘A’</b>	-	-	2 to 4; 0 to 4
<b>SENIOR HR MANAGER ‘B’</b>	0	1 to 3	1 to 2
<b>UNION REP ‘C’</b>	2	-	1 to 2
<b>UNION REP ‘D’</b>	0	2	3

As can be seen from Table 4, it is apparent that the process of engaging in ‘partnership’ has improved trust levels, but for the most part levels are relatively low, and consensus over trust levels is less clear-cut. Indicative of this is that many reflections are pitched around the threshold of positive trust (1-2). Perceptions are more subject to the individual enthusiasms of the key players and, as ‘A’ conceded, highly dependent on both the issue involved. This would seem to reflect the half-implemented and patchy status of the partnership, and the

<sup>9</sup> The key is as before. (See previous footnote.)

contradictory tactics deployed by both the management team and some of the union representatives. The Wigan and Leigh ‘partnership’ is, however, still in development – as, indeed, are the arrangements in each of the other case studies.

## **10. Findings: general themes.**

I confine myself here only to discussion of the reported linkages between partnership and trust rather than the myriad of other fascinating issues surrounding these two concepts. The findings are of course constrained by the familiar limitations of qualitative research methods (although each organisation approved my narrative account of their ‘partnership’), and what follows are my inferences from participants’ accounts, rather than ‘facts’ as such. However, the findings do generate an abundance of intriguing generalisable learning outcomes, debating points and testable hypotheses for future research.

The need for behavioural consistency and integrity is the central lesson of all of the case studies. Where consistency and integrity was applied and even enforced under partnership, trust matured into strong forms (particularly relational-based trust). Where behaviour was inconsistent or contrary, both the partnership and trust faltered (calculus-based or, at best, a wary knowledge-based trust).

The bulk of respondents’ self-reports accounting for shifts in degrees of trust tallied consistently with the overall narrative of the partnership. In all four case studies the ‘partnership’ transformed the atmosphere, or spirit, of employment relations. At the non-unionised firm their partnership-style programme had already generated very high trust levels prior to its being enshrined in a formal statement of intent. In each of the unionised studies key players’ reflections overwhelmingly, though not unanimously, pointed to transparently major improvements in the quality of trust, often starting from a state of complete mistrust (deterrence-based trust), following the partnership agreement. As the partnership became embedded, and demonstrated its value to the key players, so the trust strengthened (up to, and including, remarkably, reports of identification-based trust between managers and union representatives who previously had been locked in bitter, aggressive conflict). However, where partnership was not so convincingly embedded, trust remained fickle, disparate and lacked cohesion among all the participants.

It should be noted that these respondents are not gullible or weak-willed persons. Most had had many years' experience of British-style adversarialism and mutual mistrust, and indeed had revelled in the pre-partnership codes of behaviour. Moreover, the union officials, in engaging with partnership, rendered themselves susceptible to their members' fury, and did not do so on a whim, or to follow 'fashionable' trends in modern management.

A major finding is that this enhanced trust seems confined in the main to the senior key players in the management and trade union/ workforce teams. Almost all of these respondents felt that partnership had had a powerful positive impact on their working lives, and had established very strong trust-based friendships, indeed. This is not, however, replicated to anything like the same extent in relationships between the organisation/ management and 'shop floor'/ ordinary employees in general. This was found to be the case not only in the three unionised enterprises (was it not ever thus?) but, fascinatingly, also within the non-unionised firm. Even within partnership organisations, and even those with long-standing arrangements, a residual if passive wariness of 'management', bordering on mistrust, prevailed among much of the workforce. (At one of the unionised firms, each workforce ballot endorsing the partnership returned the same result three times over six years: a 75-25 split in favour.)

This discrepancy in trust levels can be readily explained by the trust literature. Firstly, the individuals most immediately involved in partnership engage with each other much more frequently, as equals, on commonly agreed agendas, seeking mutually beneficial outcomes, in often emotionally-charged meetings. This process must, if conducted in a consistent manner, inevitably improve trust levels among these individuals. But as HR Director 'A' in Allied Distillers noted, most 'shop floor' employees do not see managers (or their union reps) on a regular basis in a variety of situations, and nor are they typically able to exert much influence on partnership's strategic decision-making, and so – as the trust literature would infer – these employees are more likely to feel vulnerable and uncertain, and less confident in bestowing trust.

From this one might hypothesise that, where managers meet more frequently with the workforce, and/or devolve joint problem solving down to the lowest levels, and/or share information openly and explain the reasons for organisational decisions, trust levels among the non-key players might be expected to increase. (That said, the experience at BorgWarner suggests that not even this can be assumed.) Managers and trade unions should certainly not

neglect to communicate with, and involve the wider workforce. Efforts to instil trust within the workforce as a whole are essential, lest a 'partnership elite' be seen as remote and self-serving.

Given that the trust seems predominantly confined to, and heavily dependent on, certain key players, it follows that for trust to endure and develop the original partnership signatories, or like-minded persons, must stay the course. In the studies, where there was disruption to the personnel among the key players trust suffered setbacks; where continuity had prevailed trust levels were higher. A supplementary point is that partnership also relies on the benign support of the organisation's senior managers; even enthusiastic key players can do little to save a 'marginalised', token-gesture partnership initiative.

As Guest and Peccei found (1998; 2001), agreeing and enacting a clear and inviolable set of partnership principles was shown to underpin the design and implementation of partnership practices. Evidence from the case studies appear to support this: where commitment to the principles was susceptible to equivocation the practices were less widespread and less coherent, tensions and conflicts were more prevalent, progress less impressive, and the trust less developed. The important point here is that the key players have to *believe* in the other's convictions, and the convictions must bear tangible benefits for all, regularly. Warm words endorsing the partnership principles are clearly not sufficient. Incidents of contrary behaviours from one party prompted a re-appraisal of participation in partnership from the aggrieved 'victim'. Also, respondents' carefully suspended judgements on their organisation's trust levels suggest that trust is not naïve, or 'false consciousness', and that it *is* based on an intelligent appraisal of evidence – and this appraisal is ongoing. Trust is essentially dynamic and ever-fluctuating, and it needs to be constantly demonstrated and reinvigorated.

The studies viewed as a piece suggest that the strength or otherwise of partnership lies not in the content and structures, since each of the four case studies here have very different arrangements, but in the *attitudes and behaviours* of the key players. An agreement, or statement of intent, must be in place - and where it was not, progress was stalled - and the structures and practices must be used effectively. But, to return to Becker, Hueslid and Ulrich (op cit), it is in how the "strategy" is "executed". The organisation with potentially exemplary practices had yet to develop the requisite attitudes and behaviours, while the firm with – on

paper - the least impressive practices enjoyed key players demonstrating abundantly high trust levels.

The above comment notwithstanding, the following features of partnership were cited as decisive influences on the development of enhanced trust. Firstly, joint acknowledgement of common objectives spurred efforts to find common ground, and reduced sources of animosity and conflict. Secondly, the increased frequency of interactions among the key players across a range of workplace issues reduced the potency of assumed antagonisms, and increased players' estimation of the other's trustworthiness (and shared humanity!) In tandem, increased dissemination of honest organisational information had a particularly marked influence on behaviours, demonstrating a willingness to trust while manoeuvring parties' strategic responses toward co-operation, and inviting joint problem solving. Fourthly, securing tangible benefits, and demonstrations of mutual gain, helped reinforce the value of the partnership/trust-building, especially early on. Provisions for employment security were viewed very positively, since it allowed all parties (but especially the employees) to feel confident about the future, and reduced the gnawing doubt in union reps' heads that they were about to be duped. Intriguingly, sharing success was not mentioned at all as a positive and helpful outcome.

## **11. Concluding remarks.**

Partnership relies on trust, but trust is a commodity in perpetual flux. Its shifting quality according to circumstances allows for the possibility of both weak and strong forms (cf. Barney & Hansen, 1994), positive and negative experiences, mutual success and unilateral betrayal. This lesson, and the evidence from the case studies, should dissuade any commentator (cynic and evangelist alike) from inferring that partnership constitutes an ideal-type, permanent resolution of the "structured antagonism" inherent in the employment relationship (cf. Edwards, 1986). Plainly, it is nothing of the sort, and nor should any serious commentator have imagined that it could have been.

Is the pursuit of mutual trust at work a shrewd HRM strategy objective? It enjoys an uncommonly good press. Arrow (1974) for instance considers it "the most efficient governance mechanism" available, as does Sabel (1997). Barney and Hansen argued that all forms, even the "weak" variants but especially the "strong" forms, offered firms a potentially

decisive competitive advantage (Barney & Hansen, 1994). Beyond concerns over parties rendering themselves vulnerable to exploitation – which the definition presented here largely offsets – and the pitfalls of complacency and complicity, it is difficult to find many sensible objections to the spread of trust at work.

However, it does entail considerable risk for participants, from inception and beyond. As trust is deepened and strengthened its benefits increase, but so too does the terrible prospect of betrayal. This increases pressure on all parties to adhere to trust's strictures, but at the same time constrains otherwise fruitful options, including opportunism. The dilemma (familiar to game theorists) is, firstly, that the fall-out from error or abuse of trust is likely to be worse than if one had not attempted to improve trust relations at all, and that, secondly, resisting opportunism might not always be in parties' best interests.

The management of trust is fraught with challenges: just as over-reliance on deterrence fuels suspicion and thus debilitates "weak" forms of trust (what Wicks, Berman and Jones call "under-investment" in trust - 1999: p101), so can "stronger" forms' lead to more relaxed performance monitoring and tolerance that can invite exploitation from the unscrupulous.

That said, from the testimonies of all the respondents here, the gains to be had are considerable, and positive mutual trust as a way of conducting relationships is much preferred to adversarial conflict.

With these caveats in mind it would seem prudent to recommend that advocates of partnership resist overly ambitious claims for what partnership can deliver. A modest, achievable and certainly valuable outcome from any partnership programme would be the sustainable establishment of positive, efficient *knowledge-based* trust, and in more sophisticated and long-standing forms, *relational-based* trust.

If, as suggested in these case studies, it is information sharing and joint problem solving that *really* improves trust, then this perhaps offers the basis for a strong argument in favour of greater *institutional* support for partnership. The forthcoming EC directive on information and consultation needs to be given more support by the British government. (UK employers' bitter resistance may in part stem from a desire to retain their managerial prerogative, but from the analysis here, demonstrates starkly their lack of trust in their employees.) Additionally,

legislation strengthening information sharing and consultative obligations in the event of mass redundancies, to at least jointly manage this 'defection', would also be welcome.

Obviously, our understanding would benefit from researchers testing these claims in other partnership settings, using different research methods, particularly surveys. For example, this research was conducted in recognisable 'partnership' organisations. Comparative research might investigate whether trust levels are qualitatively worse in non-partnership organisations. A danger, however, is that one-off 'snap-shots' recording trust levels at a given time may only reflect events and impressions from the immediate past; shifts in degrees of trust would need to be tracked over time to avoid this distortion.

Is it the case that trust levels are greatly enhanced among the key 'partnership' players, but are not carried into the workforce as a whole? Why might this be the case? Thirdly, which of the partnership elements are most decisive in improving trust levels: the greater information sharing, the regular joint problem solving, the employment security? Or are they incidental to, simply, consistent benevolent behaviour? Are any of these essential, or will trust emerge solely from consistent attitudes and behaviours in interpersonal interactions?

Finally, sector-level survey research among similar firms, differentiated only by the presence or otherwise of a genuine 'partnership' agreement, can begin to answer whether partnership delivers improved organisational performance.

This article has outlined precise definitions of both trust in the workplace and the 'partnership' form of managing workplace relationships. It has indicated the potentially fruitful linkages between the two concepts, at least according to the theory, and presented qualitative case study evidence from four genuine partnership organisations that provide some support for the much-vaunted links between partnership and trust, but also highlighted several problematic areas and obstacles in the process of developing partnership based on trust.

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29 September 2002.

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## Appendix: The links between trust and partnership.

Trust element	IPA partnership element	HR practice(s)
An ongoing relationship.	<ul style="list-style-type: none"> <li>- Joint commitment to success</li> <li>- Workforce representation.</li> </ul>	<ul style="list-style-type: none"> <li>- A statement to this effect.</li> <li>- All-level joint problem solving processes.</li> </ul>
A reciprocal relationship for mutual gains.	<ul style="list-style-type: none"> <li>- Recognising each party's legitimate roles and interests/ workforce representation.</li> <li>- Employment security/ flexibility.</li> <li>- Sharing success.</li> </ul>	<ul style="list-style-type: none"> <li>- A statement to this effect.</li> <li>- All-level joint problem solving processes.</li> <li>- No-compulsory redundancies/ retraining and redeployment; fair &amp; joint redundancy management.</li> <li>- More efficient and flexible working.</li> <li>- Improved job design, quality (and output)</li> <li>- Pay deal linked to organisational performance, profit-sharing, employee share ownership, gainsharing...</li> </ul>
The future is uncertain; it involves risk for all parties.	<ul style="list-style-type: none"> <li>- Joint commitment to success.</li> <li>- Workforce representation.</li> <li>- Employment security/ flexibility.</li> <li>- Information sharing.</li> <li>- Sharing success.</li> </ul>	<ul style="list-style-type: none"> <li>- All-level joint problem solving processes.</li> <li>- See above.</li> <li>- 'Open books', sharing confidential information.</li> <li>- See above.</li> </ul>
All parties have the capacity to inflict damage on the other.	<ul style="list-style-type: none"> <li>- Recognising each party's legitimate roles and interests/ workforce representation.</li> <li>- [Options to 'defect'.]</li> </ul>	<ul style="list-style-type: none"> <li>- [Excludes 'no-strike' deals?]</li> </ul>
The relationship is a freely-agreed arrangement.		<ul style="list-style-type: none"> <li>- Absence of threats (beyond evident, jointly recognised, operational realities).</li> <li>- [Workforce endorsement of the deal?]</li> </ul>
Based on an intelligent appraisal of evidence.	<ul style="list-style-type: none"> <li>- Information sharing.</li> </ul>	<ul style="list-style-type: none"> <li>- See above. Also training in basic finance and business context (if required).</li> </ul>
The appraisal of the evidence is subjective and aggregated.	<ul style="list-style-type: none"> <li>- [Expected to emerge through the "building trust" process.]</li> </ul>	<ul style="list-style-type: none"> <li>- Regular interactions (in joint problem solving, but also high visibility from both management and employee reps).</li> </ul>
Each is disposed positively toward the other(s).	<ul style="list-style-type: none"> <li>- [Expected to emerge through the "building trust" process.]</li> </ul>	<ul style="list-style-type: none"> <li>- Achieving 'quick wins'. Also behavioural training (if required).</li> </ul>

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