A Tale of Two ….. Companies:
Barbadian industrial relations under the Social Partnership

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Abstract
In 1993 the Social Partnership was implemented in Barbados in an effort to save the country from economic collapse. The diverse industrial relations fortunes of two privately owned Barbadian public utility companies, both signatories to the Social Partnership, formed the basis of the research into how the Social Partnership had affected the management practices of the two companies. The research revealed changes in the way the industrial actors managed their relationships from adversarial to a more co-operative and consensual style of collective bargaining, often leading to a formal partnership agreement. The research also revealed the characteristics and requirements for an effective social partnership agreement and how their application and implementation affected the management practices in the two companies.

Introduction
The industrial relations literature suggests a general and gradual change from the traditional (adversarial) style of collective bargaining, where conflict and confrontation were the order of the day, toward a more co-operative style, where the relationship between parties is more collaborative and consensual, often leading to some form of partnership agreement (Berkeley, 1992; Chaison and Plovnick 1986; D’Art and Turner, 1999; Fells and Skeffington, 1998; Greaves 1996; Heller, 1993; Litchfield, 1993; Lorinc, 1993). The situation in Barbados is no exception; faced with an economic landscape marked by increased competition, dynamism and volatility in the global economy, the government, private sector employers and trade unions saw a need to come together as ‘partners’ for the common good (Goddard, 2003). The goal was to engage in frank discussions on matters that would critically impact on the wellbeing of the country (Reid, 1996), from which emerged the Social Partnership of Barbados. This trend in industrial relations is both new and innovative and there appears to be a paucity of formal research on the topic in relation to Barbados. The research was conducted in two privately owned Barbadian public utility companies, under the pseudonyms of PowerCo and TeleCo, which have vibrant industrial relations systems in place. Both companies are signatories to the Social Partnership have each been affected in some way by the changes in the industrial relations landscape in the country.

According to the head of the Private Sector Agency in Barbados (Goddard, 2003:3) the relationships that existed between the three parties prior to the formation of the Social Partnership were “adversarial and
antagonistic”. However, an increasingly worsening economic performance of the at the beginning of the 1990’s led to a decision of the government, private sector organizations and trade unions to work together to formulate a common strategy for the economic good of the country. This decision forced these actors to examine alternative approaches to industrial relations. The result was the formation of a ‘social partnership’, which was deemed to be the most suitable approach for the prevailing situation in Barbados (Greaves, 2000) and the creation of industrial relations based on mutual respect, goodwill and trust. Protocol One, to establish a Social Partnership between the government, workers’ representatives and employers’ representatives, was signed on August 24, 1993, since which it has been hailed “as one of the most significant developments in Barbados in terms of relationships between government, the private sector and labour” (Greaves, 1996:189). Some ten years later, Protocol Four has been implemented and the government is moving toward a policy whereby the Social Partnership is to be enshrined in the Constitution of Barbados (Jordan, 2003).

The Social Partnership has evolved from a situation where the Barbadian economy was in crisis, public sector salaries were cut and wages generally were ‘frozen’, to the point where it is deemed to have “grown into a development mechanism that contributes to social cohesion and stability” (Barbados Labour Party, 2003). This latest trend in industrial relations has been considered sufficiently successful to be institutionalised. Indeed, this new corporatist approach to industrial relations in Barbados has been praised for “bringing considerable stability to the economic situation” (Greaves, 1996:189) and acclaimed by the International Labour Organisation as an exemplar of best practice (Fashoyin, 2002). It also seems important to consider whether this new participative bargaining approach is sustainable for, as some observers have predicted, once the economic situation in a country brightens, it may be business as usual and the parties will revert to an adversarial stance (Chaison and Plovnick, 1986).

**Global trends in industrial relations: conflict to cooperation**

The literature indicates that, high unemployment and intensified international competition have characterised many Western economies since the 1980’s. In order to organisations and, at the wider level, governments have been forced to adopt more conciliatory, co-operative and flexible methodologies in conducting business; a concept that is not compatible with traditional adversarial industrial relations (D’Art and Turner, 1999). In the United Kingdom, Margaret Thatcher’s approach encouraged adversarial relations between management, labour and the Government (Monks, 1997). The rationale being to emasculate trade union power, enhance market freedom, deregulate the labour market and dismantle many of the tripartite organisations upon which the trade unions had a stranglehold (Hunter, 2001). Industrial strife was inevitable, particularly in the 1980s, tempered only by the successive Acts of
Parliament devised specifically for the purpose of restricting trade union activities. The scope and importance of voluntary collective bargaining was thus reduced, secret ballots for workers concerned in potential industrial action was introduced, trade union immunities were narrowed, picketing was restrained and closed shops and secondary industrial action were made unlawful (Bamber and Lansbury, 1998; Hunter, 2001).

In 1993 the [then] Deputy General Secretary of the Trades Union Congress, John Monks, recognised the existing adversarial industrial relations climate in Britain was untenable (Monks, 1993) and advocated that the Britain should follow its European counterparts and acknowledge the unions and employers as social partners. Monks (1997) also noted that after eighteen years of exclusion, the unions had perfected their skills in the art of opposition rather than develop those that promoted constructive engagement in its dealings with government. Consequently the establishment of a new relationship of between the industrial actors would not be easy. Responses to the concept of a social partnership have been somewhat ambivalent, particularly at the enterprise level. On the one hand, its’ advocates consider it to be the dawn of a new day in industrial relations which represents an extension of employee participation and trade union renewal (Bach, 2003:56), whereas its’ critics appear more cynical, suggesting employees and trade unions are conscripts rather than volunteers to the process (D’Art and Turner, 1999:2) because the social partnership is “the only game in town” (Murphy 2002; Monks, 1997, cited in Overall and Walsh, 1997:18).

In the United States developments were slightly different (Chaison and Plovnick, 1986); whilst the traditional adversarial relations and collective bargaining model remained in situ, there was a subtle change in the way the industrial relationship was conducted. Alongside the adversarial or ‘distributive’ bargaining (Walton and McKersie, 1965) over wages and benefits ran a more collaborative system of problem-solving or ‘integrative’ or bargaining (Walton and McKersie, 1965). The new approach was described by Berkeley (1992:60) as “constructive adversarialism”, in which the union and management sought to balance conflicting interests without undermining their respective legitimate rights and roles.

Research indicates that while there will need to be a “sea change in attitudes” (Lorinc, 1993: 2) in order for the transition to a partnership approach be successful, there must also be a reduction in the pervasive Marxist ‘them and us’ attitude (Kelly, 1998 cited in Ackers, 2000) within the industrial relations framework, which has been evidenced in more partnership initiatives being implemented by organisations, continuous social pacts executed at the national level and a decline in overt industrial conflict (Berkeley, 1992; Chaison and Plovnick, 1986; D’Art and Turner, 1999; Fells and Skeffington,
1998; Greaves, 1996; Heller, 1993; Litchfield, 1993; Lorinc 1993) which is now seen as a measure of last resort (Heller, 1993). Furthermore, the need for education and training in relation to this new system of industrial relations is of paramount importance to ensure the successful adoption of the doctrines of a social partnership (Edmonds, 1999 cited in Rana, 1999; Lorinc, 1993), as is the need for clear, well defined objectives of the partnership to avoid any breakdown in communication between the parties (Waddock and Bannister, 1991:66).

**Industrial relations in Barbados**

In Barbados there is a school of thought that the adversarial style and approach to industrial relations were nurtured because the trade unions were egalitarian, espousing an ideology to continually to improve working conditions and increase wages no matter what (Foster, 1996-97). In the rapidly emerging globalized economy, Barbados, with its open, fragile, narrow-based economy, would be unable to survive the debilitating effects of the outcomes of adversarial labour-management relations, which are not conducive to the efficiency maximisation and productivity enhancement required for the survival of a small vulnerable economy. This was the view of former Prime Minister of Barbados, Sir Lloyd Erskine Sandiford, (2003:8) who observed that “at most times it is better to engage in collaboration than to be immersed in confrontation”.

One of the main sources for the Barbadian social partnership appears to have been the ‘Irish model’ (Fashoyin, 2001; Greaves, 2000). Prior to the 1980’s the industrial relations climate in the Republic of Ireland was of confrontation in a country with a small, fairly closed economy. The watershed came with Ireland’s accession to the European Economic Community in 1973, whereupon the country became painfully exposed to competition along with a slow but pervasive dismantling of its trade barriers. Industries such as the shoe manufacturing and the car assembly gradually disappeared. Furthermore, economic growth was slowing and inflation spiralled; the ‘open’ economy paved the way for consumers to buy cheaper goods from overseas. As unemployment rose to an all time high it became apparent that the vicious cycle had to be broken. Assistance came in the form of the European Union ADAPT-funded initiative which assisted employer organisations, trade unions and employees to develop new strategies for implementing ‘social’ partnerships in the workplace. In 1987, with support from the government, the social partners came together to agree the Programme for National Recovery. This agreement contained a built-in wage restraint provision and laid the foundation for Ireland’s subsequent economic recovery. It became clear that the social partnership had delivered benefits across enterprise as a whole, as well as at the macro-economic level in Ireland. Employment was rising, as were standards of living, inflation was under control and the economy was growing again into a “vibrant ‘Celtic tiger’ economy” (Dobbins,
The context of the social partnership had changed from managing crisis to managing economic growth and rising expectations (Dobbins, 1999). However, the same was not true at the micro-economic level, for the ‘them and us’ attitude which had prevailed in Ireland prior to the 1980’s was still being practised on the shop floor of many organisations. What emerged a general consensus that the way of doing business had to change and there had to be an adoption of real partnership in the workplace in order for this to be done effectively. Industrial relations in Ireland under the Social Partnership have not been without their problems trade unions accused employers of not giving their full commitment to agreements, particularly in situations where high-profile salaries, large perks and bonuses were being paid to senior executives while employees were being asked to show pay restraint (Bruton, 1997, cited in Anon 1997:15).

The relatively recent and dynamic nature of the Social Partnership in Barbados has meant that little empirical evidence and/or theory have been published on it that could assist inter alia in determining how or why phenomena or certain processes occur within organisations that engage in industrial relations. Even so, because the experiences, attitudes and perceptions of individuals within an organisation and the contexts within which certain actions occur are critical to its success, it is important to examine these factors with a view to devising ways of enhancing this new way of practising industrial relations for the betterment of all of the relevant stakeholders.

**Method**

Case study research was chosen and data were collected, during the summer of 2003, by semi-structured, face-to-face interviews with seven individuals, these were: the Corporate Services Manager (CSM) at PowerCo; the Vice President of Human Resources (VP: HRM) at TeleCo; Chief Representatives for each of the Social Partners (Barbadian Employers Confederation, Barbados Workers Union, Government); a former senior manager at TeleCo, now a Senator advising the Government of Barbados on the Social Partnership; an industrial relations consultant and former advisor to employers at the Social Partnership level. A pilot study was conducted which allowed the fine-tuning of the interview questions in relation to the main research question. The pilot study also gave an indication of the time required to conduct and transcribe the interviews and enabled the construction of an interview protocol for the areas of questions to be raised during the interviews. The semi-structured interviews took place in the individual offices of each respondent. Each was asked similar questions, although the format of the questions varied in some aspects in relation to those questions the personnel involved, and their responses to each question.
Findings

Management practices and the relationship with the Social Partners

The Manager of Corporate Services at PowerCo and the VP: HRM at TeleCo reported that management at their respective companies were represented by the Barbadian Employers Confederation (BEC) and the employees were represented by the Barbadian Workers Union (BWU), both at the enterprise level and within the structure of the Social Partnership. During the discussions with these managers, it became evident that their relationship with the BEC was a minimalist one, in that both managers indicated that their management structures were such that they only referred to the BEC during collective agreement negotiations if there was ‘a problem’ and they themselves represented their companies during negotiations with the Social Partners.

With regard to the BWU, both managers reported that in the past, their relations with the trade union had been adversarial, but that this had changed to a more collaborative type of collective bargaining within the last ten to fifteen years, thereby confirming that the situation at their respective companies was no different from the trend revealed in the review of the literature in relation to the recent transformation that had taken place within the industrial relations landscape. Whereas the General Secretary of the BWU agreed that the relationship between the union and PowerCo had evolved from one of volatility and hostility, where there were “underlying currents of disaffection, open tension and distrust”, to one that had grown to the point where the company was considered by him today to be “a model employer”. His position on the situation at TeleCo was contrary to that of the VP: HRM; according to the General Secretary, the union had “about 30 trouble free years with TeleCo”. However, in his view, within the last ten years, there had been a change in these relations largely due to the increasing influence of the company’s overseas based Chief Executive Officers and other top personnel and a reduction in the influence of local management. In his view TeleCo’s approach to industrial relations had now become one of “a predator who is trying to use an international agency to milk the regions for as much as they can...TeleCo expatriates and overseas directors are pushing a position that the union finds particularly unwholesome and in our recent experience it changes overnight.”

The General Secretary also emphatically stated that local management was not given authority to make “Barbadian decisions” but rather that “they have instructions imposed on them by an unfeeling, uncaring, disregarding management that does not seem to understand morals, practices customs or anything else….local management is good…but powerless”. So in the General Secretary’s view, TeleCo has gone full circle and reverted from a co-operative type of relationship to an adversarial one once again. Although this position is not consistent with the VP: HRM’s view, or with the general trend referred to
above, it can still be explained if one examines the approaches of the two companies to industrial relations.

At PowerCo, there is a pluralist/neo-pluralist approach to the subject, where the emphasis is on participation and collaboration, with employees being given an opportunity to participate in the organisation’s decision-making, usually through representational systems and the Social Partnership is seen as a good thing. Indeed, according to the PowerCo CSM: “When I negotiate… we meet with the employees and the trade union at [their headquarters] and we state our position in a collaborative effort to the union and invite the employees to have a say.” On the other hand, the TeleCo VP: HRM was emphatic in declaring her stance in favour of the managerial prerogative, which is consistent with the unitarist frame of reference, where management sees its rule-making authority and its ‘right to manage’ of paramount importance. This authoritarian and autocratic unitarist stance was also highlighted by the former senior member of staff at TeleCo (the Senator), who observed that “oftentimes people took decisions that impacted staff from sitting at their desks three or four thousand miles away, totally oblivious to how these things would impact staff… they did not care how it was going to impact anyhow because as far as they were concerned…you had to reduce costs”.

**The impact of the Social Partnership**

Generally, all of the Respondents expressed the view that adversarialism was becoming a thing of the past (not only in Barbados but also in the rest of the world) and that there was a gradual shift towards a more integrative form of bargaining, which was made better with the introduction, implementation, and continuation of the Social Partnership. They also expressed the view that there was value in having an umbrella understanding of this social compact. Each respondent mentioned that it was important to recognise the reality of the ‘today for me, tomorrow for you’ and the ‘quid pro quo’ maxims, which in their view meant that the relevant parties should strive to engage in industrial relations practices that would provide for a ‘win/win’ situation in the interest of all of the stakeholders.

Notwithstanding this, the consensus among the respondents, their opinions regarding the extent to which the Social Partnership had affected the management practices of the two utility companies was varied. The PowerCo CSM advised that the negotiating process at the company had been enhanced by the advent of the Social Partnership after a decision had been made for its principles to be incorporated into the company’s management practices. This was confirmed by the General Secretary of the BWU who stated “yes, I would say that the Social Partnership has impacted on the management practices of the PowerCo…over the last ten years we have had a steady increase in the collaboration, in the consultation
and in the dialogue that takes place”. The VP: HRM, was not, however, prepared to accept that the Social Partnership had impacted the management practices at TeleCo. Rather, in her view, the company had become “pretty advanced in the way we conduct negotiations with the BWU over the years” and had been “moving on a partnership road with the union” even before the advent of the Social Partnership. Her sentiments were echoed by the industrial relations consultant who observed that, “the BWU has always paid close attention to TeleCo… so I think that the change from adversarialism to co-operative collective bargaining was more a measure of the connection and relationship between the players rather than the Social Partnership itself”.

From a different perspective, the Executive Director of the BEC expressed the opinion that the Social Partnership had not in fact impacted the management practices of TeleCo, since that company only referred to it when there was a “crisis…. but not across the board”. The VP: HRM did concede, however, that the Social Partnership had “complemented” the management practices that were already in place at TeleCo, in that it was an effective way “in helping to conciliate disputes and get people back to the table talking”. The General Secretary of the BWU had a different opinion of the situation at TeleCo with respect to the Social Partnership in that he believed that the company did not adhere strictly to the procedures as espoused by the Social Partnership, something that a good corporate citizen like the PowerCo would do. In his view, even though TeleCo did engage in some form of consultative dialogue with the union, he argued that “TeleCo wants to decide and inform afterwards….very frequently they discuss installing a window with you and then when you have come around and said yes, they implement a window and a door”. Indeed, it was the General Secretary’s position that it was this type of 180 degree turnaround that had led to the recent strikes at TeleCo.

These divergent views suggest a different level of ‘buy-in’ into the Social Partnership by the two companies, which may be indicative of the differences in the companies’ unitarist and pluralist approaches to industrial relations practice. It is interesting to compare the philosophy of the PowerCo CSM who commented that, “integrative bargaining can exist without the Social Partnership, but is a lot better if you have it. It has to work because it is the only thing that will save small nation conglomerates. Government, management, the union and labour have to work together. If they don’t, they will all fail” to that of the TeleCo VP: HRM who argued “the Social Partners cannot dictate to companies what it is they can and cannot do”. This was buttressed by the view of the Senator, who stated that he did not “believe that they took too kindly or were too enamoured by having to go to the Social Partnership to explain and justify their actions”. Thus, it could be argued, for TeleCo the Social Partnership is no more than a superficial exercise where a façade of solidarity was created while only paying lip service to the process.
According to the General Secretary of the BWU, the trouble was that there was no “automatic implementation” and so no organisation was duty bound to follow the principles of the Social Partnership. He lamented the union’s “campaign for general acceptance of and general buy in [to the Social Partnership] should be bigger” and that the union had “committed to doing it when we signed…. and we haven’t done what we said we would do”. This variance in the level of commitment to the Social Partnership also reflects the attitude each company has towards the principle of voluntarism illustrated by the literature (Greaves 2000) and the fact that the doctrines of the instrument are not legally binding on the companies. The PowerCo CSM noted that “unions function in their own interest, employees function in their own interest, company managers function in their own interest and government functions in its own interest. But the interests must, not should, coincide ultimately…otherwise industrial peace won’t work”. Conversely, the TeleCo VP: HRM was very forceful in her opinion that while some benefits derived from being perceived as a good corporate citizen, the Social Partnership “could not stop you” from laying off people because the recommended procedures of the Social Partnership were “not legally binding on the company”.

It was, therefore, no surprise that many of the respondents expressed the view that it was not a failure to follow the guidelines of the Social Partnership that had resulted in the industrial ferment at TeleCo, but rather that the individual interests of the parties had overridden these principles of the Social Partnership (Waddock and Bannister, 1991). According to the TeleCo VP: HRM, “the strikes had nothing to do with the Social Partnership…they had to do with the interpretation of the role that the Social Partnership played in the negotiating process”. Likewise, when questioned about the 1996 industrial unrest, the PowerCo CSM argued that was also due to the misinterpretation on the part of the BWU of an aspect of the Social Partnership that dealt with wage freezes and job evaluation. All of this is not to say that the element of trust that is deemed by the scholars to be a vital element of a social partnership agreement did not exist between the parties. In fact the Minister observed that it was the high level of mutual trust that existed between the parties “that made the Social partnership possible in the first place”. Still it was generally accepted by the respondents that, due to the varied agendas of the representative bodies, there would be some contention during negotiations for, as the PowerCo CSM argued “just because you have a Social Partnership in place does not mean that adversarial approaches will not be taken”. This position is again consistent with the pluralist approach to collective bargaining, where conflict is anticipated and therefore mechanisms are established to avoid it. It is also in parallel to the views espoused by scholars such as Nurse (1992) and Berkeley (1992) that adversarialism and collaborative collective bargaining can and do coexist.
The limitations of the Social Partnership

Generally it was felt by the Respondents that not enough was being done by the trading partners to educate and sensitize the relevant stakeholders and the public at large about the Social Partnership and the mutual benefits to be gained by adopting its doctrines. The Respondents thus attributed the escalation of the breakdown in communications, which led to industrial unrest at each of the two companies under review to this failure to educate and sensitize. The Respondents also bemoaned that fact that there was no secretariat where minutes, records and other related information about the Social Partnership could be kept for reference or research purposes - although the Minister did indicate that it was the intention of the government to rectify that situation in the near future. Both of these limitations were highlighted by Fashoyin (2001) as areas that needed to be addressed with regard to the Social Partnership.

Conclusion

The research into PowerCo and TeleCo, led to a number of notable findings. While it was generally accepted by the respondents that the Social Partnership had impacted positively on the management practices of the two companies in the study, this had taken place with varying degrees of success. It became clear during the interviews that while, PowerCo had adopted a pluralist/neo-pluralist approach to collective bargaining, TeleCo had adopted a unitarist approach to the process. This explained why PowerCo had a less volatile industrial relations history and was considered to be a model employer by the General Secretary of the BWU. PowerCo had embraced the principles of the Social Partnership and made it a company policy to consult with and include its employees in the decision-making aspect of the organisational structure. On the other hand, since unitarism usually leads to strife, it was not surprising that TeleCo was faced with industrial action in February 2003 and is perceived by the General Secretary of the BWU to be reverting to adversarialism. In addition, it did not help matters that the VP Human Resources TeleCo, was an advocate of the ‘managerial prerogative’, which runs counter to the ideology of a social partnership agreement (D’Art and Turner, 1999).

The level of commitment to the Social Partnership, revealed by the interviews, also led to certain outcomes, which were consistent with the literature. By ‘buying in’ fully to the Social Partnership (Waddock and Bannister1991), PowerCo did not have to contend with the same trauma and economic crisis, as did TeleCo, which was faced with two back-to-back strikes in a short period of time. Additionally, an analysis of the interview with the VP led to the conclusion that TeleCo was simply paying lip service to the philosophy of the Social Partnership and was therefore not genuinely committed to its doctrines; rather, the company was more interested in being seen as a ‘good corporate citizen’ than being one. As Monks (1997) noted, such an approach was untenable if harmonious industrial relations
were to prevail. That both the CSM of PowerCo and the VP: HRM of TeleCo complained of misinterpretations regarding the Social Partnership instrument could indicate the way in which the instrument was, and still is, evolving. However, such an approach is not sound, as these companies provided examples that such inconsistencies could result in industrial unrest. Instead, the situations that prevailed at the two companies, as a result of these shortfalls, fortified Waddock’s (1991) view of the importance of clear objectives and the competence of those responsible for its drafting and implementation.

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