

Monica Rolfsen: Transfer of labour-management partnership in multinational companies

Introduction

There has recently been a growing interest in labour-management partnership, possible challenges for unions and whether union will gain from partnership arrangements (Danford, Richardson, Stewart, Tailby, & Upchurch, 2005b; A. E. Eaton, Rubinstein, & Kochan, 2008; Geary, 2008; Harrisson, Roy, & Haines III, 2009; Jenkins, 2007; Kochan, Eaton, McKersie, & Adler, 2009; Roche, 2009). One important issue has been to identify differences between systems of industrial relations. Frege and Kelly (2004) and Huzzard, Gregory and Scott (2004) both conclude that partnership is accepted in coordinated economies while being more challenging in liberal economies.

What is not well developed is whether partnership practices can be transferred within the same company across different systems of industrial relations. The case study presented in this article explores the story of a company from a country with very strong participative practice, where the labour union is involved in decisions and negotiation on all kinds of change processes. The company opened a new facility on another continent with different industrial relations, and were to a certain extent able to transfer some of practice of partnership arrangement to the new plant.

The research question is thus *“how is it possible to transfer labour-management partnership from a participative to an adversarial system of industrial relations”?*

Labour-Management Partnership in various systems of industrial relations

Labour-management partnership is more controversial among some labour researchers and more in some countries than in others (Roche, 2009). Ideologically, the debate is polarized, pluralists view partnership as an opportunity while radicals are more suspicious (Johnstone, 2010). But in the US with an adversarial practice, it has from the trade union side been argued for the importance of trade unions collaborating with management, both on a political level and on a local level, taking joint responsibility for workplace development (Stern, 2008). Also in the British industrial context, partnership has been promoted as a possible “third way” (Jenkins, 2007). Geary (2008) has conducted a survey analysis of Irish employees and their responses to partnership. His findings indicate that union members consider partnership to be an effective means for advancing their interests. Cooke’s study identifies a series of positive effects for companies, employees and unions (Cooke, 1990). Also Kochan and Osterman (1994) point to a series of gains for employers, employees and unions.

However, among other scholars, partnership is considered likely to weaken the union’s bargaining position (Appelbaum & Batt, 1994; Kelly, 1999, 2004; Nissen, 1997; Parker & Slaughter, 1988). Consequently, increased union participation has been accompanied by considerable controversy within the trade union movement. One argument is that the workers give access to their knowledge when participating (Appelbaum & Batt, 1994; Parker & Slaughter, 1988), another is that it will become harder to defend the interests of labour when accepting the logic of management (Parker & Slaughter, 1988). Recent studies show that the

adversarial attitude is still wide-ranging in the UK (Danford, et al., 2005b). In Kelly's assessment of partnership arrangements in the UK, he concludes that the balance of advantage generally favors employers (Kelly, 1999, 2004). In another study (Danford, Richardson, Stewart, Tailby, & Upchurch, 2005a), employees were perceived to have experienced increased job insecurity, work intensification and reduced job autonomy after joining partnership initiatives.

The precise meaning of partnership is different in the various contributions, focusing on outcomes, commitment, mutual trust or reciprocity. Johnstone (2010) suggests a definition that would offer some suggestions regarding the identifiable practices and processes associated with partnership. It may be a mix of direct participation, representative participation and financial involvement, but most scholars agree that representative participation including unions serves as the bedrock of partnership (Johnstone, 2010, p. 16). This definition will be applied in this article as a feasible way to conceptualize partnership.

There are a few thorough case studies describing how close participation can work. A Japanese–US joint venture; NUMMI; established a partnership between the company and UAW in introducing a broad range of policy decisions (Adler & Cole, 1995). Management had committed itself to advance consultation with the union, and the union participated in the selection of team leaders (Adler, Goldoftas, & Levine, 1998). The high level of participation, however, turned out to be controversial among the union members. After two years of production, the union split into two causes, one claiming the other for being too “cozy” with management instead of protecting workers. The partnership approach was quite different from the old posture of “let management make the decisions, and we’ll grieve it if we don’t like it” (Adler, et al., 1998).

Another famous partnership described is GM's Saturn factory (Rubinstein, 2001b). Union representatives participated on all levels, including 700 autonomous work groups and an extended system of co-management (Rubinstein & Kochan, 2001). This partnering arrangement was quite unusual within the US industrial relations and challenged long-held assumptions regarding the limits of labour's role in the management process, but it also created some challenges. In 1999, the leader of the local union lost the election by challengers who promised to take rank-and-file concerns more seriously (Rubinstein & Kochan, 2001). A major fear was that when the competitiveness of the business becomes a central concern for the union, representing collective and individual interests could become secondary priorities for the representatives (Rubinstein, 2001a). A special problem was to separate the roles and institutional structures designed to handle grievances from those dedicated to co-management.

The US Health Care provider Kaiser Permanente initiated a partnership agreement in 1995, including a number of different unions (Kochan, et al., 2009). One of the many challenges in this case is for the union to balance traditional and new roles, for example, how much time is used on partnership and how much on traditional representation (Kochan, et al., 2009). During the period of the study, the leading shop steward was a former, militant union leader from General Electric, and had led rallies and strikes. The fact that he and other union leaders had "proven" their ability to engage in militant actions proved critical to building and maintaining respect and support across the different unions (Kochan, et al., 2009).

These three examples highlight the various aspects of partnership, all of them struggling with the balance between two roles, the traditional role of negotiating on the one hand, and the controversial role of cooperating on the other. This conflict has been described as a balance between boxing and dancing (Huzzard, et al., 2004), or between conflict and co-operation

(Edwards, Bélanger, & Wright, 2006). Seen from a labour process perspective, it is clear that “benefits from a worker’s point of view emerge in a context of exploitation” (Edwards, et al., 2006, p. 127), reducing resistance through partnership. Applying a “Lukesian” perspective of power, Edwards et al see partnership as both *power of processes* (Hardy, 1996) through shaping the agenda, exclude and include issues and determine the rules by which decisions are arrived at, but also as *power of meaning* (Hardy, 1996) through symbolic actions and legitimating one owns interest while delegitimizing others; in this case a union’s possible resistance to partnership. Empirical studies have exemplified how close partnership with management can delegitimize the role of the labour union (Rolfen, 2011; Rubinstein, 2001a), but also that partnership can be beneficial for both sides (Cooke, 1990; Kochan & Osterman, 1994; Roche & Geary, 2006).

As already mentioned, there are indication that close partnership is easier within coordinated economies were the union has a stronger position. Frege and Kelly (2004) identify five factors that seem important in explaining differences between countries and economic systems: institutions, the state, employer strategies, union structures and identities. Hyman (2001) identifies three ideal types of European labour unionism, between market, state and class. These models help to explain why unions in liberal market economies often have more hostile attitudes towards partnership; their position is weaker, the tradition for playing a role on a societal level is less developed. Also when applying management strategies more generally, the national institutional setting is seen as important, where practices in the subsidiaries are different from the host country within multinational companies (Gooderham, Nordhaug, & Ringdal, 2006).

An important explanation for the differences between countries can be seen in the power balance between participation on the one hand, and the union’s position in bargaining activities on the other. A strong, legalized, national position as in the Scandinavian countries can create a level of

trust and confidence that makes it easier to take part in participation activities on the company level. Huzzard et al. (2004) introduce the metaphors "boxing" and "dancing" in order to describe social partnership in contrast to the traditional bargaining role, and argue that effective unions will need to skilfully combine negotiation and participation, quite similar to Cooke's concepts of mixing conflict and cooperation (Cooke, 1990). These different roles can be identified as either representation of the socioeconomic interest of the rank and file or as taking part in managerial decisions for the betterment of organizational functioning (Harrisson, et al., 2009).

The two countries discussed in this article will represent different systems of industrial relations. Canada has a liberal economy, the relation between managers and unions is traditionally adversarial and their main negotiation system is collective bargaining. Compared to the US, the union has a stronger position. In the labour system, workers have a right to belong to a union on an establishment basis. Still, partnership is traditionally seen as controversial and labour relations are characterized by arm's-length transactions even if partnership arrangements has increased lately (Harrisson, et al., 2009). The Canadian legislative system presumes an adversarial relationship between management and unions in the workplace and thus limits labour's ability to influence change and innovation. The Canadian Autoworkers (CAW) in particular has rejected the concept of partnership with management (Rutherford & Holmes, 2007) and thus is weakly integrated in workplace innovation. The CAW has sought to retain a "culture of resistance" positioning the union to be a leading exponent of militancy in Canada (J. Eaton & Verma, 2006).

Norway, on the other hand is a coordinated economy with an extensive welfare state, the relation between unions and employers is highly regulated both on national as well as on local level, and partnership is a part of the social partners' agreement system, where unions are legally entitled to be consulted in issues related to structural changes (Gooderham, et al., 2006). Union membership

is individual, but usually more than 80 percent of the blue collar work force in manufacturing companies is unionized. This involves being a member of the local union at the company and also being a part of a national union. The local union has an office within the company, and the shop steward elected by the members is paid by the company to serve as a union representative usually about 50 per cent of his time depending on the size of the company. This system is a part of a national agreement between the Norwegian Confederation of Trade Unions (LO) and the Confederation of Norwegian Business and Industry (NHO), and it functions similarly at all unionized work places. The Industrial Democracy Program in Norway during the 1960ies (Thorsrud and Emery 1970) serves as the backbone to understand the traditions of worker participation in Norway. This program was a joint commitment between the Norwegian Confederation of Trade Unions (LO) and the Confederation of Norwegian Business and Industry (NHO), to initiate experiments of more participatory work in industry. It started in the 1960s and consisted of field experiments with autonomous work groups (Gustavsen, 1992). Several results were achieved. In 1973 the government passed an act on employee representation on the board of directors. The Employment Protection Act in 1977 imposed better work environment in factories and increased intrinsic motivational factors. The most remarkable instrument, however, is the Basic Agreement (BA), also called "The Constitution of Norwegian Working Life," negotiated between the LO and the NHO in 1982. The purpose is to increase added value through broad participation. The Agreement states that the social partners will commit themselves to focus on enterprise development through joint labour-management partnership.

The two systems of industrial relations are thus quite different. In fact, the CAW were during the 1980ies less willing to cooperate with companies on team work and quality improvement than the UAW in the US (Gindin, 1989). Before presenting the empirical material, we present

literature on transfer of managerial practices within corporations operating across different countries.

Transfer of employment practices in multinational companies

Much has been written about the cross-national transfer of management practices such as partnership in multinational companies, and the importance of “country of origin” (Almond, 2011; Ferner, 1997). Extreme versions is that corporations standardize and transfer all practices, called “McDonaldization” (Ritzer, 1996), on the other hand to a position where everything will be practised according to the local context, all variants along a continuum presented as being between “imitation and innovation” (Boyer, Charron, Jürgens, & Tolliday, 1998). Some researchers conclude that this will vary according to *home country*; that European corporations being less ethnocentric than their Japanese and American counterparts in their approach (Bélanger, Giles, & Grenier, 2003) and thus is more adaptable to the local practice.

The degree of transfer may also vary according to *types of practices*. According to Ferner (1997), issues related to industrial relations are transferred to a lower degree than others, being more likely to exhibit “local isomorphism”. Our focus on partnership is an example of such an issue, being potentially more exposed to local isomorphism than other possible practices.

Several studies conclude that the home-country practices are not necessarily transferred at all, for instance the European social model was not transferred to Eastern Europe subsidiaries after 1989 (Meardi, 2002). Another study relevant for this article concluded that Norwegian companies do not export the Norwegian model of labour relations when moving or enlarging their company to Poland, rather a more hierarchical model was applied (Kvinge & Ulrichsen, 2008). An explanation used was that the parts of the production relocated to Poland did not require the same

amount of involvement in work organization as in the more competence-intensive activities in Norway.

Various theoretical models have been used to analyze the transfer process. One contribution is a neoinstitutionalist perspective, focusing on rival isomorphic pressure from both the international firm and the host environment (Ferner, Edwards, & Tempel, 2012). The subsidiaries themselves also play an important role in the transfer process; they are neither completely autonomous nor completely controlled, but rather action is structured of corporate policies and institutional arrangement combined (Bélanger, et al., 2003). According to this perspective, the *institutional distance* is important; which is both referring to physical as well as cultural distance between the home country and the country of the subsidiaries. The longer the distance, the harder it will be to transfer the management practice. In our case, the important distance will be how partnership is perceived and understood within the different systems of industrial relations.

According to Ferner et al, the neo-institutional perspective tends to neglect the question of power, coalitions, interests and competing value systems (Ferner, et al., 2012, p. 164). Applying the Lukesian power approach earlier presented, especially the power of meaning is seen as important, shaping perceptions, cognition and preferences so the various actors accept the concept of partnership that the company prefer without imaging alternatives, and also delegitimizing other interpretations (Hardy, 1996). In this context, the stakeholders will not just be headquarter and subsidiary, but also the management and union in both headquarter and subsidiary.

Going back to the research question, “how is it possible to transfer labour-management partnership from a participative to an adversarial system of industrial relations”, we recognize

that the Norwegian system which is the host country is participative and the Canadian more adversarial, even if the Canadian system is less adversarial than the US, in the sense that the union density is higher and the union has in general a stronger position. Also, recognizing the literature of transfer within multinational companies, there are two important issues to address; the *institutional distance* between the host country's and the subsidiary's perception of partnership on the one and, and the power relations between host company and subsidiary on the other.

Methodology

The focus of this article is the phenomenon of translating partnership practices. In order to investigate the research question, qualitative research methodology is well suited, because the aim is to explore and understand a social phenomenon without having a clear-cut hypothesis which can be tested. As earlier emphasized, partnership is shaped by context, and it is thus critical to use a context-sensitive method (Dobbins & Gunnigle, 2009). The research approach is case-study based, involving an in-depth qualitative case study of the two plants. This approach was chosen because the aim is to provide a deeper description and understanding of the practice. Such an approach is especially appropriate in new topic areas, where the existing theory is often novel and testable (Eisenhardt, 1989). Further, a single case approach is especially fruitful when the aim is to get as close as possible to the phenomenon described. The goal is to provide a rich description of the social scene, to describe the context in which events occur, and it also determines the extent to which existing theories help us understand the case or require modification (Eisenhardt & Graebner, 2007). The analysis undertaken and inferences drawn are thus grounded in an interpretative paradigm (Dyer & Wilkins, 1991).

This particular case was chosen because it is unique; a novel technological solution with full automated equipment developed in the home country, and a “blue-print” of the factory is built on another continent. This provides an opportunity to study the potential differences between the plants, which are not due to technology, products or market. Following Starbuck (1993) we suggest that the extraordinary of this case will contribute to important perspectives on and novel understanding of transferring organizational practices more generally. Data was collected using different techniques: structured interviews, semi-structured interviews, semi-structured group discussions, written documentation, and non-participant observation.

The overall data collection is presented in Table 1.

Table 1: Sources of data		
Interviews	Number of informants	Number of interviews each informant
Interviews top managers	3	2-3
Interviews middle managers	5	2-3
Interviews shop stewards	2	2
Semi-structured interviews blue collar workers	10	1-2

The interview informants were chosen according to guidelines for “purposeful sampling” (Lincoln & Guba, 1985). The research process involved an iterative process of collecting empirical material, analyzing them and looking for new informants on the basis of information

considered important during the previous interviews. This strategy made it possible to continuously improve the focus of research and the quality of the empirical material collected. Additionally, I conducted extended participatory observations, and had access to strategy documents, key performance indicators, planning systems, management documents and policy documents.

A global company on the borderline between systems of industrial relations

The company is a Norwegian automotive supplier with one production plant in Norway and a similar plant in Canada, referred to as “Auto Supplier”. The company has a long history in Norway producing automotive parts for the global market. More than 95 percent of the blue collar workers are unionized, and since the 1950ies, unions have had a strong position, even stronger than normal in Norway. As already mentioned, employee representation in board of directors has been a part of the legislative system since 1973 for joint-stock companies. In Auto Supplier, however, this type of representation was initiated already during the late 1950ies as pilot program for industrial democracy. The trade union has various arenas for participation. Two workers are elected and represented in the board of directors, the shop steward participates in weekly meeting with managers, and there are regular meeting for cooperation according to the national agreement. Also, the shop steward takes direct contact with the CEO whenever an issue is raised among his members. The union was also strongly involved in the process of building the new factory in Canada.

Issues for cooperation in the partnership arrangement are strategy, organizational development issues and work environment, and the union will always be consulted and informed before

decisions are made. There are regularly meetings between the CEO and the union manager, and sometimes the union manager participate in the management group.

In the late 1990'es, Auto Supplier signed a contract with a global car producer, and a part of the contract implied to build a fully automated production line. After developing the production line in Norway, plans were made for building a similar plant on the American continent, due to the fact that most OEMs expect a global presence from their main suppliers (Rutherford & Holmes, 2007). Out of different possible locations, the company chose to build a factory in Quebec, Canada. One important reason was the high level of union density and, at that time, a social democratic state government with a proactive industry policy:

“We were warmly welcomed, the local government helped us finding facilities, and also helped us with resources for recruiting a local plant manager. This active public support system was quite familiar to us.” (Global CEO).

This can be understood as a way of reducing the “institutional distance”, by looking for institutional circumstances as familiar as possible. In Auto Suppliers case, that meant to look for an area within the geographical scope with as close industrial relation setting as possible. In the managers' perspective, a higher level of union density and active public support was considered important.

The next step was to recruit a local plant manager, who would get a demanding job as a “cultural translator” (interview with global CEO) to run the company. They considered that in order to be successful, it was essential to hire a manager with the “right mindset”, meaning the willingness and ability to cooperate with workers and unions in a participative manner. After a while, a French Canadian was hired, and he spent two years in Norway to get to know the technological

challenges and the cooperative culture before the start up of the identical plant in Quebec. Again, this hiring policy can be interpreted as a way of reduction the “institutional distance”, but also framing the new CEO’s attitude by spending two years in a Norwegian context. Also, the concept of “power of meaning” is relevant, what was done was to shape the local CEO’s interpretation of partnership and “delegitimizing” an adversarial attitude among managers and forcing the HQ’s perception on the subsidiary during the start up process.

The ambition for transferring the factory and the technological knowledge was to use identical equipment, maintenance, routines, organization, teams, culture and management style; in other words, to build a “blueprint” of the factory. The production system consisted of four production lines, each with 4-7 workers in teams. When recruiting workers for the plant, a strategy was to avoid former auto workers. As the local plant manager put it;

“It was important that they did not have experience from the local car industry, we did not want any bad habits from the old GM system in here” (Plant manager, Quebec).

The so-called “bad habits” referred to habits and practices developed by workers under the previous American system in the car industry, which included detailed job descriptions which left little room for initiative and creativity, and also made job rotation hard, a practice considered important in Auto Supplier. Each employee could only carry out the tasks specified in the contract. Such a system is the dominant one among Canadian suppliers, resulting according to the HR-director to “a regime where everyone did his own job within being involved in other activities”. As a result of this recruitment practice, almost none of the employees had any former experience from automotive industry. The managers had put more emphasis on attitude than competence, and the work force was also relatively young compared to the Norwegian company.

However, the Canadian workers had a higher formal education level, and they had also enrolled in an extensive training program together with a local college as a part of the education and training strategy. ”. Again, the result of the recruitment practice was reduction of institutional distance and example of use of the third power dimension. The company actively tried to establish a distance to the local, national practice and create an institution as close to the Norwegian institution as possible. Trough avoiding former auto workers, the also aim for avoiding alternative interpretations of the partnership model.

During the start up, the relation to the union CAW was essential. From the Norwegian management’s point of view, cooperation with the local union is an important part of the partnership model they wanted to export. The local representative for CAW negotiated in the same way as for other contracts with companies, where the starting point is that the parties have mainly diverse interest (Interview with CAW local) and avoiding partnership arrangements. After hiring workers in Auto Parts, a CAW-division within the company was established. In Norway, a company division of a union has a very strong position. As long as a local company-section of the union is satisfied with the agreements, the rest of the union organization will usually never interfere, as long as it in within certain limits. The same strategy was established in the Quebec plant; the management tried to build strong links to the company division. That included unusual practices seen in a local context, such as including the union representative as discussing partner in strategic decision instead of informing on decisions already taken, recruitment policy, organizational development and implementation of various management concepts. A part of the strategy was to keep the CAW Local at an arm’s length, while including the company division in managing the company.

In the beginning, the company division was reluctant to the idea of participating, the union representative considered it to be “a cynical strategy from a management to weaken the union’s power” (Interview with shop steward). During the first year after start up, they continually considered whether this was a strategy beneficial for the union or not. After a while, the shop steward observed that managers were consequent; they really did cooperate. The shop steward also put emphasis on the fact that his members appreciated having more responsibility and autonomy in their daily working life than they were used to. Applying the definition of partnership earlier presented, the union with their members found both representative and direct participation to be higher than their former experience from other companies, which was appreciated among members (shop steward).

From the local management’s point of view, however, the partnership arrangement was more controversial. A considerable amount of the Canadian managers quit during the first year because they did not tolerate the participation style of the company (Interview with human resource manager). Also, engineers in tooling and maintenance disliked the high level of involvement of operators within their functions, and some of them quit (Interview with maintenance manager). According to the informants, the existing managers are now used to the participating style and are comfortable with it. As two of the managers put it:

“The main difference between this company and others I have worked with is the high level of empowerment among employees. Shop floor employees work with me and they tell me when something is not working properly. I am used to it now, but it can be hard to tolerate for a manager if employees take more and more decisions, what is left for me?”
(Process Manager)

“Everyone contributes in developing their own job situation. The employees can stop the line when there are quality problems, and they solve the problems themselves to a large extent. In the beginning, managers were called whenever a problem turned up. If there are problems, the team meets, discusses it and decides whether they can solve it themselves or need help from us.” (Maintenance Manager)

Applying a power perspective, the local managers had lost power compared to local practice, while a coalition between the HQ and the union was established, having common interest in applying the partnership model with a stronger position for the union on a representative level, and for the workers on a direct level.

A way to measure the level of controversy within an American system of industrial relations is the number of grievances. The total number of grievances from union members since the start up is 20, and all these grievances came during the first year. After that, members have used other channels to complain or to involve themselves in changing practices (Interview with shop steward). For instance, a joint committee was established during the first year, with managers and union representatives, and works as the main arena for discussion, development and change processes. The local shop steward estimated that 25 percent of his time as a union representative is spent on negotiation, 75 per cent with cooperation. During the first year, the picture was the opposite; 75 percent of the times used for negotiation. The current situation is similar to the cooperation in a typical Norwegian industrial company, where the union has a strong influence through high level of participation.

A common objection against participation is that there is a potential antagonism between participation and the strength of the negotiation position. According to the local union, however, also the negotiation part turned out to be easier than in a normal Canadian setting:

“To build mutual respect will prevent conflicts and make the negotiation process simpler and smoother than it used to be. However, I find it hard to replace one “hat” with another”. (Shop steward).

As he explains in the citation above, he personally felt uncomfortable with changing his role from negotiation to participation and back, but at the same time he claimed that the mutual respect built through participation also helped when negotiating. This dilemma is visible among Norwegian unions, and there are examples where the partnership delegitimizes the representatives for their members (Rolfsen, 2011).

The leader of the Local CAW organized unions in 29 companies, Auto Supplier being one of them. He took part in the initial negotiation of the contracts during the start up of the company. In the beginning, CAW Local was reluctant and rather sceptical towards partnership, but as he explained, he had changed this position:

“We support taking part in development activities as long as the local union accepts it.”
(Manager CAW Local)

One of the reasons for accepting it was that he observed that the negotiating position was not undermined; their contracts were at least as good as other unions in the same area.

The partnership arrangement now consists of a joint committee with managers and union representatives, where all overall plans and development activities has to be agreed upon. The

production plant is divided in teams, and they have a high level of autonomy to plan and organize their daily work life; job rotation, quality control, change of tools and maintenance activities. Especially the maintenance activity is interesting, because more responsibility is distributed to the teams than in the Norwegian plant. All continuous improvement activities are done by the production teams.

The question raised in this article is how it was possible to transfer a highly participative practice from a collaborative to a more adversarial system of industrial relations within the same company. When interviewing employees, some indicated that the level of cooperation had turned out to be at the same level in the Canadian than in the Norwegian context.

Discussion

The research question is how labour-management partnership can be transferred from a participative to an adversarial system of industrial relations. The case study indicates that it is possible to succeed in transferring the participative practice. In the following, I will present some explanations for how it was possible.

The first, obvious issue is that the company tried to reduce the so called institutional distance as much as possible. They considered the Quebec to be more European-like than the US, especially according to the density of union members which was relatively high and the union had a strong position. As shown in a previous case study, mutual gains partnership seems to require certain conditions, more specifically “stronger beneficial constraints” in the form of stronger external institutional support (Dobbins & Gunnigle, 2009). The relatively strong position for unions could be an example of such an external support. The role of the state in such relationships is emphasized in earlier research, where the state can reduce the risk of partnership for the union

and the company by establishing a legal basis to allow for the benchmarking of best practices of industrial relations (Lucio & Stuart, 2005). A legal basis for collective bargaining on wages, job security, work environment and benefits can serve as examples, as in Scandinavian countries where the state engage in a tripartite cooperation relationship with union and employers. Such a relation reduces the risk of partnership for both social partners, and is one of the important differences between liberal and coordinated economies (Hyman, 2001). Still, it has proved to be possible to develop partnership arrangement also within liberal economies, as long as managers can convince share-holders of long term gains (Deakin, Hobbs, Konzelmann, & Wilkinson, 2006).

Another important way to reduce the institutional distance and the interpretation of partnership was the company's *hiring policy*, both the local CEO and workers, trying to reduce resistance and alternatively perspectives on the partnership model. The CEO also spent two years in the Norwegian plant, in order to learn the technological challenges, but equally important to get socialized into the partnership model. When recruiting workers, former autoworkers were avoided, especially from the GM plant in the neighbourhood that had closed down just a couple of months before they started hiring workers. The reason for avoiding autoworkers was that the managers wanted to establish a practice far from the "old" GM-model characterized by a high number of job classifications, regulations and adversarial relationship. Hiring people used to such a practice was considered to be a possible obstacle for reaching the goal of partnership. An interesting comparison is to see this practice in the light of the Japanese recruitment policy when they established assembly plants in the 1980ies. To avoid former automotive experience was an widely used selection criteria (Graham, 1995). However, their goals and ambitions were somewhat different; most of the Japanese companies used this strategy in order to avoid

unionism, while the Norwegian company used the same strategy in order to establish a strong position for the union within the company.

Also a part of the recruitment policy was to hire employees being relatively young and with a high level of education. Strong emphasis was put on education and training, with courses in different production strategies and concepts, and most employees were eager to increase their knowledge. This is in line with the Canadian unions' strategies; work reorganization needs to include good job designs and extensive training opportunities (Kumar, 1995). Putting so much emphasis on training was a positive action seen from the union's point of view.

When it comes to power relations, an important strategy was to create a close relation with the company division of CAW to establish partnership. Instead of involving the CAW Local in Quebec in the initial start up, the company built a coalition with the local union, and keeping the CAW Local on an arm's length, just doing the negotiation of contracts, but they never tried to convince CAW Local of partnership as a feasible strategy. Also the local company division was reluctant, but during the first two years mutual trust was built, the union and the members considered the partnership strategy to be preferable to the adversarial relation.

An interesting result was that the model created more resistance among local managers than among workers, quite contrary to other findings (Ferner, et al., 2012) concluding that it is more likely that employees and their representatives will resist transfer of employment practices while managers will promote it, in our case it is quite the opposite. It can be argued that in this case, it is the local union that functions as a "Trojan horse" for imported practices by being more positive to partnership than their management counterparts, except the plant manager.

An important question is whether such autonomy and participation is substantial and not just a means of managerial manipulation, a form of “cosmetic” autonomy or “window dressing”, as many previous studies have concluded (Knights & McCabe, 2000). An argument against that is the fact that such studies have been conducted within Anglo-Saxon systems of industrial relations characterized by adversarial connections. The system Auto Supplier tried to transfer to Canada was developed under a social democratic regime over a long period and is a part of the overall national legislative and agreement system between the national trade union and the national association of employers developed over a period of more than 50 years.

There are some weaknesses with these arguments. The most obvious is that the research only covers a single case, and the possibility to draw general conclusions for all types of companies is limited. However, the purpose is not to generalise according to a quantitative perspective, but rather to explore possibilities for transferring participation. The case shows that it is possible, and points to important ways it can be done, without claiming it is desirable or feasible for all other companies. Another weakness is that the Canadian system in Quebec is not an extreme version of a liberal economy as explained; it remains an open question whether it would be possible to transfer the partnership practice to for instance the southern parts of the US with the existing dominant union-busting strategy.

Conclusion

The findings indicate some suggestions how partnership can be transferred from a participative to an adversarial system of industrial relation. One important explanation for the success was the location in Quebec where the trade union position was stronger than elsewhere in Canada or the US and a more social democratic political climate. A second important explanation was the

hiring policy, avoiding experienced autoworkers, and hiring relatively young, high educated workers who appreciated increased autonomy. Third, a close connection with the local union was established, and thereby the CAW also accepted the partnership arrangement.

Future research should investigate such experiments in various systems of industrial relations, as other parts of Europe, the US and various emerging economies. Is partnership a somewhat exclusively Scandinavian practice, or are parts of the practice also possible to implement in liberal economies?

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