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A mutual gains perspective on workplace partnership: Employee outcomes and the

mediating role of the employment relations climate

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Abstract

Recent years have witnessed increased research on the role of workplace partnership in

promoting positive employment relations. However, there has been little quantitative analysis

of the partnership experiences of employees. This paper examines how the kinds of attributions

employees make regarding indirect (union-based) and direct (non-union-based) employee

participation in workplace partnership might influence the process of mutual gains. It uses

employee outcomes to reflect partnership gains for all stakeholders involved (i.e., employees,

employers and trade unions). The paper contributes to existing knowledge of workplace

partnership by examining the potential role of the employment relations climate as an enabling

mechanism for the process of mutual gains. The findings suggest mutual gains for all

stakeholders are varied and mediated through the employment relations climate.

Keywords: Employees' attributions for workplace partnership, employee outcomes,

employment relations climate

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Introduction

A number of studies have identified workplace partnership as an innovative means of promoting better employment relations (Geary, 2008; Guest and Peccei, 2001). However, the evidence base on who benefits from workplace partnership or whether partnership arrangements actually deliver mutual gains for all stakeholders involved (i.e., employees, employers and trade unions) is equivocal (Butler et al., 2011; Dobbins and Gunnigle, 2009; Geary and Trif, 2011). This lack of consensus may be attributed to misconceptions that arise in the modelling of workplace partnership. For example, some scholars tend to make a priori assumptions that genuine partnership can only exist in terms of union-management collaboration but not in circumstances where employees are directly involved in dialogues with management (Benson and Brown, 2010; Roche, 2009). As a consequence, many partnership studies have focused on union-management relationships without careful consideration that partnerships might also occur through direct employee participation. Moreover, much of the literature has focused on management and trade union reports about the incidence of workplace partnership arrangements. Relatively little attention is paid to the kinds of attributions employees make regarding workplace partnership, or the conditions under which mutual gains might be delivered through employee outcomes (Roche, 2009; Butler et al., 2011).

The present study extends our knowledge of the mutual gains perspective on workplace partnership, using employee outcomes to assess partnership gains for all stakeholders involved. Our approach differs from classic research on the mutual gains perspective (e.g. Kochan and Osterman, 1994) in three ways. First, we operationalize workplace partnership to include both 'indirect employee participation', occurring through trade union representation, and 'direct employee participation', occurring through direct employee involvement in decision-making (Upchurch et al., 2006; Cullinane et al., 2014). Second, rather than narrow our scope to the mere 'presence' of workplace partnership, we introduce the concept of employees' attributions

for workplace partnership to underscore employees' own perceptions about intended partnership outcomes (Van De Voorde and Beijer, 2015; Nishii et al., 2008). Third, to engage critically with the mutual gains perspective, we examine the role of a positive employment relations climate as a mediating variable that enables mutual gains of workplace partnership (Redman and Snape, 2006; Cafferkey and Dundon, 2015).

We use data from the 2009 National Centre for Partnership and Performance (NCPP) survey of Irish employees to give insights into a distinctive quasi-corporatist partnership model, the Irish national social partnership regime (Roche and Teague, 2014). The Irish social partnership model is credited by some for the remarkable economic growth and relatively low levels of unemployment during the growth years of the economy (Teague and Roche, 2014). However, others are much more critical of this model, highlighting the precarious nature of the partnership settlement over the 1990s and 2000s, which was founded on voluntarism, weak employment rights and the promotion of liberalisation (McDonough and Dundon, 2010). Within this system, workplace partnership never took hold significantly, due to a weak institutional regime that failed to tie employers to workplace partnership, and which did not cultivate commitment and trust between workers and managers (Roche and Teague, 2014; Teague and Donaghey, 2009). These contradictions were suppressed during the years of economic growth, but surfaced rapidly in the aftermath of the 2008 financial crisis, leading to the collapse of the quasi-corporatist structure and the closure of the NCPP. Analysis of the NCPP survey, immediately prior to the collapse of the system, does offer a unique insight into the nature of partnership in Ireland, providing a means to examine the conditions associated with workplace partnership and the contextual factors that enable or constrain the process of achieving mutual gains for all stakeholders (Marchington, 2015).

In the following sections we describe the idea of workplace partnership with a particular emphasis on the Irish context, elaborate on the mutual gains perspective, and formulate a

number of testable hypotheses. Thereafter, we present the data and analytical procedures for testing our hypotheses. We outline our key findings and discuss their implications for theory and practice.

Modelling of workplace partnership

Although definitions may vary, workplace partnership is regarded as a set of collaborative initiatives that seek to foster reconciliation of employer and employee interests through social dialogues and consultative systems (Belanger and Edwards, 2007). Some of these features are fundamental to the social partnership model of the Republic of Ireland. Established in 1987, the Irish model of social partnership that operated until 2009 was a national tripartite framework involving employers, trade unions and public (e.g., local and state government) authorities (Teague and Hann, 2010). This regime sought to create an orderly process for wage regulation, to allow government to prioritise macroeconomic objectives of liberalisation and globalisation (McDonough and Dundon, 2010; Roche and Teague, 2014). The model sought to adopt a participative approach to social and economic development in which all parties were involved in making decisions (Marchington, 2015). However, with the onset of the financial crisis of 2008, institutional support for the Irish partnership process rapidly declined due to dwindling employer and government commitment to social pacts, thereby resulting in the collapse of the social partnership regime (McDonough and Dundon, 2010; Teague and Donaghey, 2009). The NCPP itself was dissolved in 2010.

The Irish social partnership model and its participative approach to decision making have fuelled both academic and practitioner debates around how genuine workplace partnerships should be operationalized. Pertinent to these debates is the question of whether workplace partnerships should be designed as formal structures in which employer and employee interests are reconciled through consultations with trade unions or employee representatives (i.e., union-management partnership or indirect employee participation), or

arrangements in which employees themselves engage directly in consultations with management (direct employee participation) (Ackers et al., 2004). Although much of the literature seems to favour indirect employee participation (Wilkinson et al., 2014), an emerging stream of research indicates that direct employee participation may also be suitable for shaping genuine workplace partnership and forging the process of mutual gains (Cullinane et al., 2014). In the Irish context, this latter possibility remains particularly elusive, given the nature of the quasi-corporatist structure outlined above. Critics have argued that structures at the workplace level to support and institutionalise partnership are weak, and that state industrial policy has allowed dominant multinational employers in Ireland to use the rhetoric of direct employee participation to pursue anti-union human resource agendas (McDonough and Dundon, 2010). The present study though takes the view that both indirect and direct employee participation in workplace partnership may provide viable paths to achieving partnership objectives but in the Irish context particularly close attention needs to be paid to the nature of partnerships founded on both direct and indirect participation (Roche and Teague, 2014; Cullinane et al., 2014).

Research to date has also tended to focus on management and trade union reports about the existence or incidence of partnership structures. Employees' perspectives on the importance and effectiveness of workplace partnership have seldom been the main focus in prior studies (Glover et al., 2013). This is unsatisfactory as employees' perspectives are also reliable measures for determining effectiveness of genuine workplace partnership arrangements. In a review of social partnership in Ireland since the late 1980s, Roche and Teague (2014) note that the diffusion and depth of partnership in both the public and private sector is very limited. Yet employee outcomes from partnership in Ireland, including those measured in successive NCPP surveys, are positive. In such a context, analysis of employees' perspectives may permit a better understanding of the specific conditions and factors that underpinned partnership.

To explore how mutual gains for all stakeholders might have been delivered through employee outcomes in the Irish case, we introduce a novel concept – employees' attributions for workplace partnership – that reflects employees' perceptions about the impact of workplace partnership on key aspects of work (e.g., pay conditions, productivity, job security and the like). Nishii et al. (2008) are among the first to examine the kinds of attributions employees make regarding management's purpose for implementing particular HRM practices, and how this might influence employees' workplace attitudes and behaviours. They describe three types of Human Resource (HR) attributions, one of which is particularly relevant for our purpose – commitment-focused HR attributions (Nishii et al., 2008: 506). Commitment-focused HR attributions are associated with service quality and enhanced employee well-being. Employees who make commitment-focused HR attributions are more likely to reciprocate through positive workplace attitudes and behaviours. We acknowledge there is considerable overlap between the sets of practices associated with genuine workplace partnership and the 'high commitment' model of HRM (Roche, 2009). We argue that positive employees' attributions for the intended outcomes of workplace partnership are essential for understanding how desirable employee outcomes might promote better employment relationships (Edwards and Wright, 2001). Thus, if employees perceive workplace partnership as having positive effects on key aspects of work, then we might expect corresponding positive employee outcomes. Throughout the present study, "employees' attributions for indirect participation" will refer to positive employees' perceptions about the intended outcomes of indirect employee involvement in workplace partnership, and "employees' attributions for direct participation" will refer to positive employees' perceptions about the intended outcomes of direct employee involvement in workplace partnership.

Mutual gains perspective

The idea of mutual gains is not uncommon in the management literature. It reflects the type of opportunities available for two or more interdependent parties to establish jointly shared benefits despite having potentially divergent interests (Cullinane et al., 2014). The parties take reasonable actions to highlight areas of shared interests and commit their energies towards achieving the highest joint returns. In the context of workplace partnership, the process of mutual gains is underpinned by an expectation that all parties – employees, employers and trade unions - attend to partnership arrangements seeking the most effective means of achieving their respective interests (Kochan and Osterman, 1994). Despite its practical and theoretical appeal, there have been scepticisms around the idea of mutual gains, and the question of 'who actually benefits from workplace partnership' is not clear-cut (Kelly, 2004). For example, some researchers have suggested that employers tend to be the main beneficiaries of partnership initiatives, whereas employees and trade unions have limited chances of deriving any benefits (Kelly, 2004; Martinez Lucio and Stuart, 2004). This argument relates to Geary and Trif's (2011: 46) 'pessimistic thesis' that assumes outright employer dominance in partnership arrangements. Another perspective, the constrained mutuality view, stipulates that employees and trade unions may derive some benefits from workplace partnership but the balance of advantage is skewed towards the employer (Oxenbridge and Brown, 2002).

The Irish model of social partnership is particularly interesting to examine in respect of mutuality. Mutual gains have been realised, in a period of unprecedented growth, in a system in which employer requirements for accumulation have been prioritised, and in which the role of organised labour in the economy has become gradually weaker (McDonough and Dundon, 2010). Thus, whilst mutuality is expected to reflect a type of quid pro quo relationship wherein the parties contribute positively to organizational success, and in return, expect that their respective interests are adequately represented (Kochan and Osterman, 1994), the extent to which this has been achieved in the Irish case remains an open question.

Here, employee attributions provide potentially valuable insights about the process of delivering mutual gains, in the Irish case and beyond. We draw on Boxall's (2013) three conditions under which the quality of employment relationships may facilitate the process of achieving mutual gains: (i) capability match – fit between employer's need for a competent workforce and employees' need for a conducive work environment, (ii) commitment match – fit between employer's need for employees' commitment and employees' need for job security and fair treatment from the employer, (iii) contribution match – the extent to which the employer and employees perceive that their respective needs are being met. These conditions encourage stronger alignment between employer–employee interests (Boxall, 2013). Employees attach positive meanings to the quality of their relationship with the employer because they perceive the employer as being supportive, or as having employees' best interest at heart. Consequently, employees are induced to accept any risks and benefits of going into partnership with the employer, and this could strengthen the process of achieving mutual gains. Partnership benefits for employees, employers and trade unions

In measuring partnership benefits accruable to all parties, we use employees' self-reports on workplace outcomes. Our focus on employee outcomes derives not only from the fact that employees' views have been somewhat neglected in the partnership literature (Glover et al., 2013), but also that employees are, in general, more directly impacted by employment relations activities (Gould-Williams, 2003). Employees' experiences and reactions to these activities are essential channels through which other organizational outcomes may ensue. Against this backdrop, we capture the benefits accruable to employees by their level of job satisfaction (Glover et al., 2013), the benefits to employers by employees' level of organizational commitment (Roche, 2009), and the benefits to trade unions by employees' perception of union instrumentality (Charlwood, 2002).

Indirect (Oxenbridge and Brown, 2002) and direct (Upchurch et al., 2006) employee participation in workplace partnership are associated with increased sense of employees' worth, and consequently, higher job satisfaction. This follows the assumption that workplace partnership provides greater assurances, other things being equal, that employees' rights and benefits are better represented in workplace decision-making (Roche, 2009). An important question that arises in the Irish context is whether different employees have different perceptions about the intended outcomes of workplace partnership. Some employees, perhaps those with a more optimistic outlook, may perceive workplace partnership as a medium for improving their quality of working life. Others are likely to be more sceptical about the rationale for partnership, and may have negative perceptions about partnership effectiveness. We make this distinction because we expect employees who have positive attributions regarding indirect and direct employee participation in workplace partnership to experience improved job satisfaction.

Hypothesis 1: Employees' attributions for indirect and direct participation are positively related to employees' job satisfaction.

Employees' organizational commitment is one of the ways in which the employer might benefit from workplace partnership (Roche, 2009) due to its association with labour productivity and reduced staff turnover (Gould-Williams, 2003). Employees' positive attributions for workplace partnership might promote higher employee commitment in at least two ways. Firstly, both indirect and direct employee participation in workplace partnership may bridge the communication gap between employees and their employer, and increase employees' awareness of their 'voice' or 'say' in workplace decisions (Timming, 2014; Glover et al., 2013). Secondly, adequate representation of employees' interests through social dialogues with management may enhance employees' sense of organizational belonging (Wilkinson et al., 2014). Employees are likely to feel part of something bigger and strive to get

more out of what they do at work. As such, we expect that employees' positive attributions for indirect and direct participation in workplace partnership would generate greater levels of organizational commitment.

Hypothesis 2: Employees' attributions for indirect and direct participation are positively related to employees' organizational commitment.

The partnership benefits accruable to trade unions or employee representatives tend to be less clear-cut (Kelly, 2004). In the Irish context, partnership may have provided short-term increases in union influence and involvement in narrowly prescribed workplace issues, yet case studies have highlighted that a co-operative environment has undermined traditional union powers of opposition and veto (Roche and Teague, 2014). Traditional measures of union gains, such as union membership density and union bargaining power, may imperfectly represent union gains or losses from partnership and are susceptible to external factors (e.g., economic trends and government regulations). In the present study, we reflect trade union gains by perceived union instrumentality, which in comparison to the former variables is less likely influenced by external factors. Perceived union instrumentality refers to employees' assessment of how effective or ineffective the trade union or employee representative is in representing employees' interests (Charlwood, 2002).

Direct employee participation in workplace partnership, unlike indirect employee participation, exempts trade unions from the process of social dialogues with management, and may therefore reduce perceived union instrumentality (Evans et al., 2012). It might also weaken the degree of trade union attractiveness among employees and deplete union legitimacy in the eyes of its membership (Holland et al., 2012). The reverse might however be the case for indirect employee participation given its connection with greater employees' dependence on trade union representation. Altogether, we might expect employees' positive attributions for

indirect participation to improve perceived union instrumentality, whereas employees' positive attributions for direct participation may reduce perceived union instrumentality.

Hypothesis 3a: Employees' attributions for indirect participation are positively related to perceived union instrumentality.

Hypothesis 3b: Employees' attributions for direct participation are negatively related to perceived union instrumentality.

Workplace partnership and the employment relations climate

Finally, we look at the employment relations climate, a subset of the organizational climate, which seems likely to underpin the level of supportiveness that may arise from interactions between organizational members (Pyman et al., 2010). It reflects the nature and quality of trustworthiness in terms of the relationships between employees, employee representatives (usually trade unions) and management (Dastmalchian et al., 1982).

There is evidence that workplace partnership may engender a positive employment relations climate (Glover et al., 2013). As part of the terms and conditions of workplace partnership agreements, organizational members often assent to participation in workplace decision-making, in exchange for their discretion towards the use of industrial action as a means of resolving disputes with management (Kochan and Osterman, 1994). These circumstances might minimize grave forms of tension and conflict between organizational members, and consequently promote positive employment relationships. If employees make positive attributions about the intended outcomes of workplace partnership, then we might expect an atmosphere of cooperation and mutual understanding to ensue within the organization.

Hypothesis 4: Employees' attributions for indirect and direct participation are positively related to the employment relations climate.

One major concern in workplace partnership debates is the underlying mechanisms through which mutual gains for all stakeholders might be delivered (Wilkinson et al., 2014). The employment relations climate holds great promise of being a useful mediator through which partnership gains might be accumulated (Cafferkey and Dundon, 2015; Redman and Snape, 2006). In fact, some studies have shown qualitative evidence which hints that a positive employment relations climate may mediate the relationship between workplace partnership and desirable employee outcomes (Belanger and Edwards, 2007; Geary, 2008; Glover et al., 2013). This is certainly worth exploring in the Irish context, given that the depth and substance of partnership arrangements has been relatively limited (Teague and Donaghey, 2009). Can a good employment relations climate help explain the 'paradox of success without widespread appeal', that is the Irish case during the period of social partnership (Roche and Teague, 2014: 792)? The mediating role of the employment relations climate is yet to be tested in the context of employees' attributions for workplace partnership.

Expectations about the indirect links between employees' attributions for workplace partnership and employee outcomes via the employment relations climate might depend on our understanding of organizational trust as an ingredient for co-operative relationships between organizational members. Organizational (also institutional) trust is conceptually different from interpersonal trust (e.g., trust between two individuals), and reflects the level of confidence, supportiveness and collaborative relationships shared among individuals in relation to their institutional environment (Timming, 2009). Organizational trust is central to a positive employment relations climate, or at least, represents one of its attitudinal dimensions (Pyman et al., 2010). In workplaces where this type of trust exists, there seems to be less hierarchy in decision-making and more cooperativeness in the relationship patterns among organizational members (Timming, 2009, 2012). This may foster a climate of fairness in organizational processes, induce employees to exhibit desirable workplace behaviours, and strengthen any

partnership arrangements in the workplace. Given the centrality of organizational trust to a positive employment relations climate, we might expect the latter to mediate the links between positive employees' attributions for workplace partnership and achievement of desirable employee outcomes.

Hypothesis 5: The employment relations climate mediates the relationships between employees' attributions for indirect and direct participation and employees' job satisfaction, organizational commitment, and perceived union instrumentality, respectively.

Sample

The present study was undertaken using data from the 2009 NCPP survey of Irish employees. The 2009 NCPP survey was the last survey to provide detailed information about indirect and direct employee participation in workplace partnership. Unlike other nationally representative surveys of employees, the 2009 NCPP survey offers employees' perspectives on the intended outcomes of both union and non-union forms of employee representation. The 2009 NCPP data were collected from a random sample of Irish organisations through telephone-based interviews, each of which lasted about thirty-five minutes. Around 5110 interviews were completed and considered suitable for the survey, representing a fieldwork response rate of 50 per cent. Our final sample comprised 2855 employees in private and public sector workplaces with formal structures for both indirect and direct employee participation in workplace partnership.

Measures

Confirmatory Factor Analysis (CFA), a technique widely used to verify a measurement model based on a set of manifest variables, was performed to ensure adequate fit between data and the hypothesized measurement model. Cronbach's alpha reliability, Composite Reliability (CR), Average Variance Extracted (AVE) and inter-construct squared correlations were tested to ensure reliability and discriminant validity of all latent constructs. Full details of study

variables, their observed item means, standard deviations, factor loadings from CFA, Cronbach's alpha, CR and AVE are provided in Table 1. Measures of inter-construct squared correlations are provided in Table 2.

Independent variables

To measure employees' attributions for indirect and direct participation in workplace partnership, we followed the precedents in previous HRM studies (see Van De Voorde and Beijer, 2015). In these studies, employees' attributions were measured by their subjective interpretations about the intended outcomes of HRM practices. Our measure of employees' attributions for indirect participation was derived by five items, each measuring employees' subjective interpretation about the effects of union-management cooperation on job satisfaction, workforce productivity or performance, pay and conditions, employment security, and employee willingness to embrace change (Cronbach's alpha = 0.77). Similarly, employees' attributions for direct participation was derived by four items, each measuring employees' subjective interpretation about their direct say in workplace decisions and its effects on job satisfaction, workforce productivity or performance, willingness to embrace change, and confidence with which employees co-operate with management (Cronbach's alpha = 0.74). Both attribution variables were measured on a 3-point scale: 1 = 'negative effect', 2 = 'no effect' and 3 = 'positive effect'.

Mediator variable

The employment relations climate was measured by two items on employees' self-reports about the quality of workplace relationships. The response scale for these items ranged from 1 = 'very bad' to 5 = 'very good' (Cronbach's alpha = 0.67). Our measure of the employment relations climate is consistent with prior research (Pyman et al., 2010).

Dependent variables

Job satisfaction, the benefit accruable to employees, was measured by four 5-point Likert scale items from 1 = 'very dissatisfied' to 5 = 'very satisfied' (Cronbach's alpha = 0.73). Organizational commitment, the benefit accruable to employers, was measured by five 5-point Likert scale items from 1 = 'strongly disagree' to 5 = 'strongly agree' (Cronbach's alpha = 0.74). Perceived union instrumentality, the benefit accruable to trade unions, was measured by a single 5-point Likert scale item that rates trade unions' effectiveness 1 = 'very ineffective' to 5 = 'very effective'.

Control variables

We controlled for a number of variables: organization size, sector, employment contract type, the nature of employment, gender, employee role in the organisation, and union membership.

Data analysis

We performed two statistical tests to check the presence of common method variance. First, the Marker-variable test was performed by examining the correlation between our marker variable 'how likely is it that you will leave Ireland to live in another country in the next two years?', and the study variables; we found no strong correlations. Second, we performed an unmeasured latent method factor test (Podsakoff et al., 2003: 891) for which the observed items were loaded on their theoretical constructs and then on a latent common method factor. The average common method variance was low enough (about 7.4%) to dismiss presence of common method variance.

Hypothesized relationships were tested by Structural Equation Modelling (SEM) in the R-statistical software package. We examined two separate models using the robust maximum likelihood estimator in each. In Model one (which corresponds to Hypotheses 1, 2, 3a, 3b and 4), we examined the main effects (or direct relationships) of our two independent variables (employees' attributions for indirect and direct participation) on employees' job satisfaction,

organizational commitment, perceived union instrumentality, and the employment relations climate (see Figure 1). Perceived union instrumentality, a single-item variable, was specified by fixing its factor loading at one and its residual variance at a non-zero value θ ; where θ equals '(1– reliability) * sample variance' (Hayduk, 1987). In Model two, which corresponds to Hypothesis 5, we tested the mediated effects (or indirect relationships) of employees' attributions for indirect and direct participation on employee outcomes via the employment relations climate (see Figure 2). Mediated effects were examined by the product-of-coefficients ($\alpha\beta$) method – the product of α , the regression path between the independent variable and the mediator, and β the regression path between the mediator and the dependent variable (MacKinnon et al., 2002). Bias corrected bootstrapping was used to compute confidence intervals to validate statistical significance of mediated effects. All control variables were embedded in the covariance matrix of our SEM models.

Results

The results obtained from Model one are presented in the upper portion of Table 3 (Part A) which contains path estimates (i.e. standardized regression weights), critical values (z-scores) and statistical significance for all direct relationships (i.e., the main effects of employees' attributions for indirect and direct participation on employees' job satisfaction, organizational commitment, perceived union instrumentality, and the employment relations climate). Goodness-of-fit for this model was adequate: $\chi^2/df = 3.90$; RMSEA = 0.024, CFI = 0.961, TLI = 0.948; and SRMR = 0.034.

As shown in Part A of Table 3, employees' attributions for indirect participation are positively related to job satisfaction (β = 0.178, p < 0.01), organizational commitment (β = 0.184, p < 0.01) and perceived union instrumentality (β = 0.412, p < 0.001). This indicates that all three stakeholders – employees, employers, and trade unions – are more likely to benefit if partnership interests are facilitated through social dialogues between trade unions and

management. Employees' attributions for direct participation are also positively related to job satisfaction ($\beta = 0.135$, p < 0.05) and organizational commitment ($\beta = 0.210$, p < 0.01), but no significant relationship was found for perceived union instrumentality. Unlike indirect employee participation, direct employee involvement in social dialogues with management may promote mutual gains for employees and employers, but not for trade unions. Thus, Hypotheses 1, 2 and 3a are supported, but Hypothesis 3b is not. We interpret these results to suggest that mutuality for employees, employers and trade unions is indeed plausible where partnership interests are represented by union-management consultations. However, if employees are given the opportunity to represent themselves in partnership arrangements, they may see no direct benefit in third party representation through trade unions, and consequently, have little or no confidence in trade union's instrumentality. Indirect employee representation through union-management cooperation, then, may serve to increase the legitimacy of trade unions in the eyes of employees. By contrast, direct forms of representation do not have this effect. It is possible that this may be used by employers as a cynical means through which to marginalise the role of unions, a point we return to in the discussion section (Ackers et al., 2004).

Table 3 (Part A) also shows employees' attributions for indirect (β = 0.201, p < 0.01) and direct (β = 0.271, p < 0.001) participation are positively related to the employment relations climate (full support for Hypothesis 4). This indicates that genuine workplace partnership promotes the quality of employment relationships among organizational members, irrespective of whether employees represent themselves in consultations with management or whether they are represented by unions. Climate thus is an important factor mediating the effect of participation on outcomes. This is a relevant finding, which to date remains relatively underexplored. Given the significant influence of both indirect and direct employee participation on the employment relations climate, our analysis satisfied an indispensable

prerequisite for examining the causal indirect chain from workplace partnership to employee outcomes via the employment relations climate (MacKinnon et al., 2002).

The lower portion of Table 3 (Part B) shows path estimates and confidence intervals derived from bias corrected bootstrapping for all indirect relationships in Model two. As with Model one, Model two showed adequate goodness-of-fit: $\chi^2/df = 4.20$; RMSEA = 0.025, CFI = 0.959, TLI = 0.949, and SRMR = 0.032. The employment relations climate is positively related to job satisfaction ($\beta = 0.423$, p < 0.001), organizational commitment (P = 0.479, p < 0.001) and perceived union instrumentality ($\beta = 0.143$, p < 0.001); thus satisfying another precondition for mediation (MacKinnon et al., 2002). The employment relations climate mediates the positive relationship between employees' attributions for indirect participation and employees' job satisfaction, organizational commitment and perceived union instrumentality, respectively. Similarly, the employment relations climate mediates the positive relationship between employees' attributions for direct participation and employees' job satisfaction, organizational commitment and perceived union instrumentality, respectively. Thus, Hypothesis 5 is fully supported. The empirical support for Hypothesis 5 provides valuable insights into debates regarding the conditions under which mutual gains might be delivered (Roche, 2009; Butler et al., 2011; Guest et al., 2008). We argue that the potential for shared benefits among all partnership stakeholders lies in establishing a climate of support and collaboration within the workplace. Such a supporting environment, proxied in this study through the employment relations climate, has significant positive effects on a range of outcomes, notably satisfaction, commitment, and perceived union instrumentality. A supporting climate therefore can help in the delivery of positive effects of workplace partnership to workers, unions and management.

Discussion

Through an analysis of partnership arrangements in Ireland, we have examined the process of mutual gains using employee outcomes to reflect partnership gains for employees, employers and trade unions. We paid attention to the kinds of attributions employees make regarding the intended outcomes of indirect (union-based) and direct (non-union-based) forms of employee representation, and examined the role of the employment relations climate in mediating the process of mutual gains in workplace partnerships.

We found evidence that positive employees' attributions for indirect and direct participation in workplace partnership are associated with job satisfaction, the partnership benefit accruable to employees. This finding corroborates reports that the partnership route to employment relations increases employees' confidence that their interests are adequately represented through social dialogues with management (Kochan and Osterman, 1994; Roche, 2009). Not only do these social dialogues augment employees' sense of worth, but also the feeling that the organization has genuine concern for their welfare. Our research also showed positive employees' attributions for indirect and direct participation in workplace partnership may be rewarding for employers through higher levels of employee commitment. Partnership arrangements such as the Irish social partnership model, which is the context of our data, are characterized by a participative approach to decision-making (Teague and Hann, 2010). This participative approach brings management and employees' interests into close alignment and in turn fosters employees' willingness to conduct their jobs at optimal commitment levels (Gould-Williams, 2003).

Although our results showed mutual gains might be attainable for employees and employers, the case for trade unions seems slightly different. We found evidence that trade unions may benefit from workplace partnership, through higher levels of perceived union instrumentality, but that this was applicable to indirect employee participation only. We interpret this finding as an indication that indirect employee representation through union-

management cooperation may increase the legitimacy of trade unions in the eyes of employees. By contrast, direct representation has not resulted in an increase in the legitimacy of representation through trade unions (Ackers et al., 2004). In the Irish case, then, direct employee participation, supported by state industrial policy, appears to have presented opportunities for employers to capitalize on, with an agenda to undermine the legitimacy of trade union representation (Dundon et al., 2014; McDonough and Dundon, 2010).

At the heart of our findings lies the mediating role of the employment relations climate. As noted above, an understanding of this is particularly important in the Irish case, given that positive employee outcomes are typically observed in analyses of social partnership in Ireland, yet the scope and depth of partnerships has been widely criticised. We found evidence that the potential to elicit partnership benefits for employees, employers and trade unions rests partly on the likelihood for quality employment relationships between organizational members. This finding alludes to an emerging stream of literature that outlines the importance of positive employment relationships as part of the conditions under which partnership gains might be delivered and sustained (Dobbins and Gunnigle, 2009; Glover et al., 2013; Pyman et al., 2010). For example, Glover et al. (2013: 16) noted that a positive employment relations climate encourages development of meaningful relationships between organizational members and consequently improves employees' and trade union's level of acceptance of organizational change and strategy. This positive climate may have been particularly difficult to secure at the workplace level in Ireland, given the overriding goals of the system to facilitate capital accumulation and to promote liberalisation, which are likely to undermine trust and commitment at the workplace level (McDonough and Dundon, 2010; Roche and Teague, 2014).

The positive mediating role of the employment relations climate however throws light on two important aspects of our study. Firstly, despite assumptions that 'mutuality' in partnership outcomes may not favour trade unions in situations where there is managerial preference for non-union forms of workplace partnership (Guest et al., 2008; Benson and Brown, 2010), the present study portrays the employment relations climate as the vehicle for achieving mutual gains for all parties involved. In other words, trade unions may still benefit from direct employee engagement in workplace partnership only if there is a positive employment relations climate. Secondly, a positive employment relations climate provides a basis for realizing partnership benefits, even during a severe socio-economic crisis, such as was the reality in Ireland at the time data for the present study was collated. Whilst some sceptics have highlighted the vulnerability of workplace partnership in the face of economic and institutional instability (Kelly, 2004), we have shown, within the limits of our analysis, that partnership agreements may accrue desired outcomes if strengthened by mutual respect and trust among all parties involved.

Practical implications

A first practical implication of the present study concerns the need for employers to take cognisance of the attribution making process of employees in setting up workplace partnership agreements. Employers need to consider how partnership practices are experienced by employees, as this could have significant implications for the context in which mutual gains might occur. Secondly, partnership practices are more likely to deliver mutual gains for all stakeholders through a positive employment relations climate. This is an important finding in the Irish case, in which the institutional regime is said to have resulted in superficial partnerships, which are employer-led and vulnerable to changing economic conditions (McDonough and Dundon, 2010). Where mutual gains have been secured for all parties, a positive employment relationship appears to be key. A priority for employers wishing to adopt the partnership route to employment relations should therefore include a plan for developing quality, high-trust relationships between organizational members. This may encourage an increased sense of acceptance, by all stakeholders, of any possible risks and benefits associated

with the partnership arrangement (Glover et al., 2013). Yet, without broader institutional supports, such workplace initiatives are likely to flounder, as has been seen in many Irish firms (Teague and Roche, 2014; Dobbins and Gunnigle, 2009). Thus a key policy priority would be to develop extra-firm supports that help to facilitate the adoption of cooperative arrangements at the workplace level. In the Irish case, with priorities historically centred on encouraging foreign investment and liberalisation, such conditions may prove difficult to establish.

Commentators might therefore question the extent to which workplace partnerships are worth pursuing given the current socio-economic climate in the Republic of Ireland. For over two decades, employment relations in Ireland have been governed by a national social partnership regime, which before its collapse in late 2009 was sustained by institutional forces (e.g., establishment of government agencies such as the NCPP and social pacts between government, trade union, and main employer groups) (Marchington, 2015; McLaughlin, 2013). This resulted however in a relatively superficial form of workplace-level partnership, which may have undermined the role of organised labour in the economy in the long-term. Workplace-level elements such as perceptions of working conditions or the quality of employer-employee relationships are just one of a number of factors in the structure of the Irish partnership framework. However, evidence emerging from the present study has shown perceptions of the employment relations climate are essential for delivering positive partnership outcomes. Policy makers and practitioners may draw insights from our study in future attempts to revive the Irish partnership framework and provide the extra-firm institutional supports that may underpin genuinely advantageous cooperative relations at the workplace level.

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Table 1 – Variables and descriptive statistics

Variables	Observed Items	Mean	SD	CFA Factor Loadings	Cronbach's alpha	Composite reliability	Average variance extracted
Employees' attributions for indirect	Effect of union-management cooperation on job satisfaction	1.55	0.71	0.73			_
	Effect of union-management cooperation on productivity or performance of workforce	1.62	0.73	0.73			
	Effect of union-management cooperation on pay and conditions		0.70	0.57	0.77	0.77	0.41
participation	Effect of union-management cooperation on employment security	1.57	0.70	0.56	_		
	Effect of union-management cooperation on employees' willingness to embrace change	1.45	0.71	0.57			
F1	Effect of direct say in workplace decision on job satisfaction	1.18	0.44	0.65			
Employees' attributions for direct	Effect of direct say in workplace decision on productivity or performance of workforce			0.66	0.74	0.02	0.52
participation	Effect of direct say in workplace decision on employees' willingness to embrace change	1.18	0.41	0.59	0.74	0.92	0.52
	Effect of direct say in workplace decision on employee-management cooperation	1.20	0.43	0.69			
	I am satisfied with my present job	1.75	0.61	0.77			
Inh antinfantian	I am satisfied with my physical working conditions		0.63	0.70	0.73	0.74	0.43
Job satisfaction	I am satisfied with my hours of work	1.84	0.67	0.59	0.73	0.74	0.43
	I am satisfied with my earnings from my current job	2.21	0.77	0.51			
Organizational Commitment	I am willing to work harder to help this organization succeed	1.80	0.66	0.51			
	My values and the organization's values are very similar	1.95	0.66	0.77	0.74	0.76	0.41
	I am proud to be working for this organization	1.80	0.59	0.81			

	I would turn down another job to stay with this organization	2.44	0.83	0.54			
	I feel very little loyalty to the organization I work for (REVERSED)	1.88	0.72	0.48			
Employment	How would you describe the workplace relationship between staff and management	2.05	0.99	0.90	0.67	0.72	0.50
relations climate	How would you describe the workplace relationship between different staff members	1.73	0.72	0.59	0.07	0.72	0.58
Perceived union instrumentality	How effective or ineffective is the trade union or staff association in representing employees' interests	2.71	1.18	-	-	-	-
Organization size	How many people work in the branch or outlet of the	business	or organ	ization			
Employment contract type	Employed on a permanent, temporary or casual basis						
Nature of employment	Employed directly by organization or by agency						
Gender	Male or female						
Union membership	Are you currently a member of a trade union						
Employee role	Employee position in the organisation						
Sector	Public or private sector						
Sample size (N) -	2855						

Sample size (N) = 2855

SD = Standard Deviation

Confirmatory Factor Analysis (CFA) model fit: Chi-square (X²) = 1114.785; degrees of freedom (df) = 231; p-value < 0.001; RMSEA = 0.021;

CFI = 0.983; TLI = 0.975; and SRMR = 0.031

Note: All CFA factor loadings are standardized scores and significant at p < .001.

 $Table\ 2-Inter-construct\ squared\ correlations$

	Job satisfaction	Organizational commitment	Employees' attributions for indirect participation	Employees' attributions for direct participation	Employment relations climate
Job satisfaction	1				
Organizational commitment	0.292***	1			
Employees' attributions for indirect participation	0.185***	0.123***	1		
Employees' attributions for direct participation	0.026*	0.017*	0.172***	1	
Employment relations climate	0.122***	0.164***	0.082**	0.080**	1
*** = p < .001, ** = p < .	01, * = p < .05				

Table 3 – Results of Models one and two

indirect participation

Part A: Standardised weights for direct relationships (main effects	3)
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Variables	Job Satisfaction (z-score)	Organizational Commitment (z-score)	Perceived union instrumentalit y (z-score)	Employment relations climate (z-score)	
Employees' attributions for indirect participation	0.178**	0.184**	0.412***	0.201**	
	(2.741)	(2.892)	(4.849)	(3.027)	
Employees' attributions for direct participation	0.135*	0.210**	-0.009	0.271***	
	(2.310)	(3.336)	(-0.175)	(3.911)	
Organization size	-0.039	0.055*	-0.028	0.137**	
	(-0.870)	(1.326)	(-0.758)	(3.181)	
Employment contract type	0.074	-0.010	0.018	-0.031	
	(1.639)	(-0.248)	(0.493)	(-0.718)	
Nature of employment	0.006	0.049*	-0.013	0.033	
	(0.126)	(1.182)	(-0.341)	(0.764)	
Gender	0.006	0.005	-0.095*	-0.080	
	(0.121)	(0.105)	(-2.433)	(-1.756)	
Union membership	-0.154**	-0.134***	0.084*	-0.099*	
	(3.309)	(-3.087)	(2.250)	(-2.261)	
Employee role	0.042	0.157***	-0.079*	0.001	
	(1.009)	(3.581)	(-2.120)	(0.011)	
Sector	0.049	0.138**	-0.088*	-0.034	
	(0.911)	(3.054)	(-2.265)	(-0.756)	
Part B: Standardised	weights for ind	irect relationships	(mediated effects)		
Employment relations climate	0.423*** (14.921)	0.479*** (16.165)	0.143*** (5.083)	-	
Employees' attributions for indirect participation	0.081 (1.850)	0.058 (1.431)	0.337*** (5.790)	-	

Employees' attributions for direct participation	0.098* (2.525)	0.053 (1.531)	-0.027 (-0.653)	-
Organization size	-0.094*** (-5.674)	0.004 (0.289)	-0.036 (-1.827)	-
Employment contract type	0.019 (1.209)	0.007 (0.477)	-0.003 (-0.146)	-
Nature of employment	0.021 (1.329)	0.032* (2.247)	-0.048** (-2.783)	-
Gender	-0.043** (-2.674)	-0.047** (-3.146)	-0.033 (-1.776)	-
Union membership	0.001 (0.074)	0.014 (0.849)	0.114*** (5.385)	-
Employee role	0.085*** (5.432)	0.127*** (3.782)	-0.049** (-2.712)	-
Sector	-0.020 (-1.206)	0.058*** (8.504)	-0.027 (-1.684)	-

Confidence intervals from bias corrected bootstrapping for mediated effects

	Job Satisfaction		U	zational nitment	Perceived union instrumentality	
	Lower 5%	Upper 5%	Lower 5%	Upper 5%	Lower 5%	Upper 5%
Employees' attributions for indirect participation	0.040	0.074	0.056	0.096	0.054	0.123
Employees' attributions for direct participation	0.083	0.137	0.136	0.197	0.091	0.235

Sample size (N) = 2855;

All coefficients are standardized scores. *** = p < .001, ** = p < .01, * = p < .05

Figure 1. Model one: Main effects of employees' attributions for indirect and direct participation on employee outcomes

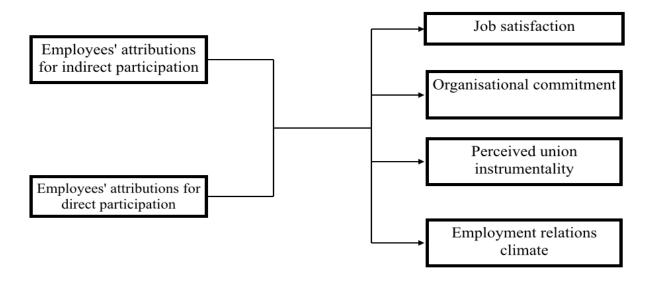


Figure 2. Model two: Mediated effects of employees' attributions for indirect and direct participation on employee outcomes via the employment relations climate

