

**Modes of Concession Bargaining and their Antecedents
in the Great Recession: Evidence from Ireland**

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Abstract

Concession or 'give back' bargaining involves firms seeking changes in pay and conditions of employment from trade unions in return for pledges of enhanced job security and sometimes other forms of reciprocation. Several distinct modes of concession bargaining are identifiable in the literature, which for the most part has examined each in isolation from the others. Deploying qualitative and quantitative data on the conduct of collective bargaining in Ireland during the Great Recession, this paper distinguishes different modes of concession bargaining and their antecedents by comparing each with the others. The paper identifies a series of macro- and micro-institutional and commercial influences on the choices firms make in conducting concession bargaining with their unions.

Keywords: concession bargaining, the Great Recession, collective bargaining, unions, economic crisis.

Introduction

What has happened to pay and employment conditions during the Great Recession that started in 2008 is a matter of on-going debate. At the popular level it is relatively easy to find bleak assessments of how employers 'are not wasting a good recession'. Yet careful studies of pay and employment conditions, particularly in unionized firms, during previous recessions do not point in one direction. Instead, they suggest that a variety of adjustment strategies are open to firms in response to the arrival of harsh business times. So far the number of studies focused on the dynamics of concession bargaining during the current Great Recession is, surprisingly, not extensive. This paper seeks to address this shortcoming in the literature by examining the nature and extent of concession bargaining in Ireland, one of the country's worst hit by the economic crisis. A puzzle it sets out to address in particular is why firms adopted the concession bargaining strategies they did.

What does concession bargaining mean?

Concession bargaining as a term entered the industrial relations literature in the early eighties when scholars examined developments in collective bargaining during the early 1980s recession in the USA (Freeman 1986; McKersie and Cappelli 1982; Mitchell 1994). General agreement emerged from these studies that a core feature of concession bargaining involved unions offering 'give backs' or concessions in such areas as pay (pay freezes, cuts, deferred pay rises, two-tier pay systems etc.), working conditions and working practices in an effort to help secure the viability of firms (and hence the jobs of their members) during hard business times. Commentators differed however with respect to the nature of concession bargaining and whether or cycles of concession bargaining represented a fundamental change in collective bargaining and industrial relations. Three main forms or modes of concession bargaining can be identified in the literature and each will be discussed in turn.

Integrative Concession Bargaining

One mode of concession bargaining is what might be termed integrative concession bargaining, which has its origins in a number of studies conducted by McKersie and Cappelli (McKersie and Cappelli 1982: 19-25; Cappelli 1983). They suggested that modern concession bargaining as undertaken in the US during the 1980s developed 'new ground' with respect to the gains achieved by unions in the bargaining process and in employer behaviour. In particular, they found that in return for trade unions offering 'give backs', management would make general or specific pledges to save or protect jobs. In addition, management were also seen as engaging in other forms of reciprocal action such as sharing information, extending union influence over decision-making, introducing financial participation and undertaking measures to involve employees. Other US commentators were also of the view that concession bargaining often represented a 'new [form of] bargaining' based on labour-management co-operation, involving new roles for management and trade unions' (Chaison and Plovnick 1986; and see Kassalow 1988; Plovnick and Chaison 1985; Quinn Mills 1985; cf. Becker 1988: 385-6). The idea of concession bargaining as an integrative bargaining process has also been influential in studies on the topic in Europe in the 1990s and during the current crisis (European Commission 2012; Sisson 2001; Zagelmeyer 2001).

European and US commentators have pointed to different sets of institutional features supporting integrative concession bargaining. European instances of integrative concession bargaining have been seen to be supported by high levels of unionization, secure union recognition and collective bargaining arrangements and co-operative workplace relations instituted by co-determination (Glassner et al 2011; Hassel and Rehder 2001; Hyman 2010; Sisson and Artiles 2000). US commentators on the other hand have pointed to institutional foundations that might be viewed as 'functional equivalents' of European arrangements:

firms with long-established unions in a wider context of declining union density, a legacy or recent record of management-initiated co-operation with unions, new forms of work organization and an external institutional environment where employers and public policy were benign or neutral towards union accommodation. Also seen as significant by US commentators during the 1980s was that employers had not engaged in earlier cycles of integrative concession bargaining that might otherwise have normalized concessions by unions and emboldened employers to look for further concessions without offering reciprocity (Chaison 2012; Kassalow 1988; Chaison and Plovnick 1986; Mitchell 1994).

Distributive Concession Bargaining

Not every study of concession bargaining in the USA during the 1980s viewed it as integrative concession bargaining. Some pointed to another mode of concession bargaining, which we call here distributive concession bargaining. For the most part, this form of concession bargaining was seen as a form of adversarial collective bargaining in a changed (depressed) economic environment - employers using bleak business times to oblige weakened trade unions make concessions with regard to pay and working conditions (Beaucage 2000; Bell 1995; Freeman 1986; Donn 1989; Nay 1991). The institutional foundations of distributive concession bargaining were seen to include well organized trade unions and embedded collective bargaining, a non-existent or weak legacy of co-operative industrial relations and an external institutional environment in which employers and public policy were indifferent to co-operative approaches to addressing acute business and financial pressures through collective bargaining (Beaucage 2000; Bell 1995; Donn 1989; Freeman 1986; Mitchell 1982; 1994; Nay 1991).

Ultra Concession Bargaining

Chaison (2012) seeks to distinguish between the first wave of concession bargaining in the US during the 1980s and concession bargaining since the early 2000s, which he refers to as the 'new ultra concession bargaining'. For Chaison, unions in general were capable of gaining quid-pro-quos for their members during the 1980s. In the new ultra concession bargaining unions gain little or nothing in return for making concessions and they also encounter employer hostility and extreme tactics aimed at union suppression (2012: 35). In consequence, the established accord between employers and unions, based on mutual survival and mutual compromise, has fallen away. Chaison suggests that ultra concession bargaining was a reflection of declining union influence, the rising incidence of non-union competitor firms and an external institutional environment in which employers and government were increasingly hostile towards unionization and collective bargaining. He also emphasizes how previous rounds of concession bargaining had shown employers that concessions could become the standard basis for collective bargaining: the 'new normal' (Chaison 2012: ch. 4). While ultra concession bargaining was seen to be particularly widespread and intense in the US, Chaison (2012; 63-4) believes that it is also evident in Europe and in other global regions.

>> Table 1 here <<

Table 1 summarizes the features of each type of concession bargaining and also the key macro and micro institutional and commercial influences on, or foundations of, each type as hypothesized in the separate literatures in which each has been reviewed.

Concession bargaining in the Irish recession: hypotheses

We next draw on the contents of Table 1 and associated literature and key features of the Irish context during the Great Recession to propose a set of hypotheses to guide the analysis of the paper's empirical section. The economic recession, which commenced in 2008 in the wake of the credit crunch and the international financial crisis, is widely regarded as the most serious in Ireland's history as an independent country, and the Irish crisis is among the worst of all developed economies. Between 2007 and 2009 GDP collapsed by nearly 11 per cent; the period since 2010 saw growth flat-line, with recovery emerging only in 2014. Despite a revival in export markets, the domestic economy has remained flat, partly due to the Government's deep austerity programme. In November 2010 Ireland resorted to an EU/European Central Bank/IMF rescue package, resulting in an austerity programme that involved a deep squeeze in public spending coupled with tax increases. Ireland's debt/GDP ratio reached 123 per cent in 2013. Ireland exited the bailout programme at the close of 2013. During the recession the level of unemployment climbed from near full employment at the outset to a peak level of 15 per cent and emigration returned to significant levels.

One of the first casualties of the Irish crisis was the 'social partnership' model, which collapsed at the end of 2009. For twenty-two years employer associations, trade unions and governments had succeeded in negotiating recurrent social partnership programmes, which included agreements on phased pay increases and pledges by governments to make changes in a progressively widening array of areas of economic and social policy. It might be reasonable to assume that after nearly 20 years of social partnership firms would be inclined to pursue integrative concession bargaining initiatives. But the social partnership regime was primarily a national institutional arrangement, only touching the dynamics of employment relations inside firms in tangential and intermittent ways. As a result, co-operative industrial relations or 'partnership' arrangements at firm level were not widely prevalent in Ireland

before the onset of the recession (Roche and Teague 2014). Thus, we find few institutional constraints nudging firms towards a cooperative industrial relations pathway out of the recession. At the same time, there were few features of the Irish industrial relations systems that would have provided encouragement for firms to pursue ultra concession bargaining strategies. First of all, there were no historical precedents during previous recessions within living memory for ultra concession bargaining in Ireland. Moreover, employers would not have been confident that ultra concession bargaining would have been viable during the current Great Recession. Governments, comprising coalitions first of the politicaly centrist Fiann Fail Party and the Green Party and from 2011 of the liberal Fine Gael Party and the Labour Party, had never countenanced rolling back collective bargaining. Thus, our first hypothesis is the following:

H1: Distributive concession bargaining will predominate in Ireland, with some limited incidence of integrative concession bargaining and little ultra-concession bargaining.

As discussed earlier, the literature suggests that when difficult business times arrive firms with a history of cooperation and trust with trade uniond are more likely to develop integrative concession bargaining than those in which adversarial industrial relations have prevailed (Hassel and Rehder 2001; Sisson and Artiles 2000). This leads to our second hypothesis:

H2: A legacy of co-operative employment relations will contribute to the occurrence of integrative concession bargaining.

In a classical US study in the 1980s, Kochan et al (1984) found that some firms had eschewed the option of forcing through changes to pay and working conditions unilaterally, as they considered this action might jeopardize a longstanding component of their business strategies

of seeking to improve productivity and product quality through encouraging employee involvement and commitment. This leads to our third hypothesis:

H3: Employer HR strategies focused on developing high commitment will contribute to the occurrence of integrative concession bargaining.

McKersie and Cappelli (1982) suggest that firms are more likely to opt for integrative bargaining if trade unions signal that they will fully cooperate in the development of business adjustment strategies. Conversely, where trade unions adopt an oppositional stance then firms are likely to shun integrative concession bargaining and turn towards a distributive, and even at times ultra, concession bargaining posture. Thus, we can hypothesize the following:

H4: Integrative concession bargaining is more likely where unions are found to be realistic and constructive in response to managements' strategies to deal with the recession and the converse with distributive or ultra-concession bargaining.

Some argue that trade unions have been able to force management to adopt integrative concession bargaining when business downturns did not seriously weaken their organizational strength (Becker 1988). This leads to the following hypothesis:

H5: Integrative concession bargaining is more likely where union power remains strong in the recession and the converse with other modes of concession bargaining.

A strong theme in the work of Chaison (2012) is that ultra concession bargaining has involved firms in challenging trade union recognition in order to effect radical organizational change and retrenchment. Accordingly, our final hypothesis is the following:

H6: Distributive and ultra concession bargaining are more likely where radical retrenchment programmes are being pursued by firms

Research Strategy and Methods

The data reported in the paper were obtained from focus groups of trade union officials and HR managers and from a survey of employers.¹ The data relate to the private and commercial state-owned sectors. Four focus groups involving 19 HR managers from unionized firms and three focus groups involving 15 trade union officials were conducted.² HR managers were drawn from a wide range of sectors and included people from Irish and foreign-owned firms. Union officials were drawn from a range of trade unions (general unions, sectoral unions, craft unions and white-collar unions), representing members across a wide industrial spectrum. The combined membership of the unions participating in the focus groups represented about 57 per cent of all union membership in Ireland. Officials were chosen for their hands-on experience of representing members at firm level. Structured focus group discussions covered union officials' and HR managers' direct experiences of union and employer postures towards collective bargaining and industrial relations during the recession. The focus groups were conducted in early 2010 and all focus group interviews were transcribed for analysis.

The findings of the focus groups and the international literature on concession bargaining guided the design of a survey of employers. The survey questionnaire contained detailed questions on the measures adopted by firms to respond to the recession firms and on their relations with trade unions. The sampling strategy was devised in conjunction with the Economic and Social Research Institute (ESRI). This involved the distribution of questionnaires to the manager responsible for human resources in all firms in the private and commercial state-owned sectors in the Irish Republic (excluding agriculture) employing 50 or more employees. The survey, also conducted in 2010, yielded 444 useable responses, a sizeable number and representing a response rate of 17.2 per cent, of which 154 firms were unionized. The response rate is satisfactory, especially considering the deep and persisting

commercial pressures affecting many firms at the time of the survey, and is in line with both Irish and international experience with surveys of businesses.

A time-trend extrapolation test for non-response bias suggested that the pattern of non-response was random.³ The survey data were weighted to represent the population of firms of 50 or more employees in the sectors surveyed.⁴ Further validation of the survey data arises from the finding that the quantitative results were consistent with the patterns revealed in the focus groups. The survey results also allow the focus group results to be considered in the wider context of the general experiences of firms. Hence, although concerns regarding the representativeness of the survey data must of course arise in the light of the modest response rate, it seemed to us that by combining both data sources a valid and representative account becomes possible of the practice of concession bargaining.

Focus group findings

The main findings of the focus groups with respect to the conduct of concession bargaining are outlined in Table 2 and can be summarized as follows:

- No instances of ultra concession bargaining were reported by focus group members: neither HR managers nor union officials reported cases in which employers had sought to challenge union recognition, or formally to rescind or narrow the scope of collective bargaining.
- Most instances of concession bargaining identified by HR managers and union officials accord with the features of distributive concession bargaining.
- A spectrum of employer postures was evident. Sometimes employers had sought to engage in negotiations with unions and their members in a largely conventional manner, allowing unions scope to exert as much leverage as they could over the terms

of the settlements concluded. In other instances employers had sought to ignore existing collective agreements or to bypass unions; had insisted on accelerated cycles of bargaining, or had bargained under the shadow of duress: signalling to unions that if the terms on offer were unacceptable to them, employers would implement these unilaterally.

- Instances of more co-operative, integrative concession bargaining were reported, where unions succeeded in winning concessions of various kinds, as outlined in Table 2.
- Some HR focus group members in firms committed to integrative concession bargaining expressed impatience with the time taken to conclude negotiations with unions and with what they saw as unions' insistence on more protracted bargaining activity than was seen to be warranted or viable in the circumstances of the recession.
- Integrative bargaining appeared sometimes to occur in firms with formal partnership arrangements or with a legacy of co-operative employment relations and high-commitment HRM.

>> Table 2 here <<

Survey findings

In order further to explore the postures of firms engaged in concession bargaining a series of latent class models were fitted to the survey data. As the management or union focus groups provided few indications that ultra concession bargaining had occurred to any significant degree in Ireland, the bargaining indicator questions related, in the main, to distributive and integrative concession bargaining processes.

>> Table 3 here <<

Modes of concession bargaining and macro-institutional arrangements

The statistical results reported in Table 3 favour selecting a model identifying the occurrence of three types or modes of concession bargaining between firms and unions.⁵ The columns in Table 3 labelled 'cluster size' provide estimates of the frequency of each of the types of concession bargaining in firms. The results in column 3, which report the statistical profiles of the types of concession bargaining distinguished empirically, show that about one in ten unionized firms (12 per cent) reported postures consistent with core features of an integrative concession bargaining process, as portrayed in the literature. With respect to this mode of concession bargaining, unions and employees were actively engaged by firms responding to the recession in a high proportion of cases (86 per cent and 87 per cent respectively). Reciprocal concessions to unions in the areas of access to financial information, supports for organizing and 'claw-back' arrangements were also common in between 56 per cent and 70 per cent of firms.

The other patterns of concession bargaining identified also appear consistent with results of the focus groups in that they can be seen as occupying a spectrum of postures and activities consistent with distributive concession bargaining but, at the same time, pointing up significant differences in the ways in which distributive concession bargaining was conducted. We use the terms 'minimal' and 'classical' forms of distributive concession bargaining to portray each of the patterns identified. Starting with the minimal form, the results reported in the first column of the statistical section of the table indicate that one third of firms claimed that they had not actively involved unions or employees and also reveal that few had provided reciprocal concessions of any kind to unions. Some features of this pattern seem close to ultra concession bargaining. However, the worst that has happened to unions and their members is that they have been either ignored or accommodated in a cursory

manner. The results reported in the second statistical column relate to a third identified cluster and reveal that in the case of about 6 out of 10 firms (56 per cent), employers claim in the main to have actively negotiated with unions in responding to the recession, but that few provided any reciprocal concessions to unions. This statistical profile seems close to classical distributive concession bargaining, as understood in the literature.

The statistical findings are consistent with the focus groups in revealing that distributive concession bargaining has predominated in the dealings of firms and unions and that there has been a limited occurrence of integrative concession bargaining. The results allow us to go further, however, in identifying a spectrum of distributive concession bargaining, ranging from minimal engagement with unions and their members to more active negotiations of the kind classically associated with distributive concession bargaining in the literature. In the concluding section of the paper we discuss how macro-institutional features of employment relations in Ireland contribute to the patterns of concession bargaining identified.

Micro-institutional and commercial Influences on concession bargaining

We next examine the hypotheses presented with respect to micro-level institutional and commercial influences on concession bargaining. A series of variables were constructed to measure institutional features of employment relations within firms. Three variables measured union power and influence during the recession: whether the *manner* in which unions conducted negotiations was seen by firms as impairing their responses to the recession; and the extent to which unions were seen to be ‘realistic and constructive’ by firms. Firms were first asked to give their view on whether union influence had declined as a result of the recession. Responses ranged on a Likert scale from ‘strongly agree’, through ‘agree’, ‘neither agree nor disagree’ and ‘disagree’ to ‘strongly disagree’. For clarity of

interpretation, responses to this question were reverse coded to provide a variable measuring the degree to which union influence had been undiminished by the recession. A variable based on the same Likert scale values was based on firms' level of agreement with the statement: 'Unions have impaired the firm's response to the recession by insisting on protracted and detailed negotiations'. A third variable was based on levels of agreement with the statement: 'Unions have been realistic and constructive in engaging with the business in response to the recession'.

A second set of variables measured the acuteness of the commercial pressures on firms and the depth of the measures they had undertaken in response. A general question asking firms how serious the commercial effects of the recession had been elicited a very large majority of firms (89 per cent) indicating that they had been 'quite severe' or 'very severe', and so little variability existed in this indicator. Two other indicators were therefore preferred. First, firms were asked for their level of agreement with the statement: 'The actions required by the recession were so urgent that there has been little time to consult or negotiate with trade unions'. Second latent class factor analysis was conducted on a series of retrenchment measures undertaken by firms in response to the recession. The best fitting model suggested that firms in the main had adopted one of two types of retrenchment programmes: 'generalized retrenchment programmes' involving a swingeing series of retrenchment measures that included pay freezes or cuts for some or all staff; voluntary and compulsory redundancies; reduced overtime, short-time working, lower pay for new entrants and changes in pension arrangements, and retrenchment programme relying mainly on pay freezes, sometimes supplemented by curbs on overtime, to respond to commercial pressures.⁶ Some 47 per cent of unionized firms implemented generalized retrenchment programmes and 53 per cent implemented pay-freeze focused programmes. In statistically examining the possible

influence of firms' retrenchment programmes on concession bargaining, pay-freeze focused programmes will be used as the reference category.

Finally, two survey variables measured the employment relations and human resource management legacies and strategies of firms. First, a variable was developed to measure whether formal partnership structures or arrangements involving firms and unions were in operation in the recession; a second version of this variable measured whether such arrangements had ever been in operation.⁷ The results were unaffected by the version of the variable examined and the statistical results focused on the possible effect of partnership arrangements current at the onset of the recession. 10 per cent of firms indicated that they had operated partnership arrangements involving their unions at some point and 6 per cent of firms that they had operated such arrangements at the time of the survey. The degree to which firms had adopted a high-commitment model of HRM was measured using a scale comprising a series of 9 standard HRM practices. The scale items comprised the use of performance management, performance-related pay, profit sharing/employee share ownership, regular employee surveys, assessing the values, attitudes or personality of employees when they were being hired, the use of formally designated team working, regular team briefing, common terms and conditions of employment and having internal career progression as a formal objective for all employees. The scale Alpha coefficient was 0.671 and latent class factor analysis suggested that the scale was uni-dimensional.

>> Table 4 here <<

Multinomial regressions were used to examine this range of micro-institutional and commercial influences on the modes of concession bargaining in firms identified in Table 3 above. The results are reported in Table 4. As classical distributive concession bargaining is the most common occurring mode of concession bargaining - we will suggest later in the paper that it is also the mode of bargaining with the closest affinity with prevailing macro-

institutional arrangements - this mode of concession bargaining is adopted as the reference category against which to compare influences on the integrative and minimal modes evident in significant minorities of firms.

Turning first to influences on integrative concession bargaining, the results are in line with some of the hypotheses posited earlier in the paper but are contrary to others. The results for the effects of employment relations legacies and strategies (H2) show that the existence of workplace partnership arrangements had no effect on the likelihood that integrative concession bargaining was preferred to classical distributive concession bargaining. This may perhaps be explained as a consequence of the variability of partnership arrangements and their outcomes in Ireland. The literature reveals that although the average effects of partnership in Ireland were positive for employers (and for unions), these arrangements nevertheless varied widely from the well organized and effective to the tokenistic and ineffective (Dobbins and Gunnigle 2009; O'Dowd 2010; O'Dowd and Roche 2009; Roche and Geary 2006).

The results for the effect of HR strategy on firms' preferences for integrative concession bargaining are in line with what was hypothesis 3. Firms that had adopted a set of practices consistent with the high-commitment or high-performance HR paradigm were very much more likely to have opted for integrative over classical distributive concession bargaining. This suggests that the high-commitment paradigm extended to co-operative relations with unions, as widely reported in the international literature, and that this posture remained a feature of their behaviour in recessionary conditions.

Contrary to hypothesis 4 firms were more likely to have opted for integrative concession bargaining the *more* they had found unions to be obstructive by insisting on protracted and detailed negotiations. One of two possibilities arise when interpreting this finding. First, integrative concession bargaining and its associated concessions to unions may have been

proffered in an attempt to shift bargaining in a more co-operative direction, grounded in the principle of mutual gains. Second, even where firms had proffered concessions to unions, they may nevertheless have continued to find unions' postures obstructive.

As hypothesized by H5, firms were more likely to have engaged in integrative concession bargaining the greater the degree to which union power and influence, as seen by managers, had been undiminished by the recession. In such circumstances firms appeared more likely to have sought integrative solutions and to have been willing to make concessions to unions in such areas as access to financial information and to have agreed 'claw-back' and review arrangements in respect of concessions in pay and conditions to which unions had agreed.

In examining the possible influence of commercial pressures on concession bargaining, we find that firms that had implemented generalized retrenchment programmes, involving a raft of changes to pay and working conditions, were many times more likely to have conducted integrative concession bargaining than distributive bargaining. Contrary to hypothesis 6, such firms were nearly six times more likely, other things being equal, to have engaged in integrative concession bargaining than classical distributive concession bargaining. This suggests that the sheer scale of the retrenchment measures in which these firms were involved may have inclined them towards a search for integrative solutions and thus to a greater willingness to make concessions to unions.

We turn next to examine influences on the adoption of the minimal engagement form of concession bargaining evident in the focus group results and confirmed by the analysis in Table 3 above. Here we necessarily move beyond the hypotheses outlined earlier, as these were derived in the main from how the international literature viewed integrative, distributive and ultra concession bargaining. We find that the two key influences on firms favouring the minimal mode of concession bargaining over classical distributive concession bargaining

were: (1) unions not being regarded as constructive or realistic in engaging with the business during the recession; (2) firms believing that responding to the recession was of such urgency as to preclude consultation or negotiation with unions. It is clear then that what mattered in predisposing firms to minimal engagement with unions is a belief that they had been and might continue to be ‘unrealistic’ and ‘unconstructive’, as well as a belief that commercial pressures were so acute that they left no time for consultation or negotiation.

Conclusions and Discussion

The international literature has identified three modes of concession bargaining: integrative, distributive and ultra and provided some indications of the institutional and commercial circumstances in which these have arisen. This research has shown that in the case of Ireland ultra concession bargaining has not been pursued; bargaining with key features of the integrative mode is evident in a minority of firms and the distributive mode of concession bargaining dominates the picture. However, distributive concession bargaining appears to span a spectrum of bargaining postures. At one end of this is what we have termed minimal engagement bargaining, where firms engage with unions to the minimum possible degree, either seeking to accelerate bargaining cycles, negotiate under the shadow of duress or trying to bypass unions. At the other end of the spectrum is classical distributive bargaining, where unions are engaged more actively and deals are concluded; these deals involve few quid-pro-quo for unions, other than general assurances that jobs will be more secure.

We first address what appears to us as the macro-institutional basis of the patterns of concession bargaining identified in the Irish case. The framework developed in Table 1 suggests that institutional arrangements and patterns at the macro-level both constrain and facilitate the postures and strategies of employers in responding to the pressures of recession.

The absence of ultra concession bargaining in Ireland reflects a set of national employment relations institutions in which employers in general have not used the recession to launch a frontal assault on union recognition or collective bargaining. For more than twenty years Irish employers worked with unions and governments as ‘social partners’ to determine pay and conditions and to negotiate over key areas of public policy. While social partnership collapsed in 2009 and unions have since experienced less positive and benign postures from employers and government, the kinds of strident ideological and hostile postures identified by Chaison, tolerated if not indeed reinforced by the postures of governments, have not been a feature of the Irish landscape.

If macro-institutional arrangements explain the absence of ultra concession bargaining in Ireland, they also seem to us to help explain the limited incidence of integrative concession bargaining. While 1997 to 2009 employers, trade unions and the state were parties to a series of framework agreements on partnership in enterprises and workplaces, in reality few such arrangements developed in the private sector (Roche and Teague 2014). At the onset of the economic crisis support for partnership in the workplace had all but waned and the principles and practices underpinning the partnership model no longer represented a widely accepted template for responding to acute commercial pressures. So the firms that opted for integrative solutions to their commercial problems did so without much support from the wider employer or union communities or from governments or state agencies.

The dominance of distributive concession bargaining can then be largely understood in terms of the affinity between this mode of concession bargaining and classical adversarial bargaining, from which indeed it can be seen to have emerged in a quite organic manner in a new and very harsh commercial environment. Those employers insistent on rapid solutions

and intent on minimizing union influence could still opt for limited engagement with unions, while others could seek to transpose conventional bargaining postures to new circumstances in which they felt it imperative to persuade unions to make significant concessions by themselves offering concessions in reciprocation.

The analysis has also borne out a series of micro-institutional arrangements and commercial pressures influencing patterns of concession bargaining in Ireland Firms that opted for integrative bargaining were more likely to have implemented a high-commitment model of HRM with its preference for co-operative industrial relations. They were more likely to have engaged with unions judged to have been unaffected by loss of influence and power as a result of the recession. At the same time they were also more likely to have viewed unions as having impaired their response to the recession by insisting on detailed and protracted negotiations and were no more likely to have found unions 'realistic and constructive' in the face of the recession. When it is further established that firms that engaged in integrative concession bargaining were substantially more likely to have faced commercial pressures requiring multiple changes in pay, conditions and work practices, the conclusion that appears warranted is that integrative concession bargaining may have been adopted by firms as much as anything else because they had sought radical changes in pay and conditions and felt constrained to offer concessions to unions that were still capable of wielding significant countervailing power.

Firms that sought minimal engagement with unions were marked by having found unions less 'realistic and constructive' and by their belief that the urgency of responding to the recession had left little time to consult or negotiate with unions – even allowing that while some sought radical changes in pay and conditions, others confined their response to pay freezes and limits

on overtime working. The critical influences shaping the adoption of minimal concession bargaining then were acute commercial pressures seen to have warranted a rapid or near immediate response and a belief that unions were not amenable to what such firms viewed as realistic or constructive postures in the circumstances that prevailed.

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Table 1 Modes of Concession Bargaining and their Antecedents

<i>Integrative Concession</i>	<i>Distributive Concession</i>	<i>Ultra Concession</i>
<i>Bargaining</i>	<i>Bargaining</i>	<i>Bargaining</i>
Employers gain concessions while co-operating with unions and offering reciprocal concessions in areas such as access to financial information, recognition and representation, review mechanisms, profit sharing, participation in decision-making.	<i>Features of concession bargaining</i>	Employers demand substantive concessions on pay, conditions and work practices but also confront and seek to displace, undermine or de-recognize unions and constrict collective bargaining.
Recession and/or acute threat from international competition. Concession bargaining novel within economy.	<i>Macro-Institutional and Commercial Antecedents</i>	Recession and/or acute threat from international competition. Successive cycles of concession bargaining within economy.
External institutional environment (employer & union confederations, public policy and legal framework) benign towards union involvement, or accommodation within firms.	Recession and/or acute threat from international competition. Concession bargaining established within economy.	External institutional environment hostile towards collective bargaining and union accommodation.
Co-operative industrial relations arrangements or legacy; unions influential and collective bargaining embedded. Unions seen to be responsive to changes mooted.	External institutional environment neutral towards union accommodation.	Contraction of collective bargaining and of union density as a result of cycles of concession bargaining and secular trends
Commercial threats and measures in response are moderate.	Collective bargaining well established.	Little weak legacy of co-operative industrial relations; unions made vulnerable to offensive tactics by declining density and growing non-union competition and possibly by successive cycles of concession bargaining within firm.
	<i>Micro-Institutional and Commercial Antecedents</i>	Commercial threats and measures in response are severe.
	Little/weak legacy of co-operative industrial relations; unions influential. Unions seen to be likely to challenge and negotiate the detail of response measures.	
	Commercial threats and e ²⁵ measures in response are moderate to severe.	

Table 2 Main Findings of Management and Union Focus Groups

HR Managers' Focus Groups

- HR managers reported seeking and gaining wide-ranging freezes and reductions in pay, headcount reductions and changes in conditions of employment and work practices during the recession in return mainly for general assurances that remaining jobs would thereby be more secure.
- Unions in general were seen as 'constructive and realistic' in their responses to employers' demands for changes in employment arrangements.
- Unions were not seen in general as having much influence on the key terms of retrenchment agreements and the concessions they contained (unions agreed). Concessions in such areas as access to financial information, review mechanisms that could lead to the restoration of pay and conditions, subject to business recovery, and similar 'claw-back' mechanisms had been agreed in some instances.
- Impatience was sometimes expressed with the length of time required to complete bargaining cycles and with unions' insistence on detailed and protracted negotiations, where firms faced acute commercial pressures that were seen to warrant a rapid response.
- Some firms reported opting to engage with unions in a co-operative manner and this sometimes reflected a legacy of co-operative employment relations and/or their adherence to a high-commitment HRM model.

Union Officials' Focus Groups

- Union officials reported continuous pressure to concede reductions in pay, reductions in head count, changes in working conditions and in working practices, generally in return for general assurances that remaining jobs would thereby be more secure and sometimes in return for the access to financial information and the kind of review and claw-back mechanisms reported by HR managers.
- Union officials sometimes reported major difficulties in persuading employers to adhere to establish collective agreements, to negotiate in the manner that had long been established practice, or to engage in anything more than a cursory way or without threatening to implement measures unilaterally if agreement could not be reached.
- Union officials distinguished between employers who sought to 'change the rules of collective bargaining' in these ways and those they saw as prepared to continue working with unions, as in the past, on a *bona fide* basis or in an otherwise constructive manner.

Table 3 Employers' Postures Towards Unions and Employees in the Recession: Latent Classes

<i>Clusters :</i>	<i>Distributive Concession Bargaining</i>		<i>Integrative Concession Bargaining</i>	<i>Wald p value</i>
	Minimal	Classical		
<i>Cluster Size:</i>	0.33	0.56	0.12	
<i>Indicators:</i>				
Active engagement with unions in developing				
HR options with which to respond to the recession	0.18	0.86	0.86	0.13
Employees actively involved in developing options for				
Responding to the recession	0.26	0.58	0.87	0.02
Unions gained greater access to financial information				
in return for agreeing measures for responding to the recession	0.00	0.18	0.70	0.03
Unions secured financial clawbacks for their members when business				
conditions improve	0.00	0.02	0.49	0.01
Unions gained support for organizing or representing members				
in return for agreeing measures for responding to the recession	0.00	0.06	0.56	0.01

$L^2 = 14.48$, p value (testing the hypothesis that additional classes are required to fit model to data) = 0.41.

Table 4 Influences on Modes of Concession Bargaining in Firms: Multinomial Regressions

Independent Variables:	Modes of Concession Bargaining	
	'Minimal' favoured over 'classical distributive' bargaining (Odds Ratios)	'Integrative' favoured over 'classical distributive' bargaining (Odds Ratios)
<i>Features of employment relations</i>		
Union influence on business unaffected by the recession	1.0	2.1**
Unions have impaired the firm's response by insisting on protracted and detailed negotiations	1.0	2.0*
Unions have been realistic and constructive		

in engaging with the business in response
to the recession

0.6**

1.5

Urgency and depth of commercial responses

The actions required to respond to the
recession have been so urgent that there
has been little time to consult or negotiate
with unions

1.9****

1.0

Generalized retrenchment programmes

Implemented

0.7

1.6**

Employment relations and HR legacies

Partnership arrangements in being

0.2

0.4

Commitment-oriented HRM

0.9

5.6**

Model Fit: -2 Log Likelihood = 223.9***

*** = significant at the 0.01 level; ** = significant at the 0.05 level; * = significant at the 0.10 level

Notes

¹ The study was funded by the Labour Relations Commission.

² Two officials participating in the focus groups represented public service employees only and their views and experiences are excluded from the research reported in the paper.

³ The time-trend extrapolation test, incorporating Chi Square and T tests, was conducted to determine if any significant differences in response patterns could be found between early responders and those who completed the questionnaire only after several follow-up contracts – the assumption being that late responders were similar to non-responders (see Podsakoff et al. 2003). The test revealed no significant differences in response patterns. Further details of test results are available from the authors.

⁴ Full technical details of the survey methodology and data re-weighting are available from the authors.

⁵ Both a two-cluster model and a three-cluster model fit the data adequately. The two-cluster model revealed a minority of employers actively engaging with trade unions in terms of most of the indicators in Table 3 and a majority engaging with unions to a much more limited degree. In assessing model fit and choosing between models with different numbers of clusters, it is also important to examine ‘bi-variate residuals’ between pairs of variable or indicators for evidence that the patterning in sets of variables may be inadequately accounted for within the models being assessed (Magidson and Vermunt 2005). An examination of the bi-variate residuals for the two-cluster model revealed large residuals for several pairs of indicators, suggesting limitations in the overall fit of the model. In the three-cluster model presented in Table 3, all bi-variate model residuals were reduced to a satisfactory level. A second means of comparing models is to determine whether a model positing an additional cluster/mode of concession bargaining improves the statistical capacity of the analysis to profile the survey population. This is achieved by conducting a ‘conditional bootstrap test’ (see Magidson and Vermunt 2005: ch. 7). This test compares models positing that firms adopted two and three modes of concession bargaining. The result of the conditional bootstrap -2LL difference test positing that three-cluster model adds significantly to fit as compared with the two-cluster model was significant: $p = 0.0460$. This indicated that the model positing the three modes of concession bargaining profiled in Table 3 contributed an overall improvement in model fit - there being a less than a 5 in one hundred risk that this result was due to chance. The details of the statistical results testing for the fit or adequacy of the three-cluster/modes of concession bargaining model are reported at the foot of Table 3 of the paper.

⁶ Full details of latent class modelling results are available from the authors.

⁷ Data on the historical and current incidence of partnership arrangements in firms, gathered by O’Dowd (2010), were added to the datafile for firms in the survey. The authors would like to thank John O’Dowd for making these data available.