CENTRE for ECONOMIC PERFORMANCE

FUTURE OF UNIONS IN MODERN BRITAIN

Mid-Term Report on Leverhulme Trust-Funded Research Programme 2000 – 2002

LSE

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INTRODUCTION

This Report discusses the first three years of the programme of research, funded by the Leverhulme Trust, on the Future of Trade Unions in Modern Britain. The projects are organised into a number of strands: membership; interaction with employers and the state; adapting to change; performance outcomes; and the public sector and public policy. There are some themes which run right through these strands including what unions do for employees, unions' internal organisation and how unions interact with employers.

Our research draws on many disciplines including industrial relations, economics, law, history, geography and organisational behaviour. Much of it is truly interdisciplinary. For example the project on union recognition blends the law and work organisation. And research on what unions achieve for women dovetails economic analysis, psychology and a spatial element. All the standard methods of social science investigation are being used. For example the work on family friendly policies has used both statistical analysis to interpret data from the 1998 Workplace Employment Relations Survey (WERS) and detailed case studies. The research on recognition and membership uses case studies, own surveys and statistical analysis of secondary data. It is our firm intention to continue to draw on a variety of disciplines and methods of investigation during the remainder of this programme. Some important findings from the research are set out in the box below.

The original research programme was detailed in previous annual reports and details of the research team are listed below. The organisation of the research has evolved over 2000-2002. John Pass replaced Lesley James on the Steering Committee in 2002. With the permission of the Trust, we added six Research Associates: Alex Bryson of PSI, Rafael Gomez of the LSE Management Institute, Diane Perrons of the LSE Geography Department and Keith Ewing Law at King's College London. Professor Ewing replaced Paul Davies, whose appointment as Deputy Chair at the Central Arbitration Committee meant he could no longer participate in the recognition project. Stephen Bach (Kings College London) and Robert Taylor (ex-Labour Editor, Financial Times) joined as Research Associates in October 2002 to further strengthen our research on the public sector and public policy. Some new areas of research were added including unions and the new economy, and the application of marketing theory to union activity, public sector, and the public face of unions. Five colleagues – Andy Charlwood, Helen Bewley ***(née Gray)***, Vidu Badigannavar, R?is?n Ryan-Flood and Rebecca Givan – are making excellent progress towards completing their PhD's, using their research done for the programme. We are fortunate in CEP because we can draw on the expertise of our Data manager and IT co-ordinator whose efforts have been especially valuable to colleagues using sophisticated quantitative techniques.

CEP culture is to put real effort into dissemination and we have taken trouble to bring our work to a wider audience (documented more fully in the Dissemination and Impact section). It is worth highlighting here the successful event each Spring, attended by some 40 colleagues mainly from the labour movement, and the academic workshop at Christmas where we expose our research to our peers. We were also active in conferences, policy advice and the media. We have a major publishing agreement with Routledge for three edited volumes (spring 2003, 2004, 2005) to distil the output of the programme for a wider audience.

We wish to express our thanks to a number of colleagues. In 2000-01 Professor Barry Supple and the Leverhulme Trustees were, as ever, supportive and flexible (for example concerning the new areas of work). Lord McCarthy, the Trust's then monitor, made a number of constructive suggestions during the year which contributed to the success of the programme. The new Director of the Trust, Sir Richard Brook, has been equally supportive. Our Steering Committee all helped, both behind the scenes – for example with access – and at the various

events they attended. We know how busy these six colleagues are and their support is therefore all the more valuable. Practitioner and academic colleagues who attended Spring dissemination events and December workshops were very constructive and unfailingly helpful concerning the progress of our research. Many of the projects trespass on the time of industrial relations practitioners – mainly union officials – and we appreciate their backing at what is a difficult but exciting time for the union movement.

The report is organised as follows. Programme members are listed. Then our progress on research is set out. Each chapter has an eye on the big question: do unions have any future in modern Britain? Dissemination and impact is then discussed briefly. Full details on conferences, events and publications are set out at the end of the report.

A sample of findings

- Age matters a lot in explaining union decline in the UK. This applies to both age of worker and age of workplace. Statistical evidence controlling for other factors shows newer workplaces to have substantially lower rates of unionisation than older workplaces, and young workers to be substantially less likely to join trade unions than in the past. If unions are to regain an important role in the economy it is vital that they reverse these age related trends and successfully organise new workplaces and new entrants to the workforce.
- Union membership is declining as a proportion of the workforce in Britain not because unions have done a poor job of servicing their existing membership base, but rather, because they have not organised a new generation of workers – those that started working in the late 1980s and throughout the 1990s. However, all is not lost for unions since there are substantial pockets of workers in many segments (youth, ethnic minorities, retail workers) who desire some form of union representation. Employer opposition is not the only reason why these workers who desire representation are not getting it. Unionisation is an experience-good so unions can do a lot more to lower the "sampling cost" of unionisation. This is important, since workers who have either direct or indirect experience with a union – either through family and friends or at work – are more likely to be members and/or express a willingness to join a union in the future.
- Performance-related pay is now a widespread feature of the UK labour market. While such pay systems pose a direct challenge to the "rate for the job" rule traditionally favoured by unions, they also generate new demands for employee representation as a means of ensuring their fair and transparent operation.
- A matched pair comparison of NHS trusts with and without partnership agreements revealed that a significantly larger proportion of employees in the partnership NHS trust rated their union to be more effective, as compared to their counterparts in the non-partnership NHS trust in: being open and accountable to the members, sharing information about employer and workplace and working with management to improve quality and productivity. However, there was no significant difference reported in the union's ability to win fair pay increases, protect workers against unfair treatment, promoting employment security, promoting retraining and redeployment wherever possible in case of redundancies, ensuring redundancies if any are voluntary and, negotiating a fair redundancy package.
- The union wage premium has been in decline since the mid-1990s. By 2001 the premium appears to have disappeared. Union impact on productivity and financial performance is also much attenuated now.
- Unions reduce wage dispersion and increase the likelihood that employers promote equality of opportunity. However, fear of victimisation, a reluctance to pay union subscriptions amongst the low paid, and the perceived irrelevance of unions to skilled workers who are able to find alternative employment relatively easily, dissuade workers experiencing discrimination from unionisation.
- The statutory union recognition procedure under the Employment Relations Act is working much as intended: it is providing a right to union recognition where it can be demonstrated that the majority of the workforce want it, it is robust against judicial reviews, it is being used as a last resort, and it has stimulated voluntary recognition. Nonetheless use of it in multi-state firms is constrained and employers' tactics may be adversely affecting the success of cases. Its impact on union membership and collective bargaining coverage is limited as the number of new recognitions remain low.
- In the private sector, Britain has moved away from a negotiation-based and towards a more information- and consultation-based system of employee representation. The new EU Directive presents challenges for trade unions, but also opportunities which they are well placed to exploit.

FUTURE OF UNIONS IN MODERN BRITAIN
COLLEAGUES AND STAFF

Steering Committee

John Cridland	Deputy Director, Confederation of British Industry
Robert Elliot	Professor of Economics, Aberdeen University
John Fisher	Director of Education, Research and International, TGWU
Lesley James	Vice President (Employee Relations) CIPD (left Summer 2002)
Tom Kochan	Professor of Management, MIT
John Monks	General Secretary, Trades Union Congress
John Pass	John Lewis Partnership (from Autumn 2002)

Principal Researchers

David Metcalf	Professor of Industrial Relations, LSE, Director of Programme
Paul Davies	Cassel Professor of Commercial Law, LSE (Left mid 2001 - CAC role)
Sue Fernie	Lecturer in Industrial Relations, LSE
Richard Freeman	Ascherman Chair of Economics at Harvard University, Co-director CEP
Howard Gospel	Professor of Management at Kings College London
John Kelly	Professor of Industrial Relations, LSE
John Logan	Lecturer in Industrial Relations, LSE
Stephen Machin	Professor of Economics at University College London and Director of CEE at the CEP
David Marsden	Professor of Industrial Relations, LSE
Paul Willman	Professor of Organisational Behaviour at Oxford University
Stephen Wood	Professor of Work Psychology at Sheffield University

Research Associates

Alex Bryson	Senior Fellow PSI
Rafael Gomez	Lecturer in Management, LSE
Diane Perrons	Senior Lecturer in Geography, LSE (from summer 2001)
Keith Ewing	Professor of Law, King's College London (from autumn-2001)
Stephen Bach	Senior Lecturer, Kings College London (from autumn 2002)
Robert Taylor	Ex Labour Editor, Financial Times (from autumn 2002)

Research Officers and Assistants

Róisín Ryan-Flood	(2001 -)
Vidu Badigannavar	(2001 -)
Joanne Blanden	(2001 -)
Richard Belfield	(2001 -)
Rebecca Givan	(2002 -)
Andy Charlwood	Left October 2001, Lecturer in HRM, Kent University, part-time with programme. From 2003, Leeds University
Wayne Diamond	Left December 2001, Research post at DTI
Helen Bewley *(née Gray)*	Left December 2002, Research post at PSI
Sian Moore	Left Autumn 2002, Research post at London Metropolitan University, part-time with programme

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Chapter 1

British Unions: What Future?

David Metcalf

Summary

- At its peak UK membership stood at 13 million in 1979 but haemorrhaged 5.5 million in the subsequent two decades. Presently 29% of employees belong to a union, 3-in-5 in the public sector but under 1-in-5 in the private sector. The sustained decline in membership in the 1980s and 1990s was a consequence of interactions among the composition of the workforce and jobs; the roles of the state, employers and individual workers; and of unions own structures and policies.

- Unions now impact only modestly on pay, productivity, financial performance and investment. The negative association between recognition and employment growth, even assuming it is not causal, will depress future membership if it continues. Unions are a force for fairness in the workplace; they narrow the pay distribution, boost family friendly policy and cut accidents.

- There are around 3 million free-riders and another 3 million employees who would be very likely to join a union if one existed at their place of work. The challenge for the union movement is to organise these workers (a twentieth a year is 300,000 extra members) while still servicing their existing 7 million members.

British unions presently cover 3-employees-in-10. Membership declined by over 5 million in the two decades after the 1979 zenith of 13 million. The future of British unions turns in large part on what they do – to economic efficiency, fairness and to industrial relations. Any resurgence of unions depends on where the new jobs are, support from the state, interactions with employers and unions' own servicing and organising policies. Union membership, impact and future will be considered in turn.

Membership and decay 1980s, 1990s

Membership figures

Union membership rose by 4 million between 1950 and 1979. At its peak UK membership stood at 13.2 million in 1979 but haemorrhaged 5.5 million in the subsequent two decades (see table 1.1). Presently union membership is 7.55 million, consisting of 7.25 million employees and 0.3 million self-employed people. Since the Blair government came to power in 1997 the number of employees who are members has been roughly constant at around the seven and a quarter million mark. This is equivalent to a density figure (i.e. percent unionised) of 29% (see chapter 2).

Table 1.1
Trade union membership and density, UK

	Membership (000)	Density (% of workforce)
1950	9,289	40.6
1960	9,835	40.9
1970	11,178	45.9
1980	12,947	49.0
1990	9,947	35.3
2000	7,779	26.2

Notes and sources: These membership data come from the Certification Officer but are self-reported by unions and include some retired, unemployed and non-UK residents. The latest Labour Force Survey results (autumn 2001) indicate that in the UK there are 7.55 million members including 0.3 million self-employed and that 7.25 million employees (29.1%) are union members.

Density alters by demographic, job and workplace characteristics. It varies little by gender or ethnic origin but rises with age, falling off slightly past age 50. Those with higher education have density levels substantially above those with fewer qualifications. Teachers, nurses and other professional workers have the highest density of any occupation (48%) and sales occupations the lowest (11%). Density rises sharply by tenure, a mirror image of the well known finding that labour turnover is lower in workplaces which recognise a union.

Small workplaces (under 25 employees) have density levels less than half those of larger establishments. People who work in public administration, education and health are far more likely to be members than those employed in business services or hotels and restaurants. In the public sector 3-employees-in-5 are members but the corresponding figure for the private sector is fewer than 1-in-5. Manufacturing now has a union density (27%) below that for the whole economy (29%). And an individual is more likely to belong to a union if she or he lives in the northern part of the UK than in southern regions.

The number and structure of unions has altered dramatically too. A century ago there were 1300 unions and at the end of World War II there were still nearly 800. Mergers, takeovers and the decline of unions for specific craft groups like the Jewish Bakers and Sheffield Wool Sheep Shearers has reduced this figure to 226. Indeed, the 11 unions each with over 250,000 members now account for almost three quarters of total membership. But some small unions do survive – including the Association of Somerset Inseminators and the Church and Oswaldwistle Power Loom Overlookers Society.

Going hand in hand with the decline in union penetration has been a profound change in the type of mechanisms that provide employees with a voice – a big switch away from representative voice to direct voice. Representative voice occurs via a recognised trade union or works council. Direct voice bypasses these intermediate institutions. Instead, management and employees communicate directly with one

another through, for example, team briefings, regular meetings between senior management and the workforce and problem solving groups, such as quality circles. Between 1984 and 1998, the proportion of workplaces with only representative voice arrangements halved, while those relying just on a direct voice nearly trebled. What happened was that unionised workplaces added complementary direct communication systems, while nearly all new workplaces opted for direct communication methods without recognising unions.

The decline in membership

How can the relentless, sustained decline of membership in the last two decades of the twentieth century be explained? There is no single factor. Rather it was the consequence of interactions among the composition of the workforce and jobs; the roles of the state, employers, and individual workers; and of unions own structures and policies.

It used to be thought that the business cycle also helped explain membership such that persistent unemployment led to declining density. But since 1993 unemployment has fallen continuously and so has density – the reverse of predictions from business cycle models – so this explanation can be ruled out.

Shifts in the composition of the workforce and jobs are one ingredient. More highly unionised sectors like cars and ships or the public sector, and individuals with a greater likelihood of being a member – males or full-timers for example – now account for a smaller proportion of total employment. So, as a matter of arithmetic, union membership also falls. It turns out that such composition effects are less important than commonly realised, accounting for around a quarter of the fall in membership. Rather, the bulk of any explanation turns on convergence of membership within groups: unionisation of men has fallen to a similar rate to women and some convergence has also occurred for unionisation rates between full-timers and part-timers, large and small workplaces, and manufacturing and non-manufacturing.

Activities and policies of the state affect union membership both directly, for example by legislation promoting or undermining union security, and indirectly via its influence on the environment in which employers and unions operate. In the 1980s and 1990s the environment in which the social partners conducted their activities was profoundly affected by the onslaught on public sector activities and greater emphasis than previously on product market competition. Public sector unions faced privatisation, compulsory competitive tendering and contracting-out. Collectivism was damaged by taking a million nurses and teachers out of collective bargaining. And in the private sector by promoting company-based payment systems like profit sharing and employee share ownership schemes through tax breaks (although there was surely no market failure to justify this) while disabling public protection for the lower paid by abandoning both Fair Wage Resolutions and wages councils. Product markets were altered for ever by abandoning state subsidies to sectors like coal, steel and shipbuilding, axing exchange controls and, less obviously, by policies such as selling rather than allocating commercial TV franchises and building the channel tunnel. Each of these policies had the side effect of rupturing the sometimes previous cosy relationships between capital and labour.

Industrial relations legislation plays a more direct role in the ebb and flow of membership. In the 1980s legislation impaired union security by weakening and then outlawing the closed shop and interfering in check-off arrangements. The strike threat, a fundamental source of union power, was weakened by a succession of laws which permitted a union to be sued, introduced ballots prior to a strike, and outlawed both secondary and unofficial action. This legislation simultaneously raised the cost of organising and reduced the costs employers face in opposing unions.

Did employers become more hostile to unions in the 1980s and 1990s? There is no evidence that union activity – the wage premium causing higher labour costs for example – resulted in a higher rate of closures among union plants compared with their non-union counterparts. Nor did management embark on wholesale derecognition of trade unions: the derecognition rate was around 1% a year between 1984 and 1998. Although derecognition in some national newspapers, TV and docks generated bitter industrial disputes and considerable media interest, such management action was quite rare.

Rather, union decline turns mainly on the inability of unions to achieve recognition in young workplaces reflecting, for example, Thatcherite views among some managers and the growth of investment from overseas. In 1980 three fifths of establishments under 10 years old recognised unions, similar to the fraction of workplaces 10 or more years old (.65). But over the next two decades unions found it progressively harder to organise new workplaces. By 1998 just over a quarter of workplaces under 10 years of age recognised a trade union, only half the corresponding figure for older workplaces. This inability to get much of a foothold in new workplaces was not confined to private services. More stunning was the virtual collapse of recognition in newer manufacturing plants. Only 14% of manufacturing workplaces set up after 1980 recognise a union compared to 50% of those established in 1980 or before.

One key advantage to the individual employee of belonging to a union is the wage premium compared with equivalent non-members. This premium was approximately constant at around 10% in the 1980s but at least halved in the 1990s – indeed some studies report there is no longer any premium to joining a union. Partly as a consequence of such lower benefits to membership there has been a large rise in the fraction of the workforce that has never been a union member, up from 28% in 1983 to 48% in 2001 (see chapter 3). It is not that extant members are quitting but more that unions cannot get individuals to join in the first place. Another facet of declining overall membership is the ebbing of density where unions are recognised. Younger employees are much less likely to belong to a union than older workers and this gap in membership rates by age has grown dramatically recently. This is a worrying trend from unions' viewpoint because such non-membership is prone to persist across generations. Therefore union membership in the future turns on getting recognised in newer workplaces and attracting younger employees into membership – a difficult task if they (or their parents) have never experienced membership and if the benefits of membership are demonstrably, or perceived to be, below those two decades ago.

Unions' own structures and policies matter too (see chapter 6). Consider a couple of examples concerning structure. It took some unions like TGWU and ASLEF

some time to align the shop steward role in a decentralised system with the need for a national voice. And what was the rationale for mergers? Many were simply market share unionism – shuffling around existing members – rather than designed to achieve scale economies in order to release resources for organising.

Policy was often not clear either. The balance between servicing existing members and organising new ones was not always thought through. And, till recently, concerns of female members – work/life balance, parental leave etc – have had low priority. In dealing with employers the union movement took an age to come to terms with the break up of national bargaining in the private sector and single union deals. Recent emphasis on cooperative industrial relations ("partnership") hints that these lessons have now been learnt.

It is not surprising that union membership plummeted in the 1980s and 1990s. The conjunction of hostile forces played a major part. How could unions resist the altered structure of jobs, rising unemployment (in the 1980s and 1990s), a hostile state, more intense employer opposition and the growth of individualism? Unions do not thrive in adversity. In the 1950s and 1960s under the post war settlement and the growth of the welfare state unions flourished. Then, in the 1970s, when that settlement disintegrated the union movement was well dug in – the fifth estate of the realm which many joined even if they disliked it. But in the last two decades of higher unemployment, altered industrial structure and intense product market competition unions needed the support of workers and employers. By and large they did not get it. What had previously been conforming behaviour – to recognise and to belong to a union – became deviant.

What do unions do?

Forty years ago Alan Flanders, the most perceptive contemporary observer, suggested that unions have both a "vested interest" and "sword of justice" effect. The vested interest impact, similar to the monopoly face of unions set out by Richard Freeman, turns on unions' influence on pay, productivity, profits, investment and employment. The question is, essentially, what effect do unions have on workplace and firm performance? The sword of justice – vividly described by Flanders as unions' "stirring music" - is more about fairness and due process. In addition unions also impact on employee relations through their bearing on the industrial relations climate and job satisfaction. These will be considered in turn.

Workplace performance

If the presence of a union in a workplace or firm raises the pay level, unless productivity rises correspondingly, financial performance is likely to be worse. If the product market is uncompetitive this might imply a simple transfer from capital to labour with no efficiency effects, but it is more likely to lead to lower investment rates and economic senescence. In the 1970s and 1980s the evidence indicated that union members received a pay premium, but without the corresponding rise in productivity. If anything demarcations, unofficial industrial action and multi-unionism lowered productivity. Hence profitability in workplaces with union recognition was below that in non-union workplaces. But, as we saw above, the world has moved on: what effect have those changes had on workplace performance?

One major reason for belonging to a union is, historically, because union members have received a pay premium ("wage gap") over similar non-union members. A recent exhaustive survey concluded that for the 1980s "the consensus in the literature was that the mean hourly wage gap was approximately 10%". The outlawing of the closed shop in 1990, falling density where unions are recognised, more intense product market competition and the loss of nearly 6 million members was bound eventually to result in a lower wage premium. And so it has – evidenced in a number of recent studies (see chapter 8).

Machin's study is particularly informative and is summarised in table 1.2. For men, the wage premium fell from 9% in 1991 to zero in 1999, while for women it fell from 16% to 10% over the eight years. More importantly, there is now no (wage) benefit to joining a union and no cost to leaving. Machin summarises his work: "For men it used to pay to be in a union [in the early 1990s] and it used to pay to join a union, but by the end of the 1990s it does not. For women the answer is: it does still pay to be in a union, but not by as much as it used to, and it does not pay to newly join".

By the end of the 1990s the average union-non-union differences in labour productivity were also negligible. But there are two sets of circumstances when union recognition continues to be associated with lower labour productivity. First, productivity is lower in workplaces with multi-unionism and fragmented bargaining. But such multi-unionism is now rather unusual – only 7% of workplaces are characterised by fragmented bargaining. Second, when the product market is monopolistic, with just 1-5 competitors, productivity is also lower.

In the past, the impact of union recognition on wages and productivity fed through into an adverse effect on profitability or financial performance. Now there are no significant overall links, on average, between union presence and financial performance – reflecting the weaker union impact on both pay and productivity levels that unions now have compared with one or two decades ago. But, again, this "average" result conceals some interesting findings. Multi-unionism still results in worse financial performance where the bargaining remains fragmented. Where the firm recognises a union it will have a less good financial performance if the union organises under half the workforce: encompassing unions yield superior performance to weaker ones. Finally, the product market remains crucial. Any union effect turns on there being few competitors in the product market – permitting unions to switch some of the surplus from owners of capital to labour.

Thus, on average, the impact of unions on firms' pay, productivity and profitability is small and probably confined to monopolistic and/or multi-union workplaces. In these circumstances it is not surprising that there is also no strong evidence that union recognition hinders investment in plant and machinery. Indeed, the evidence on investment in human capital is that unionised workplaces invest more in their workforce than their non-union counterparts. But one profoundly worrying trend remains for unions. Other things equal, employment in a unionised workplace grows some 3% a year more slowly (or falls 3% a year more quickly) than in a non-union workplace. Even though it is unlikely that union activity is itself the cause of this differential change in employment – which has now been in evidence for 20 years – if it persists the implications for future membership levels are very serious.

Table 1.2
Union wage effects 1991, 1995, 1999 %

	Cross section	Joiners	Leavers
Males			
1991	9	9	-13
1995	6	0	0
1999	0	0	0
Females			
1991	16	15	-14
1995	16	6	-8
1999	10	0	0

Notes and sources: Data came from British Household Panel Survey and full details of Machin's study are in Metcalf (2003).

Sword of justice

Any impact of trade unions on economic performance is more muted than it was twenty years ago. But unions still wield the sword of justice in the workplace. Unions narrow the distribution of pay, promote equal opportunity and family friendly policies, and lower the rate of industrial injuries.

The spread of pay among unionised workers is smaller than the spread among their non-union counterparts. This is because unions protect the pay of those on low earnings and because unionised workplaces make more use of objective criteria – seniority for example – in setting pay rather than subjective factors – like merit-preferred in non-union establishments (see chapter 7). Unions also compress the pay structure between different groups in the labour market: women and men, blacks and whites, and those with health problems and the healthy. If there were no unions the gender pay gap would be 2.6% wider and the race pay gap 1.4% bigger. These are very substantial effects. When the national minimum wage was introduced in 1999 it had specially favourable influence on female pay – two thirds of those affected were women – but it only narrowed the gender pay gap by a little under 1%. The impact of unions on narrowing the gender pay gap is three times as strong as that of the national minimum wage.

Union recognition is associated with a much greater likelihood of the workplace having some form of equal opportunity policy and an array of family friendly policies designed to encourage female employment (see chapter 9). These practices include parental leave, working from home, term only contracts, the possibility of switching from full- to part-time employment and job shares. Women in unionised workplaces are much better off in terms of career opportunities, flexible work arrangements and general support for family responsibilities than their counterparts in non-union workplaces.

Such family friendly policies go hand-in-hand with better performing workplaces. An establishment with an array of family friendly policies has a greater likelihood of above average financial performance, labour productivity, product or service quality, and lower quit and absentee rates than a workplace without such

practices. Even if the causal mechanism behind such associations is unclear this evidence is surely something for unions to build on in their attempts to appeal simultaneously to management and workers.

Unions also cut industrial accidents. An accident in this context is where an employee has sustained any one of eight injuries during working hours over the last 12 months, including bone fractures, burns, amputations and any injury that results in immediate hospitalisation for more than 24 hours. Unions tend to organise in workplaces where an accident is more likely to occur, but their presence lowers the rate by a quarter, compared with non-union plants. This favourable effect lowering accidents occurs because unions lobby for safety legislation and take industrial action locally to make the workplace safer. Many trade unions also provide health and safety courses. Further a union presence will tend to promote "voice" over "exit": where a union is recognised, employees with concerns about accidents are more likely to be listened to rather than labelled as a nuisance.

Effect on industrial relations

A union presence also influences workers' perceptions about the governance of their organisation. Workplace governance includes: the climate of relations between management and employees; the trust employees have in their managers; and managerial performance. On average workplace governance is perceived as poorer among employees in workplaces with recognised unions, relative to their counterparts in non-union establishments. Better perceptions about governance in non-union workplaces may flow from the use of direct voice – briefing groups, team meetings and the like – rather than representative voice via the union, discussed above.

This "average" finding is only part of the story. Once the decision is taken to recognise a union, governance is profoundly affected by the way the parties go about their business. First, governance is perceived to be better when there is a balance of power between management and union in the workplace. Very strong or very weak unions detract from a good climate or high trust. Second, when the union is recognised it is better for management to support membership: recognition coupled with hostility to individual membership produces the worse outcomes. Third, unions are perceived to be more effective when workplace governance is good. Managers' perceptions of the climate of employee relations have also been analysed and confirm the thrust of these findings concerning individual employees. Unions with on-site representatives, which have the capacity to operate as a strong voice for workers, or a strong agent for the employer, are held by managers to generate a good climate. The implications are clear cut. Once the decision is taken to recognise a union it makes sense to encourage membership and ensure that the union is effective representing employees. This suggests, for example, that partnership arrangements promoting cooperative employee relations are likely to yield superior governance to adversarial, fragmented relations.

Membership or non-membership of a union may also influence job satisfaction. The standard finding is that union members are less satisfied in their jobs than otherwise similar non-members. This is normally attributed to union voice politicising workers, but our research suggests otherwise. Rather, lower job satisfaction among union members flows from the type of employees who become

union members and the type of workplaces that employ them – unions themselves do not lower satisfaction in the job.

The future: dissolution or resurgence?

How might unions reverse declining density and achieve a sustained rise in membership? Broadly there are two routes to revival. Either employment in unionised sectors of the economy has to grow relative to non-union employment or unions must engage in more intense organising activity and enhance their appeal to both employers and potential members.

It is unlikely that any boost in the aggregate number of jobs will occur disproportionately in the unionised sector. In the (highly unionised) public sector, while the number of teachers, nurses and police is rising, overall there will not be much growth in employment in the next decade. In manufacturing, employment now is only a little over a third of its 1966 peak; anyway unions find it just as difficult to get recognised in new manufacturing plants as in private services. Similarly there is no suggestion of strong growth in jobs in utilities or transport. It is likely, instead, that the major share of any growth in employment will occur in private services with a present union density of 15%. So disproportionate growth in employment in the union sector is not the route to the restoration of unions' fortunes.

Alternatively, unions can invest more in organising and servicing activity, which may yield a larger return presently than in the last two decades because the climate of opinion fostered by the state is no longer hostile to collective labour institutions. But the allocation of such servicing and organising investment requires considerable thought. Consider table 1.3: 36% of employees are covered by collective agreements but over one third of these (14%) are free-riders, not members of a union. Looking at the evidence the other way round, a quarter (7%) of total union members (29%) are not covered by collective agreements. This includes teachers and nurses whose pay is settled by arbitration rather than collective agreements. And in the last decade many (particularly smaller) workplaces have abandoned collective bargaining without actually derecognising the union. By far the majority of employees (57%) are neither covered by a collective agreement nor a union member. The evidence in table 1.3 provides remarkable food for thought for unions.

First, servicing those members covered by collective agreements remains a priority particularly in the public sector, the bedrock of union membership (see chapters 10 and 11). Second, absorbing the free-riders – so-called "in-fill" recruitment – might be an attractive (cheap) method of boosting membership. Third, retaining those members where the firm no longer engages in collective bargaining may prove difficult – the union must convince such workers that membership is still worthwhile. Fourth, and most difficult, making inroads into the 14 million who are neither covered by collective agreements nor members is vital for any resurgence. But there is a delicate balancing act here: organising expenditure on this group represents a "tax" on existing members, who may then become free-riders if subscriptions rise to finance the necessary organising.

Table 1.3
Coverage of collective agreements and union membership
UK employees in employment, autumn 2001

		Covered by collective agreement		
		Yes	No	Total
Union member	Yes	5.5m 22%	1.7m 7%	7.2m 29%
	No	3.4m 14%	14.1m 57%	17.5m 71%
	Total	8.9m 36%	15.8m 64%	24.7m 100%

Source: Calculated from Kevin Brock "Trade union membership: an analysis of data from the autumn 2001 LFS", Labour Market Trends, July 2002, 343-354.

Example: 8.9 million employees (36%) are covered by collective bargaining. Of these 5.5 million (22%) are union members and 3.4 million (14%) are not union members.

Around a fifth of these 14 million workers either desire union representation or would be very likely to join a union if one were available. This suggests a "representation gap" of some 2.8 million employees, a potentially rich pool of employees for unions to organise. However, to achieve recognition, these employees need to be concentrated by workplace or there will never be a union available in the workplace. There are some interesting occupations involved here. Recently MSF-Amicus signed up some 2000 Church of England clergy who have no employment rights – their employer is held to be divine not earthly. And the GMB has had some success in recruiting lap dancers.

Such recognition occurs voluntarily, or via the law. Voluntary recognition stems either from true love (cooperation between capital and labour), or a marriage of convenience (a pragmatic second best). The legal route, inevitably associated with adversarial industrial relations, is a shotgun marriage, imposed on a resistant employer by an arm of the State. Under the legal route, if a union can prove a majority of membership in the bargaining unit, then it gains recognition. If not, a ballot is held in which the union must win 50%+ of the votes cast in the ballot and must have at least 40% of the workforce in the bargaining unit voting "yes".

The direct effect of this law is tiny (see chapter 4). Fewer than 20,000 workers have been covered by recognition orders since the law came into effect in 2000. However, its indirect or shadow effect is larger. Over 1000 voluntary agreements – partnerships or marriages of convenience – have been signed in the last three years bringing around a quarter of a million new workers under recognition. But the union focus remains traditional: (ex-) public services, manufacturing, finance and transport and communication. Only one-in-six newly covered workers are in the rest of the private sector.

It is plausible that, in the longer run, the passage of the EU Directive on Information and Consultation will influence unions' futures rather more than the recognition law (see chapter 5). It establishes, for the first time, permanent and general arrangements for information and consultation for all workers in the UK in organisations employing more than 50 employees. It will cover three quarters of the British labour force. Some employers may see this as an opportunity to create weak voice mechanisms; for others it may constitute a chance to institute stronger arrangements complementing other aspects of human resource management. The tough job for unions is to build on these schemes and to maintain and expand their role within them. The evidence seems to be that a union presence complements these arrangements and makes them more effective.

In broad terms there are just over 3 million free-riders and just under 3 million employees who would be very likely to join the union if one existed at their place of work. If unions could organise annually a twentieth of this 6 million pool of potential members their fortunes would be transformed. The challenge for the union movement is to organise these extra 0.3 million members a year while still servicing their existing 7.2 million members.

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Chapter 2

Union Membership

Andy Charlwood

Summary

- Unions negotiate on the behalf of 35% of employees and 29% of employees are union members.
- There is significant demand for union membership and union representation among non-union employees. However, this demand is likely to be soft, so vulnerable to employer opposition.
- Increased investment by unions in organising and the introduction of the statutory recognition procedure appear to have halted union decline, but have not brought about resurgence in union membership.

Introduction

Union membership is central to the question of whether or not British unions have a future. The UK's decentralised collective bargaining system means that unions are reliant on members for financial resources and bargaining power. The period 1980 - 1997 was marked out by the most severe and sustained decline in collective bargaining coverage and union membership in the history of the British labour movement. Over the course of the 1980s and 1990s union membership fell by over 5 million, from over half to under one third of employees. Coverage of union recognition for the purpose of collective bargaining halved from over 70% to 35%. Since 1997 union membership levels and collective bargaining coverage have remained fairly stable but there is, as yet, little sign that unions will be able to regain the ground that they have lost.

If there is to be a wider revival of the labour movement, unions will have to begin to reverse the decline in membership and recognition. The two are intimately related: "It [union recognition] is the only way you'll hold the members on anything other than a short term basis. We've found it again and again. You can build up 90%, close to 100% organisation, and if you can't get the recognition and hold it, they will disappear. This is the common rule in all sectors – if you can't get the recognition it dissipates." *Union General Secretary interviewed by Wood & Moore*. Unions may also be able to grow by signing up free riders in workplaces and companies where unions already have collective agreements, but where union organisation is weak.

Assessing whether or not unions will be able to bring about such a revival is a multifaceted problem which bears a resemblance to a jigsaw puzzle – different projects within our research program represent different pieces of the puzzle which need to be put together before the big picture can be understood. The different projects – or pieces in the jigsaw - can be broken down into five broad areas:

- The causes of union decline
- The level of desire for unions among employees, and the factors and processes that cause this desire to be translated into membership
- Management response to union organising attempts
- The role of the state in regulating industrial relations
- The level and competence of union organising activity.

Causes of union decline

Machin has identified a key cause of decline in union recognition; workplaces established since 1980 are much less likely to recognise unions than workplaces established before 1980. Changes to the economy and the political and legal framework governing trade union behaviour appear to have had a debilitating effect on the ability of trade unions to organise workplaces, particularly new workplaces. In the 1980s and 1990s management had both greater incentives and greater opportunity to remain union free. However, there is more to the story of declining union membership than declining levels of workplace union recognition. For example Millward, Bryson and Forth's analysis of successive Workplace Employee Relations Surveys suggests that since 1990 membership has declined substantially in workplaces where unions have a continuing presence.

Charlwood has developed this analysis to identify how much the observed decline in union density can be attributed to compositional change, increased free riding and declining collective bargaining coverage. Overall, compositional change explains around a quarter of decline, decline in collective bargaining coverage one third and increased free riding the remainder. However there are marked differences between the public and private sectors.

In the public sector, compositional change accounted for about half of the decline in density. Most of this compositional change came about because new workplaces employed a different type of workforce to workplaces that closed or shrunk to less than 25 employees. The remainder was explained by increased free riding in both old and new workplaces.

By contrast, in the private sector compositional change had only a minimal effect. The majority of membership decline was accounted for by declining collective bargaining coverage. The main reason for the decline of collective bargaining coverage was the total abandonment of collective bargaining as a method of wage determination in one in three private sector workplaces that bargained with unions in 1990 and were still in existence in 1998. This axing of collective bargaining was specially noticeable for smaller workplaces. Only a quarter of workplaces that had ceased to bargain had formally de-recognised trade unions. Free riding also increased in new workplaces compared to workplaces that closed or shrunk (the full results of this analysis are reported in table one).

These results should make chilling reading for trade unions. Many workplaces where collective bargaining was abandoned continue to have significant bodies of union members. But membership is likely to dwindle unless the union can force management to resume bargaining. In the absence of union de-recognition unions are

Table 2.1
The components of decline in aggregate union membership density 1990 – 1998, percentage points

	All			**Private Sector**			**Public Sector**		
	Continuing workplaces	Leavers and joiners	All workplaces	Continuing workplaces	Leavers and joiners	All workplaces	Continuing workplaces	Leavers and joiners	All workplaces
Compositional change	-3.41	.08	-3.33	2.06	-0.6	1.46	-4.04	-1.72	-5.76
Change in collective bargaining coverage	-3.3	-1.14	-4.44	-6.32	-2.74	-9.06	1.08	-.02	1.06
Behavioural change	4.94	-9.99	-5.05	1.41	-3.91	-2.5	-3.58	-3.65	-7.23
All	-1.77	-11.05	-12.82	-2.85	-7.25	-10.13	-6.54	-5.39	-11.93

Source: Andy Charlwood (2002) 'The Anatomy of Union Decline in Britain 1990 - 1998', CEP Working Paper 1224.

not able to use the law to force the employer to resume bargaining. Wood and Moore found that the NUM tried to take such a case against RJB Mining, but the case was thrown out on the grounds that a recognition agreement already existed. There is a catch-22 here. Apparently a voluntary recognition agreement does not require the employer to bargain in good faith. Yet the existence of such a voluntary agreement prohibits use of the statutory procedure.

Bryson and Gomez have already shown that membership decline is not being driven by large numbers of employees leaving unions. By far the largest group of non-union members are employees who have never joined a trade union. We aim to develop this finding by measuring the individual level changes behind union decline in the 1990s. The rise of never membership points to a further key challenge for trade unions: how to appeal to non-members?

Non-union employees

We have approached the question of non-union workers attitudes to union membership and representation from three different directions. Diamond and Freeman began by examining the attitudes of young workers towards unions. They found that young workers have very little practical knowledge of trade unions, and in the absence of a union at their workplace, they quickly adjust to the workplace they have. Subsequent research confirmed that this finding is equally true for older workers. This 'incumbency effect' is potentially problematic for unions because essentially satisfied workers who value the status quo will be less willing to support union organising campaigns if stiff employer opposition raises the likely cost to the worker. However this does not mean that non-union workers do not desire union membership and union representation.

Bryson and Gomez examined desire for union voice among different segments of the workforce. They found significant "frustrated demand" - a desire for union voice among employees in non-union workplaces. Frustrated demand was particularly noticeable in the retail sector and among younger workers. Charlwood examined the influences on non-union workers willingness to join a union. He found that at around 15% of non-union employees would be very likely to join a union if one were available with a further 25% reporting that they were fairly likely to join. The key influence is a belief that unionisation will improve working conditions. Workers resident in traditionally unionised parts of the country, and workers with left of centre political views were most likely to have this belief. Although there was a comparatively low level of hostility towards unions, a clear majority of workers thought that a union would make little difference to their workplace.

Taken together, these findings suggest that unions will struggle to motivate non-union workers to unionise in the face of concerted employer opposition, because most workers seem to anticipate fairly low benefits from union membership, while employer opposition can raise the cost substantially.

Our collective results have led Bryson and Gomez to question the standard theoretical model of union joining. Economic theory regards union membership as a 'search good,' this means that workers will search for union jobs if union status brings

with it valued outcomes like higher pay. However, the findings of Bryson and Gomez and Diamond and Freeman suggests that already unionised workers value union membership highly even if the actual benefits are low. Charlwood found that workers in traditionally heavily unionised areas of the country, and workers with left of centre political views were substantially more willing to unionise than the rest of the population. These findings all point to the idea that union membership is an 'experience good'. This means that workers who have experienced union membership (either directly through the workplace, or indirectly through family and social networks) will value it regardless of the specific benefits, while those who have not experienced unionism will have little interest. This theoretical development is important because it suggests both that unions face a tough challenge in reaching the 'inexperienced' but that union survival does not rest solely on the ability of unions to maintain a wage mark up to attract workers.

Employer opposition

A key determinant of the costs of unionisation is the response of the employer to union organising activity. High cost responses include sacking union activists and threatening job losses if employees support unionisation. Employers may also seek to pre-empt unionisation by expanding non-union mechanisms for employee voice. Wood, Moore and Willman found that the clear majority of employers were not disposed to recognise unions unless they had to, so employer opposition is to be expected. Preliminary analysis of data from Central Arbitration Committee (CAC) cases suggests that a minority of employers are adopting militant anti-union tactics. For example Kelly and Badigannavar have found that the online book retailer Amazon successfully fought off a union organising campaign. In the aftermath of the campaign's failure key activists were dismissed.

State regulation

The most important piece of state regulation for the future of union membership is the statutory recognition procedure (SRP) which became law in June 2000. Wood, Moore and Willman have been following the workings of the procedure. The procedure seems to be having little direct impact on union membership: between November 2000 and October 2001 just under 3,000 workers (plus around 5000 from voluntary agreements within the procedure) have come under collective bargaining as a result of recognition cases resulting from the CAC procedure, and half of these were from a single agreement at the Honda factory in Swindon. Rather, the SRP appears to have cast a significant 'shadow' resulting in employers concluding voluntary agreements with unions. For example, Unison were able to sign an agreement with Compass group covering 50,000 contract catering staff in the NHS once it became apparent that a legal route to union recognition was to be introduced. Approximately 200,000 to 250,000 new workers have become covered by collective agreements since the SRP became a realistic proposition in 1997, with significant year-on-year increases in the numbers being organised. This represents a considerable increase in organising activity. However, our analysis suggests that the SRP has not led to a dramatic reversal in union fortunes. Since the SRP was introduced there have been small aggregate increases in the absolute number of employees who have their pay

determined by collective bargaining. But the proportion of employees covered by collective bargaining has continued to fall. Unions are running faster, but they still cannot keep up with the expanding new economy.

The state also has an important role as an employer. The public sector is the area of the economy in which unions have most members and influence. The ability of unions to represent the pay grievances of public sector workers who, through the years of Conservative government, have seen their pay levels decline relative to their private sector counterparts will have an important impact on wider public perceptions of union effectiveness. The government's response to these claims may have an impact on perceptions of union legitimacy. Therefore public sector trade unionism, and the contentious alliance between trade unions and the New Labour government are important strands of our current research activities. Specifically, Taylor will be tracking the forthcoming campaigns over the future of union political ballots, monitoring the success of union lobbying over the form of the consultation and communication directive and analysing the impact of generational change among union general secretaries.

Union organising

In some cases the statutory recognition procedure will result in the recognition or re-recognition of unions in workplaces with existing membership. In other cases recognition will be the result of targeted union recruitment campaigns. Wood, Moore and Willman have investigated union recruitment and organising policies. These policies do seem to be delivering results, for example the successful recognition campaign fought by the AEEU at the Honda factory in Swindon mentioned above. But these successes are not being replicated on a large enough scale to increase the proportion of employees covered by collective bargaining. However, it is important to note that there is more to success in this area than an immediate increase in members. For example the AUT's organising campaign among contract research staff at the University of Aberystwyth only resulted 20% of the potential bargaining unit joining, but an activist group was formed which is building a self sustaining workplace organisation. If significant increases in union membership and union bargaining coverage are to occur, it seems that further increases in organising activity and increased investment in this activity will be necessary. The key questions are whether investment in new organising will be increased and sustained and whether membership and organisation can be sustained beyond the initial organising campaign.

Union organising is often portrayed as a 'tax' on existing union members because it is they who bear the cost of paying for the campaigns. However, this need not be the case. If we assume that average union membership fees are £100 per year, if a union organiser recruits 500 new members in the course of a year, they will have contributed £50,000 to union funds. This sum is likely to be enough to pay the organiser's salary and expenses. 500 recruits per year is actually a rather modest target: Amicus AEEU expects newly appointed organisers to recruit 1000 members a year. Given the clear financial benefits which would seem to flow from even quite modest levels of organising success, the failure of the union movement to invest more in organising is something for unions to ponder.

Conclusion

Research completed so far points to the possibility of a future for British unions. They continue to represent around a third of British employees and play a particularly prominent role in the representation of public sector workers. There is also some demand for union membership and union representation among non-union employees. However, future union membership gains are likely to depend upon a fairly low level of employer resistance, the continued smooth running of the SRP and sustained and significant investment by unions in organising non-union workplaces. The fact that unions appear to have been powerless to prevent the widespread abandonment of collective bargaining in private sector workplaces in the 1990s does not bode well for the future. If current trends continue we expect to see little signs of a serious revival in union fortunes. Unions are not organising enough non-union workplaces to keep pace with losses caused by the closure of existing unionised workplaces. Nor are they protecting and sustaining the bargaining arrangements that they have in continuing private sector workplaces.

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Chapter 3

Unions, Youth and the Incumbency Effect: What's the Connection?

Rafael Gomez

Summary

- Union membership is like an 'experience-good' in the sense that most union benefits (procedural justice, job security, the provision of family-friendly policies) are hard to observe *ex ante.*

- Even if attributes are made visible (through information campaigns) union provided benefits are still of indeterminate quality before purchase (i.e., "you don't know how good a union is until after you join") and hence still subject to the same experiential properties.

- The indeterminate level of quality associated with union membership generates 'risk'. Joining a union is therefore a decision akin to the purchase of a product whose payoff is only fully observed after purchase.

- Experience goods have certain properties that make them hard to 'market' to potential customers. Unions face the same problems in trying to acquire union members. Experience goods, for example, are hard to promote since they rely on word-of-mouth and personal referrals rather simple formal advertising campaigns.

- Unions need to be aware that the growing proportion of workers who have never sampled union membership (never-members) is a major factor underlying continued union density decline in Britain. Unions, consequently, have to find a way of lowering sampling costs for new workers. Sampling is important because we know, by way of the incumbency effect, that early exposure to unionisation positively sensitises workers to membership throughout their life-course.

Introduction

Union membership confers certain benefits to workers. Some of these benefits, like the union wage premium, are visible to both members and non-members alike. Most others, such as the enforcement of procedural justice or the establishment of family friendly practices, are hard to identify before entering the labour market and near impossible if one has never sampled union membership. It is only when a worker has actually been employed in a unionised environment for a long enough duration, or, when a worker has access to reliable information about the nature of union membership, that s/he can form an accurate opinion about the value of membership (i.e. whether the benefits of joining outweigh any of the potential costs). If a worker never experiences any of the potential benefits derived from unionisation, they may be less inclined to become a due paying member where unions are present and even less likely to actively organise in workplaces lacking any union presence.

Unions, therefore, have a problem in convincing potential members that what they offer is of benefit to them. This is especially the case if, as recent British and American research suggests, the largest and most visible benefit (i.e. the wage advantage conferred to unionised workers) has largely disappeared.

Union 'voice' as an experience good

Unions can take solace in the fact that they are not alone in this regard. Any firm which provides a product or service with hard-to-observe attributes and which derives its revenue stream by selling memberships, has to overcome the twin problems of 'information' and 'experience' hurdles. Take the case of a fitness club that sells memberships in order to finance its operations. The fitness club needs to first advertise its presence and second it has to convince potential patrons that their facilities and staff are better than the competition. Goods and services, such as these -- that need to be sampled before purchase in order to discern quality -- are termed *experience goods*. Unionisation can also be conceived of in this way, since it too is a service high in experiential attributes.

The experiential properties of union 'voice'

Apart from the difficulty associated with discerning quality before purchase, union membership shares other important experiential properties. An experience good tends to be accompanied by substantial switching costs after it has been purchased. This makes it 'durable' in the sense that an experience good has a long shelf life, as compared to a non-durable (like a particular brand of bottled water) that has low switching costs and is purchased more frequently. The durable nature of union membership can be measured by turnover and job tenure. Union members tend to have longer job spells with one employer (higher tenure) than otherwise similar non-union workers, and unionised firms have lower quit rates (turnover) than non-union firms do do.

Another characteristic of experience goods, which is also shared by union membership, is that they tend to exhibit higher than average 'brand loyalty' and 'post-purchase' levels of satisfaction. If a person has ever been unionised, he or she is more likely to remain so when switching jobs as compared to a worker who has never sampled membership. Likewise, attitudes towards unionisation are more favourable if one has ever-been a member. This is the so-called 'incumbency effect' identified by Freeman and Diamond, and it remains significant even when one controls for sets of attributes which remain fixed for some time (occupational status) and which could (positively or negatively) bias attitudes towards unions.

Unions, experience and informational asymmetries

The incumbency effect described above corresponds to yet another feature of union membership, which is also a hallmark of experience goods. This feature relates to the economics of information and search -- a stream of research originating forty years ago, but which has rarely (if ever) been applied to the study of union

membership. The economics of information demonstrates that knowledge about the potential benefits of an experience good is optimally (and hence most often) disseminated via informal networks like personal recommendations, rather than through formal advertising channels. This is because 'trust' is highly correlated with 'reputation' and a personal referral is akin to someone staking his or her 'reputation' on the product endorsement in question. Thus, when quality is hard to observe, personal recommendations become the preferred channel by which potential customers are informed about hard-to-observe product attributes. A mechanic, for example, does not generally advertise on television. Indeed, we tend to be suspicious of any mechanic who does. Instead, the mechanic generates his customer base through personal referrals, or, more generally by 'word of mouth'.

The informational asymmetries generated by the experiential characteristics of a personal service are replicated in the union case if we note the strong inter-generational transmission of union status observed in longitudinal data. Machin and Blanden find that sons and daughters of union workers are 20% more likely than comparable individuals to become union members. This is independent of occupation, region, and industry.

Similarly, Gomez, Gunderson and Meltz find that having a social environment consisting of friends and relatives who support unionisation makes the probability of desiring unionisation higher than those lacking in such social connections. This effect is even larger when youths and adults are separated into sub-samples and analysed (i.e., the positive effect of a social circle that is familiar and/or supportive of unionisation is twice as large for those with less labour market experience than it is for the old). Older workers -- in keeping with the experiential properties of union membership -- rely on their own sampling history to form opinions about unionisation, whereas young workers with less labour market experience rely more heavily on social networks and personal referrals (see table 3.1).

Table 3.1: Social Networks and Preferences for Unionisation

	Dependent Variable: Desire for Unionisation		
Independent 'Network' Variables	**Youth (aged 15-24) %**	**Adults (aged 25-65) %**	**? Youth-Adult %**
Union family member	37	11	+26
Positive peer attitudes towards unions	41	29	+12

Source: Gomez, Gunderson and Meltz (2002: Table 4). Numbers represent percentage point increases in the desire for unionisation controlling for standard demographic and other variables.

Charlwood's finding that the socio-economic characteristics of an area in which an individual lives predicts willingness to join a union, is also congruent with the experiential framework. Informal networks and social capital are likely to vary systematically with socio-economic environment. One only has to consider the different beliefs and values that are transmitted through membership in a working men's club compared to that of a golf club, to understand how important these social

networks can be in the generation of attitudes and behaviours favourable (or unfavourable) to unions.

Rising 'never-membership' in Britain: Is the downward spiral inevitable?

The results discussed above speak finally to the two channels by which people become informed about the benefits (and costs) of unionisation and with experience goods more generally. Essentially, sampling and information gathering through personal referrals are the two most prevalent ways that potential members (workers) form favourable or unfavourable opinions about union voice, or make decisions about whether to pursue membership or not.

As we have seen, union members tend to be 'brand-loyal' in the sense that those who sample union membership stick with it. The problem for the union movement in the United States and Britain in particular, is the lack of 'sampling' on the part of new labour market entrants (i.e., the young). This problem is particularly acute as 'never-membership' -- as opposed to ex-membership i.e., those who have abandoned membership -- accounts for the bulk of the decline in union density in Britain in the eighties and nineties. This finding applies to membership decline in both recognised and non-recognised workplaces.

The problem of never-membership resides with the voluntary nature of due-payments in Britain (which owes its origin to EU law which prohibits agency shop arrangements). In an open-shop system the default option for employees is set to 'non-union' even within recognised workplaces. New workers, therefore, are less likely to pay dues unless actively compelled to do so. This is so for three reasons. First, because new workers enter a workplace as non-members, they face switching costs engendered by moving out of their non-due-paying status into a union fee-paying job. We know, from the work of Mathew Rabin and others, that these costs need not be large (the cost of filling out a form could be enough) to induce procrastination and persistence in non-union status. Second, as new workers, they have yet to observe the quality of union membership. Over time, workers gain greater labour market experience such that the quality of union representation becomes fully revealed. The longer a person works, for example, the more apparent becomes the need for job protection. As a worker matures, union membership loses its experiential properties and if the experience of union recognition at work is a positive one, the chances of joining a union should also increase. Finally, the cost of switching employers increases as workers mature, thereby raising the need for voice provision. Employees are therefore more likely to be in need of union provided benefits (such as job security) as they age. All three effects (the non-union default option for new workers; the revelation of union quality; and the increasing need for voice) predict that older workers are more likely to join a union than younger workers, even within recognised workplaces.

This prediction holds true (at least in Britain). Bryson and Gomez have found that the fall in union density within the recognised sector since 1982 is due mostly to young workers who have stopped purchasing membership. In more precise terms, the proportion of those aged 30 + who are union members within recognised workplaces remained virtually unchanged throughout the eighties and nineties (0.72 in 1983 to 0.69 in 1998) but the unionisation rate amongst 18-25 year olds plunged from 0.67 to 0.41 between 1982 and 1998 respectively.

How does the transmission of union status and preferences occur?

Although little is known from an economic perspective about the specific micro-level processes that make the intergenerational transmission of preferences and union status possible, there is a literature in social psychology that has tried to understand such behaviour and preference formation and it has been applied to the unionisation literature by Gomez, Gunderson and Meltz.

The attribution theory of behaviour argues that instead of conceiving of individuals as utility maximisers, with a taste for unionisation that is fixed, individuals can be viewed as developing and forming conceptions of the 'self'. This self-concept is dynamic and is changing over time. The feedback loop involved can proceed in a number of ways. The elements involved are *actions*, *attributions* and *roles* which define a *self-concept*. In the classic (rational) case, individuals have defined roles and a clearly formed self-concept, which leads to certain actions that, in turn, lead to certain attributions that ultimately reinforce the original self-concept.

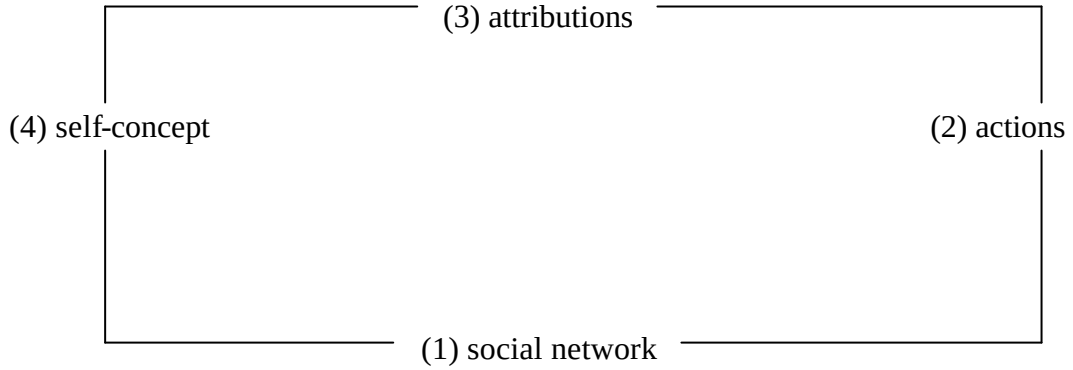
Translating this process to the case of a potential union member with some knowledge of unionisation's benefits, we can see how a person who prefers unionisation (i.e. a *self-concept* which is positive about unions) would attempt to find a job in a unionised environment. Assuming that he or she does find unionised employment, we know by way of *the incumbency effect* that they are more likely to develop positive opinions (i.e. positive *attributions* about unionisation) about that work environment. Moreover, these attributions will be independent of any original self-selection into the unionised job. The effect of this initial exposure will persist throughout the course of one's career and make it more likely that the individual will find another unionised job or remain a union member. Even if he or she does not remain unionised, their favourable opinions may influence a sibling, friend, or co-worker to join a union where one is present.

The social-psychological model can be adapted to the case of workers with less well-defined self-concepts (i.e. workers who do not know whether unionisation is beneficial to them). People with malleable opinions about unionisation tend to be those with less labour market experience such as the young or newly arrived immigrants. So where does their feedback loop begin?

In general, the social environment is the strongest predictor of whether a worker has a positive or negative view of unionisation. In particular, and as noted earlier, parental union status imparts a 20% boost on a sibling's likelihood of becoming a union member later in life.

This initial exposure leads to the undertaking of certain actions -- such as applying for a unionised job or helping out in an organising campaign -- that, in turn, lead to the formation of attributions (i.e. "I apply for unionisation therefore I am favourably disposed to unions"). Attributions feed into the formative stage of self-concept formation. Over time, the self-concept becomes more firmly entrenched and less susceptible to alteration. This is why social networks affect older workers much less strongly, since they are more reliant on their own individual 'sampling' history in forming opinions about unionisation (see figure 1).

Figure 1: The socialization process of a young worker*



*The feedback loop applies to workers with less labour market experience (Montgomery 1999).

What use can unions make of these findings?

Clearly, unions cannot replace the social networks that give rise to the inter-generational transmission of union status, but they can replicate some of the same processes. While this may sound difficult and near impossible to achieve, in this respect once gain, the union movement's task is not unique. If unions simply translate the need to capture market share (union membership as a percentage of total workers) from a product-market setting to the labour market, they can perhaps achieve the same success that many firms have in acquiring a loyal customer base.

Unions that are unable to organise the young are nevertheless capable of influencing the formation of a self-concept that is favourable to unionisation -- such as initial exposure to unions through an expansion of existing paid summer internships in organising academies and union head offices. Positive initial exposures are the mechanisms that make young people who come from non-union households more likely to become members later on in life.

Replicating the process by which the inter-generational transmission of a 'preferred brand' occurs is another way -- drawing on what we know of experience good promotional techniques -- for unions to gain market share. Early product exposure, for example, is one way that youths become lovers of 'Pepsi' over 'Coca-Cola'. Unions could perhaps try to mould the preferences of youth in a similar way. If the union movement were to somehow sponsor parts of the school curriculum (as Pearson Education and Microsoft who now sponsor textbook purchases and the

provision of interactive media in the classroom do) or offer a prominent array of university scholarships (as many firms with formerly bad consumer reputations such as BP and Shell do), then perhaps a whole new generation of youth would be sensitised to unions throughout their life-course.

Unions and trade union congresses around the world that are employing successful recruitment techniques are generally those that have (at least implicitly) understood the experiential nature of union membership. The case of the Norwegian Union of Graphical Workers (Norsk Grafisk Forbund, NGF) is illustrative of this new marketing approach. In January 2002, NGF launched a 'digital trade union' concept - a trial project aimed at attracting new groups of employees by means of ICT, among them the increasing number of young non-unionised employees within the ICT sector in Norway. It was meant to act as an alternative trade union organisation for employees in the ICT sector and to lower the sampling costs of union services for a segment of workers who had historically bypassed union membership. The new union is accessible only via the Internet, which means that it has no shop stewards and does not run traditional union meetings. Nevertheless, NGF supplies its services 24 hours a day 7 days a week to all its internet based members. In the one year since its inception, membership among ICT workers grew by almost 10%, even as the ICT sector was losing jobs.

The Internet allows unions to lower membership sampling costs and to reduce the perceived risk of joining a union for new labour market entrants. The Internet also permits unions to by-pass the workplace altogether and distribute their services directly to employees. This is the direct or relationship marketing method that has been used by many start-up companies, such as low cost airlines EasyJet and RyanAir, with great success. Such companies offer their services via the Internet at a lower cost than if they would have distributed their services through a retailer or vendor. Even following September 11th, as major airlines like United and Swissair declared bankruptcy, internet-based airlines generated some of their largest profits ever. Freeman and Rogers have recently coined the term open-source unionism to describe similar, though more nascent, attempts by unions to target their services directly to prospective employees. The TUC recently (May 2001) held a one-day conference on the effect of the Internet on unionisation, indicating that the message of direct marketing is slowly diffusing to the union sector in Britain.

Ultimately, a full listing of optimal recruitment practices based on the lessons gained in experience good markets, requires more research. Nevertheless, making unions aware that they are ‘selling a service that is high in experiential attributes’ is perhaps the first step in a long process of rejuvenation that may transform unionised workplaces from hard-to-observe enclaves of beneficial employee voice, to ones that are spread over a greater part of the industrial landscape.

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Chapter 4

Recognition and Organising

Sian Moore

Summary

- The statutory recognition procedure is working in terms of the government's own objectives of providing representation where a majority of the workforce want it and that encourages the voluntary resolution of recognition claims. The prospects for its survival look promising. Yet the number of applications to the Central Arbitration Committee (CAC) is still limited and the direct impact of the procedure in terms of numbers of employees covered is marginal.

- There are important qualifications to its success. The design of the procedure and the exercise of discretion by the CAC mean that there are opportunities for employers to defeat applications even where there is clear majority support for a union on application – union membership is fragile in the face of employer hostility.

- It is suggested that recognitions through the statutory process represent less than one in ten of new recognitions. The increase in voluntary recognition agreements in the shadow of the law indicates that the statutory procedure has been a stimulant of union activity in terms of recruitment and organising. Yet the scale of the task facing unions in reversing membership decline remains great.

Issues

Labour's declared aim in introducing a statutory recognition procedure was not to explicitly promote collective bargaining, but to provide a right to recognition where a majority of the relevant workforce wants it. The government continually emphasised that the nature of relationships between employers and employees should be voluntary and that a statutory route to recognition should be used only as a last resort. Fairness at Work aimed to promote a new culture of co-operation between employers and employees.

Statutory support for union representation fulfilled a commitment to the unions made by the Labour Party prior to government. Unions had campaigned for a statutory right to recognition from the 1980s as a response to the decline in both membership and collective bargaining coverage and, in some sectors, to derecognition. In the 1990s this campaign was accompanied by the revival of recruitment and organising as a key focus of the union movement, essential in order to address two decades of membership loss. This organising agenda ran parallel to the TUC's commitment to Social Partnership suggesting that that union survival is simultaneously perceived as largely based upon non-conflictual relationships with employers.

Aims of the research

The area of recognition and organisation brings together research on a number of potential factors influencing union growth – including the legal climate, employer behaviour and the role of union organising and activism. The recognition project evaluates how far the statutory recognition procedure is meeting the government's stated objectives and whether its legal design is proving to be more robust than its predecessors. Yet the government's emphasis on the voluntary route requires that the investigation moves beyond a narrow focus on the legal machinery towards an assessment of the role of the law in the area of industrial relations. We identify the factors influencing whether or not cases take the statutory route. We also aim to examine the assumption that cases that go through the statutory procedure are more likely to result in narrower collective bargaining and less likely to result in 'partnership' agreements than those concluded voluntarily. How far is the legislation encouraging a renegotiation of industrial relations and the kind of 'partnership' relationships advocated by the White Paper? The work on recognition dovetails with that on partnership, with the former focusing on a possible process by which partnership is achieved and the distinctiveness of such agreements and the latter on the meaning and outcomes of partnership for the parties involved.

We consider the impact of the law on employers and how far UK employers will frustrate union attempts to secure recognition in the way that US employers have done (and how far the legislation allows this) or how far statutory support for unions gives them a new legitimacy in the eyes of employers, encouraging them to concede recognition and in what circumstances.

A related matter is the extent to which the legislation supports union recruitment and organising efforts, enabling them to significantly increase the returns on investment. Our study of organising campaigns analyses the factors that activate frustrated demand for unions and the role played by union activists in this. It identifies the components of both successful and failed campaigns. Research on the aftermath of statutory and voluntary recognition cases examines how far membership and organisation is sustained following recognition and how far subsequent bargaining meets the aspirations and expectations of newly recruited union members.

Methods of investigation

Our analysis of statutory recognition is based on three sources: (a) employers, (b) trade union officers and (c) the CAC. In (a) the results of a telephone survey of 400 private sector employers (with 50 or more employees) conducted just after the statutory procedure was introduced, is used to explore the scope for unions to achieve recognition and employers' role in this.

In (b) we address the trade union approach to recognition and its manifestation in voluntary recognition through two surveys of national unions. The first, centred on trade union strategies in relation to recognition and recruitment, was based upon semi-structured interviews with the general secretary or a senior national officer responsible for recognition of 17 TUC-affiliated trade unions between February and August 2000. The second survey, more directly concerned with the statutory procedure, was a postal

survey of all unions and staff associations listed by the Annual Report of the Certification Officer 1999-2000. This will be followed up in 2003 with a similar survey asking national unions about their perceptions of the impact of the procedure three years after its implementation. A third union survey is based upon questionnaires sent to union officers responsible for CAC cases after the case has left the CAC system. This survey is ongoing and illuminates union experience of the statutory procedure, the background to CAC cases and union perceptions of employer behaviour. The relationship between the statutory and voluntary routes to recognition will be explored in 2003 through studies of the TGWU, NUJ and GPMU, examining the ratio of each union's statutory to voluntary agreements, employer behaviour in the outcome of cases and the content of agreements.

In (c) consideration of the operation of the statutory procedure so far is based upon publicly available CAC documentation, the CAC web-site and observations of CAC hearings.

The union organising research entails case studies of union organising campaigns across various industry sectors including finance, retail, print and transport. Organising campaigns to be included in this study vary in their approach (characterised as 'adversarial' or 'partnership'), degrees of success (and failure) in mobilisation and securing recognition, the type of workforce being organised and the industry sector in which the campaigns are being carried out.

Data is being collected through in-depth interviews with union organisers and officials, workplace representatives, management representatives and employees (union members and non-members) in workplaces being organised. Depending upon access and feasibility, a survey of all employees being organised will be undertaken.

Findings

After two years we conclude that the statutory recognition procedure is working in terms of the government's objectives, but there are some important qualifications to its success. The government's three main objectives in introducing the statutory procedure were:

- to provide for representation and recognition 'where a majority of the relevant workforce wants it';
- to introduce 'a procedure which will work';
- and to 'encourage the parties to reach voluntary agreements wherever possible'.

Representation where the majority want it

The number of applications to the Central Arbitration Committee (CAC) has not been large – 158 distinct applications in the first two years. However, nearly two thirds of the 132 cases that had left the procedure had resulted in recognition or discussions on recognition; 40 had been granted recognition through the procedure (24 as a result of a ballot) and a further 45 had been withdrawn because the parties had agreed to discussions on a voluntary agreement.

The success rate of CAC applications suggests that, in line with the government's first objective, in most cases recognition is being granted where the majority of the workforce are union members. Yet this objective was limited from the outset by aspects of legislative design – an application is not valid if the employer employs 20 or fewer workers, while it is inadmissible if there is already a collective agreement covering all or some of the bargaining unit, even though the union involved may neither be the union of the workers' choice or independent.

The extent to which the procedure can provide representation is also limited by the way the CAC exercises its discretion in three key areas: at the admissibility stage when it has to decide whether a majority of the proposed bargaining unit would be likely to favour recognition; at the bargaining unit stage when it has to decide whether the unions' proposed bargaining unit meets a number of criteria; and finally when it has to decide whether to order a ballot when the union has majority membership.

On the first, the judgement as to whether a majority of the bargaining unit are likely to support recognition, analysis of CAC decisions show that no case has been accepted so far with a membership of lower than 35% without there being other convincing evidence about the support for collective bargaining. The CAC has in some cases allowed for the difficulty the union has in gaining access to the workforce when interpreting this evidence.

On the second area of discretion, the bargaining unit stage, evidence suggests that the CAC had supported the union's proposed bargaining unit or a variant of it in 71% of cases where it had to make a decision. In the vast majority of cases where the employer had challenged the union's bargaining unit it had proposed an expanded bargaining unit by including either more occupations or sites. The CAC had tended to resist employers' arguments to include more occupations where it was demonstrated that the terms and conditions of the occupational group proposed were distinct. However unions have had more difficulties where the employer has sought to extend the bargaining unit to include workers sharing the same distinct terms and conditions on all sites in an organisation. In four of the five (of eight) cases where the CAC has made such a ruling the union could not subsequently demonstrate sufficient support for recognition amongst the workers on the other sites included in the revised bargaining unit and the applications have failed. The implication of the CAC rulings may be to discourage unions to submit applications for larger multi-site national companies. One exception to the CAC rulings was Kwik-Fit, where the employer subsequently made a legal challenge to the CAC's decision to allow a bargaining unit based on the London area only, this challenge was rejected on appeal.

The third area of discretion, provision for the CAC to order a ballot where a union is judged to have majority membership, was one of the two changes made to the proposals for statutory recognition as laid out in the white paper *(Fairness at Work)* and this change was a key disappointment for the TUC. The CAC may order a ballot if it is 'in the interests of good industrial relations'; if it is informed by a significant number of union members that they do not wish the union to represent them for collective bargaining; or if it has evidence which leads it to doubt that a significant number of union members want the union to bargain on their behalf. The CAC had ordered a ballot in nine of 27 cases where it was demonstrated that the

union, on application, had majority membership. All three criteria have been invoked and all three give employers extra opportunity for intervention in the process. In addition four ballots have been ordered because at the point at which the decision to ballot was made the union no longer had majority membership. This is an area for concern since analysis of the procedure shows that majority membership can be very fragile, particularly if the case is in the procedure for some time (and delays may be provoked by the employer). Union membership in CAC cases is vulnerable to labour turnover, redundancies, recruitment into the bargaining unit (possibly as an employer tactic) and employer pressure and intimidation. This raises the question of whether the membership figure should be fixed at the point when the application is accepted.

Unions lost a third of ballots held in the first two years and this is significant given that the cases have already been through the admissibility tests. In particular, in a third of ballots union support has been lower than union membership was at the outset and our follow-up survey has indicated that this may be explained by employer behaviour following the application or during the ballot. Regulation of employer behaviour is limited to the ballot period, but even then intimidatory behaviour is difficult to prevent. The behaviour of employers in the ballot appears to have a key bearing on the result; in a number of cases the employer has been neutral and appeared to genuinely want to test majority support for recognition. Yet in at least two cases where the ballot was lost an oppositional employer was able to limit the access granted to the union during the ballot period; and in at least one other case unions have reported that employers redefined the contractual status of employees in order to include them in the bargaining unit to be balloted.

A procedure that will work

So far the CAC has not been restricted by the sort of legal intervention that defeated earlier statutory procedures. In the two of four applications for judicial reviews that have been heard, the courts have backed rather than undermined the CAC's operation of the procedure.

The encouragement of voluntary agreements

The statutory procedure should encourage voluntary resolution of disputes and be used only as a last resort. Experience of the first two years suggests some success. Our union survey suggests that the procedure has been a stimulant to union activity in terms of recruitment and organising. There has been a substantial increase in voluntary recognition agreements both prior to the introduction of the procedure and subsequently. In the year 1999-2000, when the Employment Relations Act was enacted, the TUC claim a 300% increase in the number of voluntary agreements reached. TUC data identifies 1026 new recognition agreements between 1995 and 2001, whilst Gall estimates (based on more diverse data sources) that unions have secured over 1400 new recognition agreements covering at least 400,000 workers in the same period.

Both TUC and ACAS data, show that voluntary agreements are far outstripping those emerging from the procedure. During the period November 2000 to October 2001, when the TUC recorded 449 full and partial voluntary recognition agreements, recognitions entirely and partially through the statutory procedure represented under 10% of all new recognitions reported to the TUC (see table 4.1).

Similarly during the period June 2000 to December 2001 the CAC received 126 applications compared to the 608 requests for conciliation over recognition that ACAS handled (CAC cases thus represent no more than 21% of all recognition disputes which involved a government agency).

Table 4.1
Recognition Agreements November 2000 – October 2001

	Agreements reached by TUC unions (%)	Numbers covered by agreements (%)
Voluntary	443 (91.5)	102,000* (92.9)
Semi-Statutory	24 (5.0)	4,800 (4.4)
Statutory	17 (3.5)	2,957 (2.7)
Total	484	109,757

* figures projected from TUC agreements

Source: TUC Trends Surveys (TUC, 2002) and CAC web-site

In terms of numbers of workers covered, data for the period covered by the TUC survey (November 2000 to October 2001), table 1 shows that voluntary agreements completely outside of the procedure accounted for over 90% (92.9%) of numbers covered by all new recognition agreements. Statutory agreements represented only 3% of all workers covered, with semi-statutory agreements covering a further 4%.

The high ratio of voluntary to statutory agreements also reflects the unions' careful management of their use of the statutory procedure. The majority of unions that we surveyed in early 2001 reported that they would in the first instance aim to achieve voluntary recognition. In addition, unions were concerned that cases submitted to the CAC should not be lost, so they aimed to submit cases that they were confident would secure automatic recognition or win a ballot. Centralised internal procedures were established in the majority of unions to control the flow of cases to the CAC and most TUC-affiliated unions allowed the TUC an advisory role in the submission of applications.

The limited number of CAC applications also reflects the design of the statutory procedure, which has prescribed which cases are likely to be accepted and to meet the thresholds required for recognition. At the same time, following two decades of union decline, when the procedure came on stream there were very few ready-made cases that could be submitted to the CAC. Our survey of private sector workplaces showed that although there were many workplaces (90%) with either no union recognition or groups of workers not covered by recognition for collective bargaining, in only just under a third of these workplaces were there any union members and in fewer than a tenth was there 10% or more union membership – the minimum required for acceptance by the CAC. Only a tiny minority of these had more than 50% membership, or anything like the sort of level that the CAC would require to

demonstrate majority support for recognition. This placed the onus on unions to recruit and organise in order to be in a position to exploit the opportunities provided by the legislation.

Employers have sought to pre-empt recognition through the provision of non-union employee voice mechanisms or by approaching a union of their choice in order to exclude another, less desirable, union. Our union survey found that in the period prior to the legislation unions had received approaches from employers for recognition, whilst unions themselves approach employers for recognition, possibly on the basis of a more co-operative relationship or 'partnership', even though they have no or few members. Our employer survey showed that employers may concede recognition in the face of majority membership or to exclude a particular union. And mirroring the legislation, employers were testing majority membership and conceding recognition through voluntary ballots, or when membership reached over 50%. For example, the newspaper publishing company, Newsquest, held a number of voluntary recognition ballots at different titles within the company producing a series of voluntary recognition agreements with the NUJ.

The increase in voluntary recognition agreements suggests that favourable public policy towards unions may influence workers' willingness to join unions, as well as employer attitudes and union strategies. The specific political and social context in which workers decide to join unions is important. Yet our research shows that unions cannot normally rely on employers to concede recognition and although in some cases recognition will be based on existing membership in the workplace, there is an absence of ready-made recognition cases that could be submitted to the CAC. This means that unions will have to substantially intensify their recruitment and organising efforts if they are to significantly extend union recognition, either through the legislation or under the threat of its use. Our union survey demonstrates those unions for which securing recognition is a priority are also taking a more systematic approach to recruitment and organising. The organising project has found that workers are more likely to be favourable to union representation if union activists encourage their participation in their mobilisation efforts, whilst the way unions frame issues of collective injustice is important in encouraging workers to unionise.

Implications for future of unions

The prospects for the survival of this third statutory recognition procedure look promising. But the implication of our research on the procedure's first two years is that its direct effects are likely to be marginal. In this period only 10,567 workers were covered by recognition orders through the procedure, with an estimated 8000 covered by agreements reached in the semi-statutory cases withdrawn from the procedure. Its shadow effect, the signing of voluntary agreements, is greater. This suggests that the statutory route can, paradoxically, support or even enhance what remains of the "voluntary" tradition of UK industrial relations. Yet, the scale of the task facing unions in reversing membership decline remains great. Regardless of employer opposition it involves their organising well beyond conventional terrains. Yet so far new recognitions are confined to sectors where unions have historically been strong. It is questionable how far effective organising, ultimately dependent upon union resources, will be able to address differential employment growth in the traditionally non-union sector.

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Chapter 5
Information, Consultation, and Negotiation

Howard Gospel

Summary

- An important decision for unions, affecting members and non-members, is whether they should further accept multiple-channel representation at work, involving joint consultation and information sharing.

- Unions can make employers put into place more effective forms of joint consultation and information sharing, to the benefit of employing organisations.

- The future of unions in modern Britain will entail coming to terms with new forms of voice and providing support for changed forms of workplace representation.

Issues

Over the last twenty years, there have been major changes in the form and content of employee representation, consultation, and negotiation in Britain. Three developments are of particular significance.

First, on almost all indicators, there has been a significant decline in union-based representation – union members as a proportion of the workforce, the presence of union members in a workplace, recognition by employers, the number of workplaces with union representatives, and the coverage and scope of collective bargaining. These have fallen to particularly low levels in the private sector.

Second, there has been a striking increase in direct forms of employee representation via briefing groups, problem-solving circles, and direct workforce meetings. These are entirely introduced by management.

Third, forms of indirect representation via information sharing and joint consultation, either with or without unions, have held up considerably better than arrangements based exclusively on collective bargaining by unions. Our focus is on this third area and on how Britain may be moving away from a negotiation-based and towards a more information- and consultation-based system of employee representation.

The questions which we consider are as follows. What did British workers traditionally get by way of representation? Certainly trade unions tried to insist exclusively on union-only representation. What do workers in other countries get? Certainly, there are more rights for European workers in terms of information and consultation. What influence has the European tradition had on British law and practice? What do British workers actually want – more union or non-union representation? What forms of representation might be 'in the best interests' of workers, unions, and managements? And what are British workers likely to get in the future by way of the mix between information, consultation, and negotiation?

The passage of the EU Directive on Information and Consultation rights in national level undertakings and its coming transposition into UK law provides threats and opportunities for employers and unions. These are highlighted by the Green Paper *High Performance Workplaces: The Role of Employee Involvement in a Modern Economy* (July 2002). The CEP team involved in this area have presented evidence as part of the green paper consultation process.

Methods

Freeman and Diamond have conducted a large survey of 1,300 workers in the UK, asking a series of questions about employees and their jobs, problems at work and attitudes to management, and preferences for various ways of dealing with workplace problems. Gospel and Willman have explored how the law has developed in the area of employee representation and its interaction with information and consultation. This has involved an analysis of the use of information and consultation as part of collective bargaining and a charting of the growth of issue-specific consultation in the UK. Further Gospel and Willman have looked comparatively at what workers in two other leading European economies, Germany and France, have by way of information and consultation rights. Along with Gray and Peccei, they have begun an analysis of the Workplace Employment Relations Survey, investigating what effect information-sharing has on industrial relations and economic outcomes.

Table 5.1
Union presence, density, and recognition, collective bargaining, and joint consultative arrangements, 1980 to 1998

	1980	1984	1990	1998
Collective bargaining, as predominant form of pay determination – by workplace				
All	-	60	42	29
Private manufacturing	-	50	33	23
Private services	-	36	29	14
Consultation – incidence of joint consultative committee – by workplace				
All – any consultative committee	34	34	29	29
Private	26	24	18	26
Union recognition	37	36	34	30
No recognition	17	20	17	18
All – any functioning consultative committee	30	31	26	23

Source. Adapted from Millward *et al.* (2000), pp. 85-87, 96, 109, 186-191, 197

Findings

Freeman and Diamond show that, among British workers, there is an overwhelming desire for collective rather than individual solutions to workplace problems and for greater voice in decision-making at work. However, worryingly for unions, workers do not rank unions high as the instrument of collective voice. Given a choice between unions, works councils, or nothing, only one in ten union members prefer a union on its own, whereas three quarters prefer a workplace with both unions and works councils. Non-union members are more polarised: one third want no workplace organisation at all, about a third want a works council, slightly less want both a works council and a union, but only 5% want a union on its own. Further analysis of this survey by Gospel and Willman suggests unions and works councils are seen as complementary by both non-members and members, especially in situations where such dual channel representation already exists.

Table 5.2
Do you think your workplace would be better with…? Percentage

Do you think your workplace would be better with…	All employees	Union membership status		Only workplace with union presence	Only Workplaces with recognised unions	Only workplaces with WC or JCC	Both WC/JCC and union presence at workplace	Neither WC / JCC or union presence at workplace
		Member	Non-member					
Trade Union on its own	7	11	5	14	16	2	9	6
Works Council on its own	21	6	29	11	10	40	9	27
Works Council and Trade Union	44	74	27	60	63	24	72	20
Neither	24	5	34	11	8	31	9	43
Don't Know	4	3	5	3	3	3	2	4

Source: BWRPS (2001), Q51.

On the law, Gospel and Willman conclude that the present UK situation with regards to representation at work is inadequate and confusing, with different pieces of legislation mandating different representatives and conferring different rights in an *ad hoc* fashion. This reflects how and when the law has developed: historically there was support only for trade unions and collective bargaining; slowly, in large part as a result of EU influence, information and consultation rights have been given to representatives who may or may not be union members; to this have been added rights for the whole workforce, as with European Works Council; and now, more important, there is the prospect of National Works Councils. To date, in areas such as redundancies and changes in ownership, these rights have been issue-specific rather than general rights to information and consultation. These new developments create significant challenges but also real opportunities for unions.

The analysis of the 1998 Workplace Employee Relations Survey has begun with a focus on the provision of information. Here, in terms of outcomes, information-sharing seems to have a significant positive effect on the quality of the goods or

services produced by the organisation. It also has a positive effect on employee commitment to the organisation which, in turn, is positively related to labour productivity. However, this pattern of direct and indirect benefits is more pronounced in non-union than in unionised situations. Information disclosure tends, on the whole, to have a stronger positive effect on organisational outcomes in unionised than in non-unionised settings.

The effects of information-sharing also seem to vary depending on the type of information that is disclosed to employees. The systematic sharing of company targets relating to various aspects of the operation of the organisation, for example, as well as the provision of feedback on the achievement of targets, has a generally positive direct and indirect effect on organisational performance. In contrast, the provision of general information relating, for example, to the overall performance of the organisation, has little or no impact either on employee commitment or on organisational outcomes (labour productivity and quality of products/services).

Further analysis will investigate the antecedents of information-sharing focusing, in particular, on the organisational, structural and institutional conditions that contribute to the development of information-sharing within organisations. It may also investigate how negotiation, consultation, information, and direct participation interact with one another. In particular, do they conflict or complement one another and which performs best in terms of outcomes?

The comparative work on legal aspects of information and consultation in the UK, Germany, and France suggests the following. Despite changes in UK law flowing from EU membership, both German and French workers have more legal rights than their British counterparts. This was seen clearly in the case of the recent restructuring of the steel company Corus, when Iron & Steel Trades Confederation members in the UK received less information and consultation than their counterparts in Holland. The case of Germany provides some optimistic lessons for UK unions: the law on information and consultation seems to interact positively with collective bargaining and give unions legitimacy. However, the French story is rather more pessimistic: in that country information and consultation rights have often substituted for unions.

There are therefore challenges and opportunities for unions as Britain goes further down the road towards a system of representation which is more consultation- rather than negotiation-based.

Future

The passage of the EU Directive on Information and Consultation promises major changes in the British system of employee representation in the form of national works councils. For the first time, it will establish permanent and general arrangements for information and consultation for all workers in the UK, in organisations employing more than 50 employees. It will cover three quarters of the British labour force. In the light of the Directive, the opportunity for government is to establish for the first time in the UK an effective and lasting system of information and consultation at work. Some employers may see this as an opportunity to create weak voice mechanisms; for others, it may constitute an opportunity to institute

stronger arrangements which may complement other aspects of human resource management. The challenge for unions is to build on these schemes and to maintain and expand their role within them. The evidence would seem to be that a union presence complements these arrangements and makes them more effective.

Conclusions

The projects under this heading deal with the central questions of the programme.

- What can unions do for both union- and non-union employees? One possible answer (still somewhat controversial in the union movement) would seem to be that they can further accept multiple-channel representation and learn now to use it. This involves the difficult issues of working with non-union representatives, sitting on mixed committees, and even accepting wholly non-union councils.

- What can unions do for employers? One danger is that employers may seek to put in place 'soft' forms of representation. There is evidence that suggests that these will not have much credibility and will not be very effective. One role for unions is to ensure that such forms of representation are strong and therefore more acceptable to employees and in the long-run more likely to work.

- How can unions adapt and change internally to meet these changing circumstances? Arguably unions have a choice as to whether or not they go further down the road of multiple-channel representation. If they do, they must then show they can develop new advisory roles and meet the demands of new workplace representatives.

- Finally, the big question: Have unions a future in modern Britain? This theme suggests that one aspect of their future will entail coming to terms with new forms of voice and providing support for changed structures of workplace representation.

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Chapter 6

Partnership, Organising Campaigns and Unions' Use of the Internet

Vidu Badigannavar

Issues

These projects focus on unions internal responses to the challenges they face. The issues being investigated are:

Partnership project

- What are the industrial relations and economic outcomes of social partnership for workers, unions and employers?
- Does partnership provide greater opportunity for workers to influence workplace level decisions?
- Does partnership provide greater opportunity for unions or staff associations to influence workplace and policy level decisions?

Union organising campaigns

- How do organising methods and tactics influence: the sense of collective injustice, worker identification with union, attribution of blame for worker's problems, worker mobilisation and participation in collective actions?
- Why do some workers join unions during the course of the organising campaigns while others do not?
- What are the main positive and negative influences on union organising?

Unions and the internet

- What promise does the internet hold for employee organisation?
- What changes will unions have to bring about in their internal organisation in order to reinvent themselves in the 21st Century?

Methods of investigation

For the social partnership and union organising projects, we are using both quantitative and qualitative methods. The partnership research uses matched cases of firms with and without social partnership agreements. The project is implemented in two stages. The first stage involves a survey of employees, workplace employee representatives and line managers. The survey data is analysed and presented back to the unions and managements of the participating firms. The second stage involves interviews with workplace employee reps and full time union officers, line and senior managers and groups of employees. The interview data supplements the analysis of the survey data. Currently the sectors represented in the partnership research are: retail, banking and finance, health, local government, ports and docks. Access is being negotiated in the manufacturing sector.

The research on union organising campaigns examines selected case studies of union organising across various industry sectors with varying degrees of organising success. Data is being collected primarily through in-depth interviews with full-time union officers, union activists, union members, non-members, managers and wherever possible through surveys of workers being organised, union organisers and activists. Organising campaigns in the print and media/IT, distribution, banking and finance, call centres, ports and, the higher education sector have been currently included in the research project. Both partnership and organising research involve extensive review of union and management records such as minutes of meetings, union campaign materials etc. In order to get a broader picture within industry sectors, we are also comparing the findings of both research projects with selected findings from the British Workplace Representation and Participation Survey.

The BWRPS provides data from a representative sample of 1300 workers across the UK workforce. Data for the Unions and the Internet project is derived from this survey, carried out between June-July 2001. Data was collected and recorded through face-to-face interviews with respondents. Findings of the BWRPS have been compared with those from a similar survey (What Workers Want) conducted in the USA by Freeman and Rogers in 1999.

Major findings

Social Partnership

- A survey of a medium size retail firm 'Big Deal Co' (700 workers, 30% response rate) voted as one of the best cases of non-union partnership by the Involvement and Participation Association of UK revealed that: 80% of managers and 68% of the staff perceived the Staff Committee – the main channel of collective representation and employee voice – to have 'little/no influence' on changes in pay systems, working hours, staff deployment, and negotiating redundancy pay.

- Compared with a representative sample of the UK workforce (BWRPS 2001) from the retail and wholesale sector, workers in Big Deal Co were significantly disadvantaged in setting their working hours including breaks, overtime, time-off, and deciding their own pay or the level of pay rise people in their department should get. However, Big Deal Co workers enjoyed more freedom in organising their work and displayed greater trust in management as compared to the workers from the BWRPS sample (see table 6.1).

- Workers who received a great deal of information from management about key employment-related issues, were more likely to see management's decisions as fair and more likely to report higher levels of trust in management. However, when workers perceived that they did not receive adequate information, they were more likely to agree that joining a trade union would give them a better chance of securing a voice at their workplace.

Table 6.1

Comparative findings from employee survey in Big Deal Co with those of retail and wholesale sector employees in the British Workplace Representation and Participation Survey [BWRPS 2001] - percent

	BWRPS		Big Deal Co.	
	Lot/Some	**Little/None**	**Lot/Some**	**Little/None**
Trust:	78	21	88	12
Employment security	83	17	86	14
Deciding how to do your job and organise work:	72	28	82	18
Pace at which you work:	74	26	75	25
Setting working hours including breaks, overtime And time off*:	52	42	37	63
Deciding the level of pay rise people in your dept: Should get*	13	87	2	98
PROBLEM AT WORK	YES	NO	YES	NO
Pay (unfair wages in BWRPS):	19	81	64	35

Notes and sources: *Compared to similar variables in Big Deal Co employee survey.
BWRPS: 'British Workplace Representation and Participation Survey' by Diamond, W. and Freeman, R. (2001)
Big Deal Co.: Case study company for social partnership research.

- Workers who perceived that they had access to job specific as well as generic training that would enable them to secure alternative employment if they were to lose their current jobs, were also likely to demonstrate higher levels of trust, psychological contract and commitment towards their organisation.

Union organising campaigns

- A survey of 130 university contract researchers (response rate 35%) was undertaken in July 2002. These workers are being currently organised by a union in the higher education sector. The key issues of concern among the contract researchers were employment security and pay. The union has achieved significant success in addressing these issues in some other universities including transfers to open-ended contracts. However, less than a fifth of respondents were aware of the union's achievements. As a result, 50% said that they were unlikely to join the union because the 'union does not achieve anything'. High membership fees also figured as one of the most important reasons why workers were unlikely to join the union. This provides an opportunity for the union to improve upon its communication channels and reconsider its market pricing as levers in the organising campaign.

- It was found that workers, who blamed the management for their problems, were less likely to perceive their management's decisions to be fair, they were more likely to perceive they could have a better voice if more people joined a trade union and were more likely to participate in collective actions.

- Workers who reported that their workplace representative encouraged and facilitated their involvement in decisions affecting employees at their workplace also agreed that participating in collective activities is likely to provide them with a better voice at their workplace. This reinforces the importance of encouraging rank-and-file participation in organising campaigns.

Unions and the internet

- Findings suggest that the low cost of information, communication and interaction on the Web offers trade unions opportunities to provide improved services and attract new members particularly in the private sector, which offers the greatest challenge to trade union density in UK and USA. The research offers a new proposal for revival of unions – the 'Open Source Unionism'. Traditionally, unions have targeted their efforts on securing majority support of workers in organisations with small membership density where there were fewer chances of getting employer recognition for collective bargaining. This was primarily due to the disproportionately high cost involved in servicing a small group of members. The Internet has changed this cost equation. At a virtually zero marginal cost, unions can provide in many instances paid-for services to individuals in non-union workplaces, including membership at a reduced rate. This way, workers can develop long-term association with the labour movement irrespective of job changes during the course of their careers. Unions will have to adapt their internal organisation to accommodate all types of workers and should not restrict themselves to

specific skill types. Servicing through the Internet will necessarily have to be complemented with the presence of real union activists and union infrastructure such as the trade councils in UK, to promote organising and address individual member needs.

- The potential membership gains are likely to be substantial. In the USA for instance, NLRB data indicates that in the private sector, approximately twice as many workers are past union members as present ones. These former members are modestly more inclined than other non-union workers to say that they would "vote union tomorrow" if given a chance, and close to 40% report their past experience with unions as "very good" or "good". If just one of the ten workers who say they would "vote a union tomorrow" joined, it would increase union density by a third. If just one in ten of the workers who have been unionised in the past and reported it as "good or very good" experience joined again, membership would increase by 7%. Current organising efforts are unlikely to result in sustained membership gains and union density in the private sector in USA is likely to decline and stabilise somewhere around 4-5%.

- In the UK, unions have used the Internet to attract new members and, to strengthen shop steward structures. For instance, the Association of University Teachers (AUT of UK) has used email in its campaign to organise fixed term academic staff. The TUC and some individual unions like the UK Building Workers Union (UCATT) have developed periodic e-bulletins aimed to keep safety reps and others informed about the health and safety news.

- The Web has been found to facilitate greater democracy within unions, including enhancing the ability of dissident groups to make their case to the members. In November 2000, the UK's CWU held an Internet ballot over accepting a collective bargaining agreement. The turnout was 71%. The website, Rogelyons.com is devoted to criticising the General Secretary of the erstwhile MSF union Roger Lyons' expenditure of union money to defend himself against charges of financial indiscretion. As of March 2001, it had received over 12,000 hits and achieved notoriety throughout the union.

- Findings also suggest that the web has the potential to alter the expression of industrial disputes. One such prominent example cited is the June 2000 takeover of www.nike.com, by web activists or 'hacktivists' which directed people to a site that protested sweatshops and globilisation; and the February 2001 hacking of the World Economic forum site that obtained the credit cards of many of the rich and powerful.

Implications for the future of unions

What can unions offer non-union employees?

Given that a large proportion of workers, particularly in the private sector are employed in non-union workplaces, which could be potentially difficult to organise, unions could offer individual services to workers through the extensive use of the

Internet. UNISON in the UK for instance has designed a special website for non-members. In 2000, it initiated www.troubleatwork.org.uk in conjunction with the National Union of Students, a site dedicated to providing information and advice on work-related problems for student workers. The topics covered range from health and safety issues to contracts to holidays and time off, discrimination to joining a union. This way, unions could attract a large number of members and widen their social appeal beyond workplaces with recognition for collective bargaining.

In terms of organising methods, our findings suggest that workers are more likely to be favourable to union representation if union activists actively encourage their participation in the mobilisation efforts. Unions could also increase their appeal among workers through persuasively communicating their achievements. Non-union employees are unlikely to find union representation useful if they attribute their employment-related problems to external market conditions. Unions could frame issues of collective injustice in a way that would allow workers to attribute their problems to their employers. Such attributions are more likely to encourage them to join unions and engage in collective actions.

What can unions offer employers?

Survey findings from a partnership company suggest that workers are more likely to trust their management and demonstrate higher levels of psychological contract and commitment towards their organisation if they had access to job specific and generic training that improved their employability both within and outside their organisation. By negotiating better provisions of training and development of workers, unions could in turn offer employers a more skilled and committed workforce.

Can unions change their internal organisation?

Traditional union structures geared towards securing collective bargaining rights for majority of workers within a bargaining unit effectively leave out million of union-friendly workers in non-union workplaces. Unions could offer membership and individual services at low cost through effective use of the Internet to all workers who wish to benefit from such services. Experience of labour organisations in USA e.g. WashTech which organises IT workers in Silicon Valley and is associated with the communication Workers of America (CWA) and the National Writers Union (NWU) does indicate that unions can change their internal organisation to become more inclusive and thus enhance their wider social appeal.

Forward look

The research projects on social partnership and union organising campaigns have now progressed into a more advanced stage. We have completed surveys of two NHS trusts, one with a partnership agreement, the other without. Two more similar surveys in the banking and insurance sector will take place in November 2002. Qualitative data is being collected from partnership and non-partnership organisations where surveys have been completed. The cases have been matched by controlling for industry sector, size of the organisations, employers and unions (for e.g. both the NHS

trusts have the same CEO and the same unions). Similarly, we have selected two business units of the same insurance company with similar union profiles and density. Given the superior quality of the matches and the large sample sizes, the findings are likely to be more robust. Research on union organising is also expected to include more organising campaigns. It will also involve some matched comparisons of organising approaches and their outcomes (adversarial versus partnership) in the media and communications sector where the same union has been trying to organise similar groups of workers in two different workplaces using these two different approaches. Our findings have already provided useful insights to the participating organisations. For instance, it provided diagnostic information to the union attempting to organise university contract researchers. This information will be used to streamline the unions' communication and information dissemination channels and the training of workplace activists. Likewise management and the Staff Committee of the Big Deal Co. have been informed of the preliminary findings of the employee survey, which they have found to be useful in reassessing the mechanisms and outcomes of partnership arrangement. A more detailed presentation is scheduled with the company for November 2002 along with the collection of qualitative data.

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Chapter 7

Unions and Pay Setting

Richard Belfield

Unions and pay setting in the UK

Union influence over pay setting has waned in line with the long decline in membership strength. At the same time, the process and outcomes of pay setting in the economy have become progressively more heterogeneous. Assuming this heterogeneity is a durable development, what are the prospects for unions' pursuit of an independent pay agenda in this changed environment?

Union pay setting processes

Traditionally, union involvement in pay setting has taken the form of collective bargaining, the fortunes of which have broadly followed those of unions' organisational strength. In the post-war, this meant intermittent growth in the coverage of collective bargaining institutions towards a high point in the late-1970s, and decline in the subsequent period. However, not only has the proportion of the workforce covered by collective bargaining shrunk, but there is also evidence that even where the institution continues to exist, it has in many cases been "hollowed out": multi-employer bargaining relations have been largely abandoned, bargaining units are redefined downwards at the workplace level, fewer aspects of the pay package are open to negotiation, etc. Opportunities for union involvement in the pay-setting process, therefore, have changed both quantitatively and qualitatively over the last two decades or so.

Union pay outcomes

It is no surprise that such institutional evolution contributed to the emergence of new patterns of pay outcomes. In particular, the longstanding connection between collective bargaining coverage and higher wages grew weaker. Thus, whereas in the 1980s researchers still found that individuals covered by collective contracts typically enjoyed a healthy wage premium over those who were not covered, by the end of the 1990s this premium had effectively evaporated. Collective bargaining, therefore, appears to have lost some of its bite during this period, as unions became increasingly less able to extract concessions from employers. While this shift is a notable one, it does not follow that collective bargaining ceased to have any impact at all on pay outcomes. The union wage premium may be nearly extinct, but unions and collective contracts continue to be strongly associated with lower levels of earnings inequality than the non-union sector. According to recent research, this result holds in three dimensions: within workplaces, across workplaces in a given sector, and across the whole pay distribution by the enforcement of a de facto wage floor for covered jobs. These effects are of particular interest given the great expansion of pay inequality that has taken place in the labour market as a whole, as they indicate that unions are at least capable of prosecuting a limited independent agenda in the face of more powerful forces. In addition, they can be interpreted as evidence that unions have pragmatically refocused their pay strategy away from macro-level redistribution towards the micro level.

New opportunities for unions in pay setting

If the above results suggest a steady retreat by unions from assertive collective bargaining — largely due to employer opposition of various types, and to their own diminished organisational strength — other developments in the field of pay setting and work organisation have opened up new opportunities for them. In the main, these developments stem from employer attempts to improve efficiency through the introduction of "flexibility" and the reordering of employee incentives. The union movement has acted to exploit these openings as traditional routes of intervention in the economy have become more and more constricted. Indeed, collectively, the new opportunities form the substance of the partnership strategy heralded by the TUC in recent years, which envisions a position for unions in the economy not only as worker representatives, but also as irreplaceable enablers of management goals. Perhaps the most prominent opportunity is that offered by the widespread introduction by employers of novel mechanisms of performance-related pay (PRP).

Typically, these PRP schemes differ from earlier piece rate variable pay systems in two key ways: first, management plays a much more active role in determining pay outcomes in merit pay or target-based PRP than under a piece rate regime; and second, employers have introduced PRP in sectors of the economy that have little or no previous experience of incentive pay. Consequently, unions in sectors in which PRP is introduced can potentially play the joint role of negotiator of the terms upon which the new schemes are implemented, and of guardian of employee rights and procedural justice once PRP is operational. While they might present themselves differently to the two parties, though, unions are effectively offering the same "product" — a guarantee of some degree of certainty and stability in a very uncertain environment — to them both. By inserting themselves into the institutional structure of PRP, then, unions have the opportunity to create for themselves a relatively secure niche, as both employees and employers gain incentives to retain their services. However, given that these incentives cease to exist if either the establishment grows economically unviable or members feel they are gaining insufficient benefit, a union that follows this path is hitching its fortunes to those of the workplace itself. Accordingly, like the refocusing of collective bargaining strategy, this trend indicates that union influence is increasingly concentrated at the level of the workplace, precluding large-scale intervention in the political economy.

Unions and PRP in public services

One of our research projects explores the impact of the introduction of PRP in a sector with no historical experience of any similar system: the public services. This example is particularly interesting on account of the scale of the implementation of PRP systems, and also because it is occurring in one of the most densely unionised and institutionalised segments of the labour market. Therefore, the public services would appear to offer a paradigmatic case in which to explore the actual and potential role of unions in the operation of these schemes.

Particular attention is granted to the effect on performance of the schemes, as the extent to which involvement in PRP is a viable strategy for unions is determined by their relative success in the eyes of management. To this end, the project investigates first what are the effects of such schemes on workplace performance, and then seeks to discover in what ways unions contribute to this. The CEP's earlier work

on PRP in the public services provides evidence that these schemes can have a divisive effect on the workforce by their implicit or explicit comparison of workers' performance, and by the one-sided nature of performance measurement. A key hypothesis in this study, therefore, is that independent employee representation in the setting up and administration of these new types of pay system will cause them to operate more successfully.

The project methodology is designed to measure change over time, and current changes in public service performance pay systems mean that there is scope to carry out such 'over time' studies in a number of areas. Currently, though, the analysis is limited to schoolteachers but will be extended subsequently to the Inland Revenue and other parts of the civil service.

In 2000, a new pay system was introduced for classroom teachers in England and Wales which introduced an important element of performance pay into their salaries, which constituted a radical break with past pay systems. The research conducted in 2001 involved two elements:

- An analysis of the "before and after" study of teachers' responses to the new scheme.
- An analysis of the potential role of unions in promoting 'procedural justice' under new pay systems.

Seven conclusions emerge from these initial analyses:

- Some of the early opposition to the principle of linking pay to performance, and to pupil progress appears to have abated slightly.
- The new performance management system does not appear to have had a major effect on teachers' motivation to perform well.
- Teachers remain highly committed to their schools.
- Despite the very high success rate at the threshold, many still believe there is a quota.
- On the whole, it has not proved divisive and caused reduced cooperation with management within schools.
- It appears to assist communication between management and staff over school and work objectives.
- It has enhanced the role of middle management within schools.

Much work remains to be done to complement these findings. Notably, further analysis will be undertaken in the following areas:

- Exploration of how responses to PRP differ among different types of schools.
- Comparison based on those who responded to both the "before" and "after" surveys to see how their views changed in relation to PRP (using a matched sample).
- Analysis in greater detail of the replies of head teachers as to the effects of PRP on their schools.

The next stage will be to carry out the second wave of the study of teachers' PRP, and to set up a similar study in the Inland Revenue and other parts of the Civil Service, again with the idea of following a panel of employees over time. There is

considerable potential for further study of PRP in differing public-service environments, as table 7.1 indicates. In the Civil Service, in particular, it should be possible to identify a sample of offices that correspond to performance units within the organisation, and thus to compare motivation effects with measures of organisational performance. In addition, it is planned to develop measures of the effectiveness of local union representation to attempt measure procedural justice effects.

Table 7.1
Summary details of PRP schemes available for study

Organisation	Type of scheme	Treatment of employees at the top of their respective pay span	Per cent on their pay span maximum
Inland Revenue 1991	Employees move up existing seniority pay scale faster on receipt of good appraisal by line manager. Appraisal against standardised criteria.	Smaller % merit increases for higher-level grades and limit of 3 increments above span max for merit payments.	69
Inland Revenue 1996	No seniority scales. Appraised as 'Succeeding' at agreed targets brings pay increase, and 'Exceeding' brings additional increase, as does 'Succeeding' at jobs classified 'extra loaded'. No inflation increase in some years.	Smaller % merit payments as staff progress up the pay span for their grade, and restrictions on overlapping with grade above.	51
Employment Service	No seniority scales. Pay increase depends on achieving appraised performance objectives & is based on a share of a negotiated pot.	Performance pay above the maximum for the grade is non-consolidated.	59
NHS hospital – individual PRP	No seniority scale. Pay increase dependent on appraised individual performance.	No scale max but bonus for above average performance is non-consolidated.	Not applicable
NHS hospital – trust-wide bonus	No seniority scale. Pay increase depends on trust-wide bonus, poor performers only excluded.	Bonus at the grade maximum becomes entirely non-consolidated.	30 (trust contracts); 80 (Whitley contracts)
School head teachers	Additional movement up pay spine for appraised excellent perfomance by school governors. No seniority increments.	No limit on additional spine points that may be awarded.	Not applicable

Unions and pay setting in an international comparative perspective

While UK unions are most influential in pay setting at the workplace level, this is not the case in much of the rest of the EU, where they can influence the distribution of rewards at a higher level of the political economy. In addition, there are great differences in the structures of pay in comparison with the UK, particularly as regards wage inequality. Is there a relationship between these observations?

Relative centralisation of pay setting

Of particular interest is the degree of centralisation of pay setting in a national economy, as this matter is strongly associated with the influence that labour movements are able to bring to bear on pay determination. Whereas in the UK union influence has become almost completely atomised—the public sector excepted — since the late-1970s, in many other European countries the recent trend has been towards greater centralisation of union involvement in pay setting. Evidently, this is made possible in that these countries' unions typically enjoy much greater coverage of collective bargaining across the workforce, a legacy of continuing political and institutional strength, and of less hostile regulatory and economic environments. However, the contrast is still remarkable. The catalyst for this trend was the need to meet the macroeconomic targets for EMU, with governments crafting coordinated wage policies with the assistance of the unions, but even now nearly 3 years after the inception of the system, there have been no apparent moves to disassemble the newly centralised pay setting machinery. What is most notable about this absence of reaction is its inconsistency with the axiom that the global economy has recently changed in ways that favour flexibility and the local tailoring of economic relations. As the European economy as a whole has yet to implode under the weight of such rigidities, the question must be asked whether the traditional equation of centralisation of pay setting with inflexibility is entirely correct, or if the story has moved on. Whatever the answer, the process of pay setting has surely evolved very differently elsewhere in the EU than it has in the UK in response to the same external pressures.

Pay inequality

During the 1970s and early 1980s, unions in many EU countries pursued to varying degrees wage policies that sought to reduce the inequality of earnings among workers. The reasons for this varied: from the reduction of economy-wide pay differentials in countries where unions have been organised on corporatist lines, to radical policies to combat hierarchy and Taylorism in the enterprise such as were formulated by plant-based union organisations in Italy in the early 1970s. Such policies typically exerted a substantial effect on national pay distributions, and despite the emergence of less favourable government and business policies in labour markets during the 1980s, wage inequalities continued to decline for some time in countries such as Germany. However, this was not a uniform trend: the UK, as noted above, led the pack in the shift from diminishing to accelerating earnings inequality, beginning a wild ride towards greater inequality in the late-1970s that only slowed in the late-1990s. Moderate growth in inequality has been the most common trend elsewhere in the EU during the last decade or so, although countries such as Germany and Italy still tend towards little change at all. In any case — as with the matter of centralisation of pay setting — the UK appears again to be an outlying case. Furthermore, the

considerable variation among EU countries in recent experience vis-à-vis pay inequality is a subject that has yet to be adequately explored.

Pay inequalities and economic performance (PIEP) project

As part of this project, we will be tackling the questions raised above about the nature and effects of union influence on pay setting in several EU countries — to begin with, the UK, Belgium, Ireland, Denmark, Italy, and Spain, with the possibility of adding Germany and France at a later date. Our core resource is access to the microdata from the 1995 European Structure of Earnings Survey (ESES), which offers an unparalleled opportunity to explore many dimensions of changing pay inequalities: between occupations, industries, by gender, age, seniority, plant size and so on. By integrating this data set with previous (tabular) version of the survey — dating from 1978, 1972 and 1966 — and with national time series microdata that run up to the present, we will be able to approach research questions from both historical and comparative points of view. Until now, much of the work on the reduction of pay inequalities has relied on broad indicators of pay dispersions, and have been based on surveys that were poorly comparable across countries. However, because the ESES has been conducted with a common methodology in all countries, and its categories are comparable, we can make advance beyond the envelope demarked by previous studies.

As a result of technical delays with access to our core data set, we cannot yet present any results. We expect to finish drafts of our first analyses during 2003. There are two lines of enquiry that relate to union influences:

- Centralisation and inequality: this analysis takes a long-term perspective of change along both of these dimensions, and seeks to answer the question of whether centralisation of pay setting and equality always and everywhere go hand in hand — as is commonly assumed in the literature — or if there is a more attenuated relationship at work.

- Union effects on pay under differing collective bargaining regimes: in this cross-sectional study of 1995 data, we hope to deconstruct the relationship between unions and pay levels and patterns across countries with different institutional and structural attributes. In particular we are interested in separating union organisation effects from country effects, as this would enable us to break away from some of the country stereotypes that have characterised international comparisons. For example, do sectors with centralised bargaining have common patterns of wage inequalities no matter which country they are in?

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Chapter 8

Unions and Performance

Alex Bryson

Summary

- The union wage premium has been in decline since the mid-1990s. By 2001 the premium appears to have disappeared. However, this seems to be a cyclical effect due to the up-turn in the economy, rather than a secular decline.

- Unions continue to wield the 'sword of justice', having an egalitarian effect on the distribution of pay, cutting accidents and promoting both family friendly and equal opportunity policies in the workplace.

- Higher levels of reported job dissatisfaction among union members relative to non-members are not attributable to unions, but to the type of jobs done by union members, the types of employees who become union members, and the workplaces that employ them. Thus, unions have no damaging effect on job satisfaction, a finding that is contrary to the perceived wisdom.

- Employee and employer perceptions of the industrial relations climate differ according to the strength of the union, bargaining arrangements adopted and managerial attitudes to membership. Employee perceptions of climate are also strongly positively associated with employee perceptions of union effectiveness.

What can unions do?

What do unions do? The question has been asked many times. What do they do for (or to) employers who let them onto their premises? What do they do for members who pay their union dues? And what do they do to non-members who, although they do not participate directly in the union, may nevertheless feel the effects of their activity? These questions are central to answering the question 'what future do trade unions have in modern Britain?' because only if unions can persuade employees and employers that they have something to gain from unionisation will unions survive and prosper.

One way of looking at this is to consider what are the outcomes from being unionised versus not being unionised. In other words, how do employers and employees perform in the presence of unions, compared to what their performance would have been like in the absence of unions. There are many technical difficulties in isolating the causal effect of unionisation that make interpretation of union performance studies hazardous. This is particularly so where we try to evaluate changes in union effects over time. However, this is the natural focus of research efforts, since analysts, practitioners and policy makers are concerned to understand what effect two decades of union decline has had on performance.

Broadly speaking, unions perform three functions.

- They negotiate on behalf of their members for better terms and conditions of employment.
- They offer workers a voice with which to articulate their interests and concerns to management.
- They act as an agent for the employer in the management of employees, assisting the employer in the monitoring and enforcement of worker effort.

Under each role, unions could have both positive and negative effects on firm and employee performance.

- Bargaining: if it is assumed that unions can achieve a wage premium only by taking a larger slice of the profits pie than would otherwise be the case, these gains will be made at the expense of the firm's performance and, ultimately, employment levels. However, if one accepts that union activity may also affect the size of the available pie, bargaining outcomes are no longer a zero sum game: employees may gain without it being at the expense of managers. The bargaining process itself may increase the size of the pie, for instance, through productivity enhancements arising through the motivational effects on union members who might be better off than they would be in the absence of a union.

- Voice: workers may be better motivated and management better informed where unions operate as an effective voice for workers, resulting in improved performance. On the other hand, union voice can politicise employees and, through improved information flows, increase awareness of managerial shortcomings, leading to lower job satisfaction and de-motivation, which may feed through to lower productivity.

- Agency: whether performance is better when the union acts as an agent in the management of employees, relative to a non-union environment in which management takes on the whole function itself, depends on the nature of the union and what management is using to manage employees in the absence of a union.

The effect of union strength on performance

Union decline over the last two decades has probably had two conflicting effects on unions' impact on performance. On the one hand, many weaker union enclaves may have disappeared. Those remaining have survived because they were 'fitter' or stronger, in which case union effects (positive or negative) on performance may be more pronounced than hitherto. Alternatively, where unions continue to exist, union density has declined, potentially weakening unions' influence over performance. In fact, workplace survey evidence suggests that the union sector has become more heterogeneous, with weak and strong unionism evident by the end of the 1990s. This implies that reference to an 'average' union effect is increasingly outmoded, and greater emphasis should be placed on the contingent nature of the union effect. This point also holds for other dimensions of unionism such as the product market in which it operates and employer support or opposition for the work done by the union.

Weaker unions may be less effective than stronger unions in all three roles, but this implies different union effects from those expected of strong unionism, rather than no union effects at all. For example, weak unionism may be more damaging than non-unionism where employers have to meet the costs of engaging with a union, while obtaining none of the benefits accruing through effective worker voice or effective agency. From an employee perspective, weak voice may be sufficient to politicise the workforce, but insufficient to 'deliver', whereupon the effects may be damaging for worker morale and thus productivity. Predictions from strong unionism are also uncertain, a priori. Strong unions may be better rent-seekers than weaker unions, but they may also have better opportunities to improve workplace performance in their voice and agency roles.

Empirical evidence of unions' influence on performance

With this framework in mind, the rest of this section reviews recent evidence on unions' impact on performance across five broad sets of outcomes which are central to workers' quality of life and Britain's economic well-being.

Employee attitudes to their jobs

Unions influence the way that workers (union members and non-members) feel about various aspects of their jobs, such as job satisfaction, job security, and the influence employees think they have over decisions which affect their jobs. To date, the programme has focused on job satisfaction. Bryson, Cappellari and Lucifora find that higher levels of reported job dissatisfaction among union members relative to non-members are not attributable to unions' voice effect in politicising workers, but to the type of jobs done by union members, the types of employees who become union members, and the workplaces that employ them. Thus, unions have no damaging effect on job satisfaction, a finding that is contrary to the perceived wisdom.

The quality of workplace governance

Unions can affect the quality of workplace governance, as indicated by employee perceptions of managerial performance, trust in management and the climate of employee relations. Both the strength and direction of union effects differ according to the nature of the union and employer responses to unions. Employees' perceptions of workplace governance are poorest where unions are weak but where there is a balance of power between unions and management at the workplace, they are at least as good as perceptions in non-unionised workplaces. Second, employee perceptions of workplace governance are best where managers support union membership, and are poorest where managers oppose membership. Third, employees' perceptions of workplace governance are poorest where unions are perceived as ineffective.

The significance of the findings is two-fold. First, managerial support for unions and union membership, and a preparedness to engage seriously with unions, brings rewards in terms of better governance, whereas management opposition to unions is detrimental to climate. This is consistent with the notion that the workplace can benefit from social partnership. Second, unions are beneficial where employees viewed them as effective in 'delivering' for them. Future research will answer the key

question which arises, namely under what conditions are employers supportive of unions and employees perceive unions as effective? This will help us identify what sorts of unionisation are viable in future.

Unions improve employees' terms and conditions

In the late 1990s, unions continued to improve employees' fringe benefits such as pension provision and sick pay. They also improved employees' working environment, for example by reducing accidents at work. But there is some dispute over the size of the union membership wage premium.

Bryson asks how much of the wage differential between union members and non-members is attributable to union membership, and how much is due to differences in personal, job and workplace characteristics across members and non-members? He finds a raw union premium for the private sector of 17-25% of gross hourly wages, depending on the sub-group analysed. However, comparing union members with 'like' non-members, this difference falls to between 3% and 6%. This indicates that the higher pay of unionised workers is largely accounted for by their better underlying earnings capacity, which is associated with their individual characteristics, the jobs they do and the workplaces they find themselves in. However, a small premium is still evident. There is further evidence of a premium in the work of Bryson, Cappellari and Lucifora who find union members' dissatisfaction with pay is less pronounced than dissatisfaction with other aspects of their job, relative to non-members, pointing to union effect in procuring a compensating wage differential.

Machin investigates a related question. Does it still pay to be in a trade union? And, does it still pay to join a trade union? For men the answer is: it used to pay and it used to pay to join but by the end of the 1990s it does not. For women the answer is: yes it does still pay, but not by as much as it used to, and it does not pay to newly join.

Bryson's and Machin's results differ somewhat because they use different data sets and different techniques on different populations (private sector in the case of Bryson and whole economy in the case of Machin). Future research will seek to reconcile results by using alternative techniques on similar data. Nevertheless, both studies indicate a premium that is lower than that suggested in earlier studies. Bryson and Gomez directly address the question of whether the union wage premium has fallen over time. They conclude that the premium has fallen since the mid-1990s, but tentatively suggest that this may be a cyclical effect due to the up-turn in the economy, rather than a secular decline. In any event, since the union wage premium is the most visible benefit from union membership, its demise may create problems for unions in recruiting and retaining members. On the other hand, it implies that unions have a less detrimental impact on firm performance (see below).

Union effects on pay relativities and discrimination

Because unions have traditionally organised less well-paid workers, because they represent the median worker, and because they are guided by principles of collective solidarity and equity, unions operate as a 'sword of justice', tackling pay inequality, pay discrimination and low pay by altering procedures governing the contract of employment and challenging the ways in which employers set pay. The health of unions turns, in part, on their appeal to potential members so their 'sword of

justice' impact is important. In spite of recent decline, unions continue to have an egalitarian effect on the distribution of pay, cut accidents and promote both family friendly and equal opportunity policies in the workplace.

Union effects on economic performance

Four points emerge from a recent review of union effects on financial performance, productivity, workplace closure and employment growth.

- Negative union effects on productivity levels and growth in the 1980s have abated (though negative effects are still apparent where there is fragmented bargaining), and there are indications of a positive effect on productivity growth where unions are weaker, perhaps resulting from reductions in restrictive practices and/or employment where unions are less able to maintain staffing levels. Alternatively productivity levels may have improved in the unionised sector if less productive unionised workplaces had higher closure rates.
- The negative effects that unions had on financial performance in the 1980s seem to have all disappeared (being confined to fragmented collective bargaining) – a finding that is consistent with a decline in the wage premium.
- Unions raised the probability of workplace closure in the 1990s, whereas they had no effect in the 1980s.
- Unions recognition was associated with reduced employment growth by 3-4% relative to non-unionised workplaces in the 1990s, similar to their effect in the 1980s.

So evidence on unions' impact on workplace performance is mixed, but there is little evidence that unions either detract from or enhance productivity or profits. The differential rate of employment decline in the unionised sector is particularly problematic for unions because it suggests a rate of decline that even the most effective organising of new workplaces is unlikely to make up for. Bryson and Machin are continuing to investigate links between unions and the performance of companies and are in the process of analysing survey returns.

Concluding remarks

Empirical analyses rarely explore the potentially cross-cutting effects of unions arising from the different functions they perform. Arguably, these functions are also under-theorised, so that it is sometimes difficult to generate testable hypotheses that distinguish among the roles.

Increased heterogeneity across unions, and in managerial responses to unions, implies that focusing solely on union average effects will result in an increasingly partial understanding of union effects. The question is not so much 'what are unions doing now?' but 'which unions are doing what, and how are employers responding?' Some findings relating to industrial relations outcomes (job satisfaction, trust in management, climate) are relatively positive from a union perspective since they point to conditions under which employers and employees may benefit from unionisation (table 8.1).

Table 8.1
Unions and industrial relations performance

Study	Outcome	Union measure	Findings
1. Employee perceptions of IR/management			
Bryson (2003b)	Employee perceptions of managerial performance, WERS 1998	Recognition, on-site and off-site representation	Perceptions of managerial responsiveness better among employees with non-union voice than they are among employees with union voice
Bryson (2001b)	Employee perceptions in WERS98	Recognition, on-site representation, density, bargaining arrangements, bargaining coverage, management attitudes to unions, perceived union effectiveness	-ve effect of strong union, weak unions NS; -ve where on-site rep, NS where no rep; -ve effect of fragmented bargaining; -ve effect where no management support; -ve where ineffective, +ve where effective
Bryson (2001a, 2001c)	Employee trust in management, BSA 1983-1998	Recognition, perceptions of union power and union effectiveness	+ve where balance of power between unions and management; +ve where management supports membership; -ve where management actively discourages membership; +ve where union perceived as effective
Ramsay *et al*. (2000)	Employee perceptions of IR climate in WERS98	Union density	-ve effect of higher density
Bryson (1999b)	Employee perceptions of IR climate, BSA98	Union recognition, on-site representatives, employee perceptions of union power	-ve effect of recognised union, and –ve effect of on-site rep; -ve effect of 'strong' and 'weak' unions
2. Employer perceptions of IR climate			
Bryson (2001b)	Managerial perceptions in WERS98	Recognition, on-site representation, density, bargaining arrangements, bargaining coverage, management attitudes to unions	-ve effect of strong and weak unions; -ve where no on-site rep, NS where on-site rep; -ve effect where no management support
Addison and Belfield (2001)	Managerial perceptions in WERS98	Union recognition, closed shop/man. Endorsement	Not significant
Cully *et al*. (1999)	Managerial perceptions in WERS98	Union recognition	Not significant
3. Employee job satisfaction			
Bryson et al. (2002)	Employee job satisfaction and pay satisfaction	Union membership, density, recognition	Not significant

Table 8.2
Unions and economic performance

Study	Outcome	Union measure	Findings
1. Wage premium			
Blanchflower and Bryson (2003)	Gross hourly earnings, 1985-2001, whole economy and disaggregated	Union membership	Declined since mid-1990s, but anti-cyclical not secular. Level and significance in 2000-2001 depends on data set
Bryson and Gomez (2002)	Gross hourly earnings, 1985-2001, whole economy	Union membership	Declined since mid-1990s, but anti-cyclical not secular. +2.5% in 2001 is ns
Bryson (2002)	Gross hourly earnings, 1998, private sector	Union membership	NS in whole private sector and covered occupations; +6% in covered workplaces; +ve confined to 50%+ density and older workplaces
Machin (2001)	Gross hourly wages earnings, 1991-99, whole economy	Union membership	By 1999, ns for men, +ve for women
Forth and Millward (2002)	Gross hourly earnings, 1998, private sector	Coverage, multi-unionism	+8% where 70-99% coverage; +12% if multi-union, otherwise NS
2. Labour productivity			
Pencavel (2001)	Labour productivity levels in 1998 and 1990	Any union members present and bargaining arrangements	Union members –ve on levels in 1990 but ns in 1998. Fragmented bargaining –ve on levels in 1990 and 1998.
Addison and Belfield (2001)	Labour productivity levels in 1998 and change, 1993-98	Union recognition, closed shop/man. Endorsement	No effect on levels; weak unions +ve on change
3. Financial performance			
Pencavel (2002)	Financial performance, WERS98 and WIRS90	Any union members present and bargaining arrangements	Union members –ve in 1990 and 1998, driven by fragmented bargaining
Bryson and Wilkinson (2002)	Financial performance, WERS98	Recognition, coverage, bargaining arrangement, bargaining levels	Generally no significant effect; industry-level +ve sig
Addison and Belfield (2001)	Financial performance, WERS98	Union recognition, closed shop/man. Endorsement	No significant effects
Addison and Belfield (2000)	Financial performance in WERS98	Union recognition	No significant effects
4. Employment growth			
Bryson (2001d)	Employment growth, 1990-98	Union recognition, bargaining arrangements	-3-4%; not significant where union negotiated wages and employment
Addison and Belfield (2001)	Employment growth, 1993-98	Union recognition, closed shop, man. Endorsement	-ve
5. Workplace closure			
Bryson (2003a)	Workplace closure, 1990-98	Recognition, bargaining arrangements	+ve, but size and direction of effect sensitive to nature of union, closure definition
Addison, Heywood and Wei (2001)	Workplace closure, 1990-98	Union recognition	+ve, only where part of larger organisation

The situation is less clear-cut with respect to economic outcomes (table 8.2). With the possible exception of multi-union environments, the wage and productivity effects of unionisation are much smaller today than they used to be, so it is not surprising that unions have little effect on profitability. However, unions continue to have a detrimental impact on employment growth, lowering it by around 3-4%. This appears to be a bargaining effect. It is confined to unions with bargaining strength and where unions negotiate over wages but not employment. Where they negotiated over employment, growth rates were not significantly different from those in non-unionised workplaces. This suggests unions modify their wage claims where management involves them in decisions over employment, or else the relationship between management and unions is qualitatively different in these circumstances in such a way as to ameliorate the negative effects of unions. Although the evidence is less clear cut, there are also indications that unions increased closure rates in the 1990s. Here the effect is not due to bargaining strength, but it is a union voice effect, as opposed to a worker voice effect per se, since non-union voice had no such impact. Our conjecture is that, in some cases, unions may have become less effective as a voice for workers and as an agent for employers.

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Chapter 9

Unions and Equity

Helen Bewley

Key findings

- Unions offer workers greater equity by reducing wage dispersion and raising the pay of women. They are also associated with greater equality of opportunity, as employers who recognise a union are likely to have a range of equal opportunities policies, and some family-friendly practices.
- Unions are of value to employers in managing the workforce and informing them of the problems experienced when implementing equal opportunities and family-friendly policies in the workplace.
- Although many workers are not hostile to unions, there are significant barriers to union membership including fear of victimisation, reluctance to pay membership subscriptions amongst the low paid, and the perceived irrelevance of trade unions to highly-skilled workers who are willing to voice their concerns to management personally, or are able to find alternative employment relatively easily.

Issues and methods of investigation

What do unions offer workers traditionally disadvantaged in the labour market e.g. women, racial and ethnic minorities, gay and lesbian workers and those with long-term disabilities? This research involves assessing whether unions are responding to work-life balance concerns and representing the interests of those who may experience discrimination. It addresses the effect of gender composition, sexual orientation, union experience and sectoral characteristics on attitudes to unions and the success of union campaigns. We also consider the potential for unions to organise vulnerable groups of workers, the issues that they need to address, and the extent to which employers can affect, for good or ill, the perceived usefulness of the union to workers. In relation to the disadvantage experienced by employees bearing primary responsibility for the family, we are investigating whether equal opportunities or family-friendly issues are a potentially fruitful concern around which unions can organise. This includes assessing the attractiveness of such policies to employers.

We are using a variety of quantitative and qualitative methods to investigate our research questions. The 1998 Workplace Employee Relations Survey (WERS98) has been analysed to assess whether nationally women are more likely to have access to equal opportunity and family-friendly policies where a union is recognised. In addition, we have considered whether unionised workplaces are more likely to offer such policies than workplaces run along human resource management (HRM) lines. WERS98 has also been used to assess whether, on average, employers offering family-friendly policies have better performance than those without such policies, allowing us to consider whether one strategy unions might pursue in seeking to raise membership would be to encourage employers to adopt such policies. The British

Household Panel Survey has been used to assess whether it pays for women to be in, or join a union, and the Labour Force Survey to examine differences in pay between unionised and non-union workers with regard to gender, race and other factors.

Aside from secondary data analysis, we are also collecting primary data. In particular, we are conducting case studies, including a local labour market study of Brighton and Hove. This study is investigating equality and representation through in-depth interviews and a detailed structured questionnaire. Participants include workers in the new media, refuse collection and childcare sectors, and clerical staff. We are also interviewing union representatives, employers and employees in comparable unionised and non-union firms, and union officials and members of union self-organised lesbian and gay groups. In addition we have undertaken a large survey of commuters, as well as a survey of the lesbian, gay, bisexual and transsexual community.

Findings

Our analysis of WERS98 has shown that employees are more likely to have access to equal opportunities policies where their employer recognises a trade union for the purposes of negotiating pay and conditions than where there is no union recognition, controlling for a range of other workplace characteristics (table 9.1). Employees are also more likely to have access to some family-friendly policies where a union is recognised. However, these policies do not appeal to all employees, even where their working conditions, for example, long working hours or inflexibility of employment, suggest that the practices would be beneficial. New media workers in the local labour market study were expected to work long hours, felt insecure in their jobs and lacked control over their work. Also, they did not generally express hostility to unions. However, these workers tend to be young and without family responsibilities, and any job dissatisfaction that they experience in the main arises from the nature of their work rather than working conditions. Therefore the fact that unions might tackle long working hours did little to encourage union membership.

Table 9.1
Use of equal opportunity and family-friendly policies by union recognition

	Proportion of workplaces with practice, from:	
	Workplaces with union recognition	Workplaces without union recognition
Formal written equal opportunities policy on gender	82.1	42.3
Statistics collected on posts held by gender	40.6	15.4
Monitor promotions by gender	20.6	5.4
Review selection procedures to identify indirect discrimination	36.9	9.9
Measure effects of equal opportunities policy	20.4	4.8
Parental leave	54.5	21.8
Working from home	15.3	10.9
Term-time only working	24.2	10.0
Switching from full- to part-time employment	58.2	37.8
Job-sharing	48.8	15.4
Workplace nursery, or nursery linked with workplace	6.3	1.4
Financial help with childcare	5.9	2.6

Note and source: From WERS98, all workplaces with 10 or more employees

Initial research findings suggest that lesbian and gay workers in the new economy sector also generally express positive feelings towards unions, but do not identify them as a potential source of help in tackling discrimination. For both new media workers, and lesbian and gay workers in lower-level new economy jobs, the response to job dissatisfaction is to seek alternative employment, or for new media workers to set up their own firm. It also appears that lesbian and gay workers in higher-level jobs appear to seek employment in sectors with more tolerant environments. The fact that, although lesbian and gay workers are not hostile towards unions, they pursue exit rather than voice, or avoid particular sectors, indicates that they do not yet see unions as an appropriate mechanism for dealing with the problems they experience in the workplace.

Our findings suggest links between gender, union density and success in pursuing union objectives. Predominantly male, and highly unionised refuse workers in Brighton and Hove were successful in persuading the local authority to take the refuse collection contract back into the public sector after a five-day sit-in. In contrast, childcare is a female-dominated sector of employment, characterised by varied levels of union membership and involvement. Unionisation is higher among the higher qualified and those still attached to the public sector and it is notable that a large number of learning support assistants were involved in the strike by council workers (17 July 2002). However, the recent rapid expansion of childcare under the National Childcare Strategy has been in the private sector where unionisation is low or non-existent. Our research has demonstrated that unions need to take a very careful approach to organising these workers if they are to be successful in recruiting and retaining them. Whilst most employees who had experienced union membership viewed unions positively, childcare workers reported that unions were unresponsive to their concerns and correspondingly were unwilling to pay the "subs" from their meagre pay. The union had therefore been unsuccessful in engaging with these workers, at least in the private sector.

Although WERS98 and the local labour market study demonstrate that larger workplaces are more likely to offer formal practices to facilitate work-life balance, it is noted that smaller workplaces perhaps operate informal practices. It is also apparent that workplaces with formal equal opportunities policies and family-friendly practices may not *actually* provide equality of opportunity. For example, the local labour market study presented clear evidence that whilst employers are keen to stress their commitment to equality, in practice they sometimes fall short of providing this. For example, employment agencies who formally declined to supply staff on non-job-related criteria e.g. a "long-legged blonde" receptionist, did in reality try to find workers they thought would be favoured by the client, even where the client did not ask for workers to have particular non-job-related characteristics.

An important question for unions is whether employers are able to reduce potential union support by offering terms and conditions that employees would otherwise seek through a union. The local labour market study also suggests that the existence of informal channels of communication between managers and employees can reduce the demand for union membership. However, the study of the use of flexible and family-friendly work options, suggest that even where employers offer apparently family-friendly practices, unions still have an important role to play in

ensuring that the benefit of these practices to employees are maximised. For example, in the retail sector, whilst firms may appear to offer employees the chance to work flexible hours around their family commitments, in reality, they can be put under pressure to work longer hours than they wish and at times which have a negative impact on work-life balance. This suggests that unions have a role in overseeing the implementation of flexible practices where they are offered by the employer.

Our local labour market studies have identified parallels between employment agencies and trade unions in that employment agencies negotiate wages with employers on behalf of their staff, as do unions, and workers approach the agency when they experience problems with their employer, as they might alternatively approach a trade union. This suggests that employers can perhaps seek to minimise the threat of unionisation by using agency staff. However, unions were successful in gaining the support of agency workers in the sit-in by refuse collectors, despite the fact that agency workers only received two-thirds of the pay of permanent staff. The success of this union campaign was perhaps in part due to the fact that besides the agency workers receiving much lower pay, the refuse workers had experienced four different employers in four years, with workers recruited at different times employed on different contracts. The disparities in terms and conditions amongst workers employed to do the same job appear to have united the refuse collectors in a sense of unfairness at this inequality. Clearly employer practices, such as HRM, or using agency staff, affect the extent to which union membership is regarded as worthwhile, but unions do appear to be key to the provision of actual equality, suggesting that there is still potential for unions to win the support of employees.

Our analysis of WERS98 has revealed that workplaces that offer a range of family-friendly policies have better financial performance and labour productivity and lower absenteeism and voluntary resignation rates, than those without such practices, but that there are important differences in the types of family-friendly policies offered by employers. The local labour market study has identified differences between employer- and employee-led flexibility which can be complementary or in conflict. For example, retail workers may be able to choose working hours which fit around their family commitments, or alternatively be required to work particular hours in order to meet surges in demand. From our analysis of WERS98 we find that workplace performance is considerably better when family-friendly policies which enable employees with families to maintain their presence in the workplace are offered, rather than those which depend on reducing hours, or reducing workplace visibility, which perhaps also lowers access to training, promotion opportunities and information about the workplace.

Finally, we find that unions play a role in closing the wage gap between various groups of workers. They reduce pay differences between women and men, racial and ethnic minorities and whites, those with long-term disabilities which affect their work and the fully-able, manual and non-manual workers. Women earn more in unionised workplaces than in those without a union and further, workers get increased access to family-friendly policies where a union is recognised for negotiating pay and conditions than in a non-union workplace.

Implications for the future of unions

What can unions offer non-union employees?

Given that unions reduce wage dispersion, and raise the pay of women, they offer non-union workers greater equity. They are also associated with greater equality of opportunity, as employees in workplaces with union recognition are more likely to be covered by a range of equal opportunities policies, and some family-friendly policies. There is the potential for unions to do more to address equality between workers employed on different types of contract e.g. agency workers. Unions also have a role to play in ensuring that flexible working reflects the needs of employees.

What can unions offer employers?

Some family-friendly policies are associated with better performance, whilst others are not, in part due to the fact that they reduce the likelihood that employees taking them up receive training and information about the workplace. Also, the case study of a retail sector workplace has demonstrated that there can be considerable divergence between flexible working practices agreed by unions and management at the national level and the way in which policies are implemented in the workplace. Therefore, unions can provide an important service to employers by informing them of problems in the operation of such policies. This should then allow employers to benefit fully from the family-friendly practices that they offer, maximising the productivity of employees. Evidence from the local labour market study also suggests that unions help employers to manage the workforce.

Can unions change their internal organisation?

It is hoped that it may be possible to address this question in future research by contrasting the way that self-organised groups within unions (Unison has lead the way in developing these groups) are organised with the way that lesbian and gay activist groups outside the union behave in terms of efficiency and responsiveness to grass-roots issues.

Forward look

Whilst non-union workers do not seem to be generally hostile to unions, many regard them as irrelevant, even though unions are associated with greater access to equal opportunities and family-friendly policies, higher pay for women, and reduced pay dispersion among workers. Case study research in the retail and engineering sectors has revealed that unions face difficulties recruiting women at both ends of the pay spectrum, as whilst women in low-paid and part-time employment who decline to join a trade union often express an unwillingness to pay union subscriptions, professional workers in better-paid employment refuse membership on the grounds that they feel happy to take their concerns to management themselves. By contrast, women workers in the retail sector were thought to avoid involvement in union activities because they did not want to become embroiled in a possible confrontation with management and feared victimisation.

HRM practices present a challenge to unions in terms of presenting alternative ways for employees to attain their demands at work, although even where employers offer flexibility and family-friendly policies unilaterally, unions still have a role to play in ensuring equality in the workplace. Unions need to address the concerns of agency workers employed on worse terms and conditions to permanent staff in order to encourage long-term union membership. In addition, unions are challenged by the high turnover of young staff with few outside responsibilities in some sectors. The fact that there is little demand for union intervention the new media sector, despite long working hours, results in those with family responsibilities being effectively excluded. It remains to be seen whether unions can do anything to address this exclusion.

Although employees in unionised workplaces are generally satisfied with their union, some unions are not yet communicating with employees in a way which encourages engagement. In particular, whilst many unions have sought to address lesbian and gay issues, it is possible that they could improve their relationship with these workers by learning from the experiences of non-union gay and lesbian activist groups. Initial research findings suggest that unions need to address the ways in which fear of homophobia shapes the employment choices of gay and lesbian workers, and their strategy of seeking alternative employment when facing homophobia at work. This could be a potentially fruitful area for unions, provided that they address any homophobia amongst their existing membership, given that we find gay and lesbian workers to be generally supportive of unions. We observe that unions can clearly still be successful in achieving gains for their members where membership is high, and so the future may be brighter for unions if they can communicate union successes to workers as a way of encouraging union membership. The success of the strike by local government workers on 17 July suggests that unions have much to gain from cooperating with each other at the local level. However, there is also an awareness amongst workplace union representatives that where the union is seen to fail workers in terms of the negotiating terms and conditions, this makes it harder to sustain levels of union membership within individual workplaces.

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Chapter 10

The Future of Public Service Unionism in a Restructured Public Sector

Rebecca Kolins Givan

(started October 2002)

The future of trade unionism in Britain is bound up with the fortunes and prospects of public service trade unions. Trade union density for all public sector employees is significantly higher than in the private sector being 59 and 19% respectively. Another important feature of trade union membership is the variation among occupations, with professionals and associate professionals the most highly unionised occupational groups. Consequently public service trade unionism forms the bedrock of trade union membership and occupations including nurses, teachers and social workers form a central component of union membership.

This research project examines the character of public service trade unionism and the manner in which public service trade unions are sustaining union organisation and membership amongst public service staff in a period of continuous restructuring. It assesses the extent to which a distinctive public service trade union response can be discerned that extends beyond the workplace and is sensitive to the interests of public service professionals. The response of public service unions to state policy on issues, including PFI, form an integral component of the research.

Four key aspects of the public service context influence trade union ideology, organisation and methods that have been largely neglected by the literature. First, a central feature of public service trade union membership is the extent to which many public service trade unions are dominated by professional and associate professional occupational groups. As Kelly points out unions may be categorised as being either 'moderate' or 'militant' on the basis of five dimensions: goals, membership resources, institutional resources, methods and ideology. Membership characteristics could be expected to have an important influence in shaping trade union practice. Second, many public service unions are organised predominantly in one sub-sector, ensuring that they assign a high priority to shaping public policy and employment developments in their sector. Third, although formal decision-making and public service collective bargaining machinery has been highly centralised, encouraging centralised forms of public service organisation, trade unions have also had to contend with the diffuse nature of managerial power in the public services. Management authority is divided between a number of parties, at different levels within the state, with potentially conflicting interests (cf. the fire fighters' strike). These characteristics often spawn formal or informal processes of multi-lateral bargaining. Fourth, public service trade union practice has been sensitive to the particular form of the employment relationship often referred to as incorporating 'a public service ethos'. This implies a principled framework for action that describes the general characteristics of the organisation and the values that motivate those who work for the public services. This public service ethos is not confined to any particular occupational group but the existence of large numbers of professional staff who have traditionally had an important influence over patterns of service provision and that wish to safeguard service standards has implications for trade union practice. This

may lead public service trade unions to adopt a more *campaigning* or social movement trade unionism.

Research questions

This research is concerned to analyse and explain the particular forms that trade unionism takes within the public services. It considers the influence of professional identities amongst union members in shaping union practice, the patterns of workplace organisation, and the extent that public service unionism is influenced by developments beyond the workplace. Three sets of questions will inform the research:

1. To what extent, and in what ways, do the occupational and professional identities of public service workers, often referred to as the 'public service ethos', influence union practice?

2. How far, and in what ways, are professional and associate professions involved in workplace unionism as members, stewards or branch officials?

3. How do members, stewards and branch officials interests and concerns inform trade union practice beyond the workplace and influence public policy decisions in areas such as PFI?

Research methods and sampling framework

These research questions require a research methodology that captures the breadth of occupational groups across the public services and probes the variation between trade unions. This breadth will be achieved by including the three key components of the public services – health, education and social services. These sub-sectors contain occupational groups especially nurses, teachers and social workers that are unionised and are located within the associate professional and professional categories.

The use of paired trade union comparisons is primarily designed to identify differences in trade union approach towards the recruitment, organisation and involvement of professional and associate professions between each union within a sub-sector. The aggregate data generated across the sub-sectors will inform broader analysis of the distinctive features of public service trade unionism and how the characteristics of public service trade unionism can be developed to the advantage of trade union members.

The main component of the research will take the form of comparative case studies, within each sub-sector with interviews amongst other key actors in the sub-sector. (see table 10.1). Analysis of trade union policy and practice will be inextricably bound up with the concerns of the key membership group, although whether these concerns are identified in professional or other terms remains a central question of this research study. Within each trade union the sampling frame will focus on one region in each case with several branches selected within each region. A

central part of the research will be interviews conducted amongst lay activists, branch officials, regional officers and national officers. The research will also make use of national, regional and branch documentation related to the research agenda and may incorporate a more quantitative dimension (e.g. the use of vignette techniques). It will be complemented by the observation of union conferences, training events, branch meetings and other forums.

Table 10.1

		Health			Education			Social Services		
		National	Regional	Local	National	Regional	Local	National	Regional	Local
Data		WERS			WERS			WERS		
		Review body and workforce data			Review body and workforce data			Review body and workforce data		
Representative Bodies:	More professionalised (less militant)									
					ATL& PAT					
		BMA			NAHT			BASW		
		RCN			SHA					
		Amicus			NUT &	NASUWT		GMB		
	Less professionalised (more militant)	UNISON						UNISON		
Other stakeholders	Employers association	AHHRM			SEO			ASSD		
	Government	DoH			DES			DoH		
Regulatory bodies		NMC			GTC			GSSC		

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Chapter 11

Trade Unions Outside the Workplace

Robert Taylor

(started October 2002)

The main focus of the planned research is to examine the future role of Britain's trade unions in the public arena outside collective bargaining and workplace relations. It is concerned with what trade unions are doing in the wider society as policy makers, lobbyists and political actors. The topic has four distinctive areas.

Unions as influences on public policy making

The future relations between trade unions and the state remain uncertain and problematic. But under the direction of the TUC we can expect to see the development of a range of relationships with specific government departments on particular issues. Some in the unions want to see the emergence of a social partnership on the continental European model in a growing number of areas of governance in alliance with employer associations and the state.

The study will examine policy areas where the TUC is attempting to develop this kind of approach. These will include productivity, training and learning, low pay, employment regulation and information and consultation for employees. There will be detailed case studies on the current lobbying over the revision of the Employment Relations Act and the making of the regulations to cover information and consultation. It will also study how particular trade unions are developing public policy approaches, with special reference to the public sector and the government's privatisation strategy.

Unions and politics

This area will concentrate on the developing relations between trade unions and the Labour party. It will look not only at the issue of party funding and the role of trade unions in financing party politics but also the role trade unions are playing both in the running of the party and in the activities of the parliamentary party. It will follow in considerable detail the forthcoming political fund ballots to be held by the unions over the next eighteen months. This will provide rich, empirical evidence on the role of the unions in the wider political process.

The project will also examine the new generation of trade union leaders who are being elected, many with a more left-wing position than their predecessors. This would involve face to face interviews with them and others and a close attention to their programmes and beliefs. It is necessary not to be parochial. Therefore the role of trade unions in politics elsewhere in the world will be examined, particularly in European countries like Germany, Sweden, France and Italy but also the United States and Australia. An international comparison will help us understand what possible ways forward there are for our unions in the political system.

Unions and civil society

Trade unions are some of the largest voluntary associations in Britain. An increasing number are starting to examine new strategies that reach out beyond the workplace to the wider society, especially at community level. The study will explore the extent and the limitations on the ability of unions to make alliances with non-governmental organisations covering the environment, gender and racial issues, transport and economic development at local level. It will also examine trade unions in an international setting. Increasingly bodies like Amnesty International, Greenpeace and Global Resistance are becoming involved in questions of labour rights.

Unions in the wider world

Trade unions in Britain are becoming more interested and involved in international activities through their work in the European Union and the emerging global sector union federations. It is necessary to explore what is happening at this level, not least because in the EU we can already see the growth of a new tripartite system of influence and policy making that is having a profound effect on UK employment law and the role of regulation in industrial relations. Two specific areas of inquiry are: the role of the EU on trade union influences and the role of trade unions in the globalisation debate.

Union development

A wide ranging survey of the unions affiliated to the TUC on their current plans for future growth and development is being considered. John Monks is prepared to give his support to this project which will be carried out with John Kelly. The research approach will be through interviews with trade union officers at different levels, an examination of primary material from the unions and a series of visits to trade union conference during the spring and summer of 2003. There will also be a number of case studies of particular types of trade union. This would cover the top five but in addition specific unions who are modernising their current activities in the public policy area.

DISSEMINATION AND IMPACT

Dissemination is initially via the academic community because this ensures critical peer review. This is through publications and workshop/conference presentations. Next, we make great effort to inform practitioners by events and through our own contacts, nurtured over many years. Further, our work often feeds into public policy. Finally, our research is disseminated to a wider public audience through our friends and contacts in the media.

Publications

The normal CEP way of working is to initially produce an internal Working Paper. Once it has been presented at a serious seminar or workshop it usually evolves into a Discussion Paper (circulated to some 500 people). Most such Discussion Papers then, in due course, appear in academic journals or books. Publications are listed separately. We have a contract with Routledge to produce three edited books (spring 2003, 2004, 2005) which will distil the results flowing from the programme. There has already been a special issue of CentrePiece (summer 2000) on the Programme and in June 2003 there is a special issue of *Perspectives on Work*, the magazine of the American Industrial Relations Association, where findings from the project will be disseminated to an international audience.

Conferences and workshops

Two major internal events are organised each year (details set out below). In the summer we disseminate our research to colleagues from unions, organisations, public services and the media. In 2000 talks were given on recognition and family friendly policy. In 2001 on the statutory recognition procedure, attitudes of non-union employees towards union membership and unions and the internet. In 2002 the topics included social partnership, workplace performance, work-life balance and information and consultation.

At Christmas we host a workshop to expose our research to peers and non-CEP academic colleagues. The 2000 event included papers on: recognition; membership; PRP; internet; equal opportunities; and information disclosure. In 2001 the theme was unions and workplace performance which discussed, among other things: wage premium; financial performance; training and the impact of family friendly policies. The 2002/03 event focussed on the public sector including: the ethos of public sector unionism; membership and pay; gender and the new economy; union organising campaigns and payment systems.

In addition in May 2001 we organised, jointly with the Harvard Trade Union Program and the TUC, a major international conference on unions and the internet. And in autumn 2001 the research officers and assistants organised their own workshop where each led a discussion on their research.

Programme members have been active outside the CEP too. In 2001 a major international conference on the future of unions in Toronto (in honour of Noah Meltz) featured papers from Charlwood (organising), Diamond and Freeman (e-organising), Gomez (youth), Davies, Moore, Wood and Willman (recognition) and Marsden (performance related pay). Three of these papers appeared in a special issue of the British Journal of Industrial Relations, September 2002. Fernie gave a paper (on partnership) at the Bergamo conference on institutions and outcomes. Gray spoke on family friendly policy at the Gender Work and Organisation conference at Keele. Gomez, Moore, Gospel and Charlwood discussed research results, respectively, at Allied Social Science Conference (New Orleans) BUIRA, Work Employment and Society Conference and the WERS users conference. Gospel gave the prestigious Foenander Public Lecture at the University of Melbourne.

In 2002 Belfield and Marsden presented a paper on unions and PRP at the Brussels meeting of the Applied Econometrics Association. Bewley discussed her work on links between equal opportunity and family friendly policy and workplace performance at BUIRA in Stirling. Freeman examined unions' influence on voting behaviour at the Cornell Labor Seminar. Gospel presented his research on representing workers in the new economy at both Bocconi University in Milan and the WZB in Berlin. The Middlebury College (Vermont) conference in April featured papers by Gomez on union membership as an experience good and Freeman on unions use of the internet. Ewing presented the case for a Charter of Workers Rights at fringe meetings at both the TUC and Labour Party. Bryson presented his work on unions and voice, job satisfaction, workplace governance and the pay premium at, respectively, Hagen (Germany), EALE (Paris), Aarhus and Milan. Flood discussed her work on unions and gender at a conference in Sydney and Perrons presented findings from her local labour market research at the Regional Science Association, Tokyo University and the ESRC series on the geographies of the new economy.

Links with unions management and policy makers

Links between the programme and unions are strong. For example, Freeman and Diamond organised joint CEP/TUC conferences on both unions and the Internet and their research on 'what workers want' in terms of voice and representation. This research is an important catalyst in getting unions to think carefully how to organise and service members via the internet. Bryson has presented his work on union effectiveness at the TUC. Charlwood's work on organising effectiveness was discussed with a number of TUC officials. The recognition team maintain contact with the TUC and discussed their research with a dozen or so unions. Metcalf presented his research on the interactions between outcomes and membership to a UNISON workshop. Gray's research on family friendly policy figures prominently on the GMB website. The partnership/organising group, and the newer research on the public sector and public face of unions all involve major interaction with specific unions. Both union organising and partnership projects are being implemented in active collaboration with several trade unions including: UNISON, AMICUS-MSF, UNIFI, GPMU and TGWU. The Involvement and Participation Association (IPA) has provided valuable assistance on the partnership research. The preliminary findings of the partnership research were presented at the UNISON National Seminar of Union Organisers in the Health Sector. The partnership research has provided useful insights

on the mechanisms and employee-relations outcomes to the organisations participating in the project. Likewise, the organising research has provided useful diagnostic information to the union, which the officials have used for streamlining the union's communication and information dissemination channels and, training workplace reps.

The family friendly research has forged links with senior equality officers from the following unions over the past three years: UNISON, USDAW, GMB, AMICUS, UNIFI, UKAPE (AMICUS), RCN. These contacts have been made in the process of interviewing equality officers from the five largest unions, as well as seeking access to unionised workplaces for our case studies of what works for women at work. The local labour market study has also established very good links with the local branch of the GPMU and a number of LGBT organisations. The GPMU has made extensive use of the new media study, and found it helpful in the course of negotiations. This study was distributed via a number of e-lists and extracts, and a summary report were available on the Wired Sussex website. The project has also contributed to the public debate on gender research and social policy through the presentation to the Gender Research Forum of the DTI and the Women's Unit of the Cabinet Office.

Gospel's work on information and consultation was presented to Personnel Consultants at Watson Wyatt. Fernie and Gray's research on family friendly policies and performance has been discussed with the CBI, EOC, DTI and OECD as well as a number of unions (e.g. NUT). Bryson's work on unions, the climate of employment relations and performance was discussed with DTI. The recognition team have maintained strong links with CAC, ACAS, the DTI, CBI and CIPD (as well as participating unions and firms). The team made a presentation in June 2002 to the DTI group reviewing the Employment Relations Act, and have sustained contact with TUC to analyse the research. The TUC's own submission to the review drew on our research. Machin's research on unions, technical change and inequality was discussed with the Asian Development Bank. Gospel's enduring work on corporate governance, voice and responsibility was shared with both ILO and EU forums. Belfield and Marsden's research on performance related pay has informed discussion in, for example, the DfEE and Inland Revenue. Willman and Gospel advised the Cabinet Office on their 2002 Green paper 'High Performance Workplaces: the Role of Employee Involvement in a Modern Economy'.

Dissemination via media

Popular articles on the programme research have been published in, for example, Labour Research (recognition) the New Statesman (outcomes and membership and new union leaders), Financial Times (stakeholding) and the Times Higher Education Supplement (unions and PRP). The research has been quoted extensively in, for example, Guardian, The Economist, Financial Times, IRS Employment Trends, Labour Research, Socialist Worker and various union web sites.

Members of the programme made a number of media appearances which drew on their research including BBC TV (Breakfast Programme, Ten O'clock News, Newsnight), Radio 4 (e.g. Today, World Tonight) Radio 2 (e.g. Jimmy Young show),

TalkSport and local radio. Gospel was academic adviser and anchorman on the three part BBC Radio 4 series 'The Apprentices' which dealt with the role of trade unions in apprenticeship training. A number of articles on our research have been published in CentrePiece, the CEP magazine, including analysis of membership, family friendly policies, unions and the internet, and performance related pay for teachers.

The Future of Trade Unions in Modern Britain

Dissemination Events, Workshops & Conferences

2000 – 2002

1. **Programme Launch – Friday 19 May 2000**

2. **Workshop Programme – Tuesday 12 December 2000**

3. **Unions and the Internet Conference – Friday 11 May 2001**

4. **Dissemination Seminar – Wednesday 20 June 2001**

5. **Unions and Performance: What's Going On? – Thursday 13 December 2001**

6. **Research Officers & Assistants Weekly Workshop – October – December 2001**

7. **Dissemination Seminar – Thursday 18 July 2002**

8. **Seminar on Public Sector Research – Thursday 9 January 2003**

CENTRE *for* ECONOMIC PERFORMANCE

The Future of Trade Unions in Modern Britain

Leverhulme Trust Research Programme, 2000 - 2005

PROGRAMME LAUNCH

Friday May 19, 2000, 11am – 1pm

CEP Conference Room
3rd Floor, 10 Furnival Street, EC4A 1AH
London (nearest tube: Chancery Lane)

The Centre for Economic Performance at LSE has awarded a substantial grant by the Leverhulme Trust to examine the future of Trade Unions in Britain. The research programme will comprise 15 separate projects, each run by a leading expert in the field.

Timetable:

10:45am	Coffee
11:00am	David Metcalf will introduce the overall programme
11:10am	Sue Fernie will discuss initial research finding concerning the role of trade unions in family friendly policies
11:20am	Steve Machin will analyse union recognition in the light of the new Employment Relations Act
11:30am	"CentrePiece". This is a three times a year magazine disseminating the CEP research. The Spring issue, also launched on 19 May, is devoted entirely to union matters
11:45am	Informal discussion
12:30pm	Buffet lunch including wine

The information pack to be handed out will include:

- Discussion Papers on union recognition, unions and pay distribution and provision of information
- "CentrePiece" Spring Issue
- Full details of the programme, 2000-2005

Centre for Economic Performance, London School of Economics, Houghton Street, London, WC2A 2AE
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CENTRE *for* ECONOMIC PERFORMANCE

The Future of Trade Unions in Modern Britain

Leverhulme Trust Research Programme, 2000 - 2005

Workshop 1
Tuesday 12 December, 2000, 10am
CEP Conference room
3rd Floor, 10 Furnival Street
(Chancery Lane tube)

Workshop Program

9.30am	Coffee	
10am – 1pm	Chair:	Tom Kochan (MIT)
	Legal underpinnings Recognition	Stephen Wood, Paul Davies, Sian Moore Discussant: Roy Lewis
	Membership, growth and survival Membership determinants	Andy Charlwood Discussant: Bob Elliott
	Inside the firm PRP and procedural justice – the case of teachers	David Marsden Discussant: Hannah Reed
	Unions and the internet	Richard Freeman and Wayne Diamond
1pm – 2pm	Lunch	
2pm – 5pm	Chair:	Sonia McKay (LRD)
	Inside the firm (continued) EEO and family friendly policies	Sue Fernie, Helen Gray Discussant: Annie McBride
	Legal underpinnings Disclosure	Howard Gospel Discussant: Peter Carter
	Membership, growth and survival Dissolution or resurgence revisited	David Metcalf Discussant: John Fisher
5pm close	**6pm evening meal** at Bahti's (curry house). The restaurant is nearby, details on the day.	

Centre for Economic Performance, London School of Economics, Houghton Street, London, WC2A 2AE
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Unions & The Internet

Unions & the Internet Conference
May 11th 2001
TUC Congress House, London UK

Centre for Economic Performance, LSE
Harvard Trade Union Program
Trades Union Congress

Thanks to the Following Foundations:

Ford Foundation
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Contents of Conference

CENTRE *for* ECONOMIC PERFORMANCE

The Future of Trade Unions in Modern Britain

Leverhulme Trust Research Programme 2000-2005

Dissemination Seminar
Wednesday 20 June, 2001, 10am
CEP Conference Centre, Lionel Robbins Building
10 Portugal Street
London WC2

Agenda

10.00am	Introduction	David Metcalf
10.10am	The statutory recognition procedure – the union response	Sian Moore
10.25am	Discussion	Discussant – Sarah Veale (TUC)
10.50am	The attitudes of non-union employees towards union membership	Andy Charlwood
11.05am	Discussion	Discussant – Frances O'Grady (TUC)
11.30am	Coffee	
11.40am	Family-friendly working: what a performance!	Helen Gray
11.55am	Discussion	Discussant – Gill Dix (ACAS)
12.20pm	Representation and Participation in Cyber-Space: the promise of the Internet for employee organisation	Wayne Diamond
12.35pm	Discussion	Discussant – John Earls (Unify)
1.00 pm	Close and lunch	

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CENTRE *for* ECONOMIC PERFORMANCE

The Future of Trade Unions in Modern Britain

Leverhulme Trust Research Programme 2000-2005

Unions and Performance: What's going on?
CEP seminar, CEP seminar room, 13th December 2001

Each slot to comprise a paper of 15-20 minutes and discussion for the remainder

10.00 Coffee

10.30 Unions and Performance: What's going on?
Alex Bryson (Policy Studies Institute)

11.00 What's inside the black box?
Professor William Brown (University of Cambridge)

11.35 The Union Wage Premium: Substantive and Methodological issues
John Forth and Neil Millward (NIESR)

12.10 Unions and Financial Performance
David Wilkinson (Policy Studies Institute)

12.45 Some reflections
Professor Alan Manning (LSE)

13.00 Lunch

14.00 Unions and training
Professor Alison Booth (University of Essex)

14.35 Unions, HRM and Performance
Professor Keith Whitfield, (Cardiff Business School)

15.10 Unions, Family Friendly Practices and Performance
Helen Gray (LSE)

15.45 More reflections
Professor Richard Freeman (Harvard and LSE)

16.15 Closing remarks

16.30 Tea and biscuits

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The Future of Trade Unions in Modern Britain

Leverhulme Trust Research Programme 2000-2005

Research Officers and Assistants Weekly Workshop

Name	Topic
Wayne Diamond	**TUC Survey**
Helen Gray	**Case Studies: Qualitative Issues**
Richard Belfield	**Intra-establishment Pay Dispersion and Economic Performance**
Jo Blanden	**Cross Generation Correlations of Union Membership**
Sian Moore	**Statutory Recognition**
Vidu Badigannavar	**Industrial Relations Outcomes and Social Partnership**
Róisín Ryan-Flood	**Unions and the Pink Economy: a Case Study of Brighton and Hove**

Workshops held on Tuesday's @ 2.00pm in the CEP Library, October-December 2001

Each slot lasts approximately 1 hour – 20-30 minutes for presenter and the remainder of the time for discussion

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The Future of Trade Unions in Modern Britain

Leverhulme Trust Research Programme, 2000 - 2005

Dissemination Seminar Thursday July 18th 2002

Agenda

10.00	**Coffee**	
10.15am-10.25am	**Social partnership and union organising**	**John Kelly**
10.25am-10.45am	**Discussion**	
10.45am-10.55am	**Unions and performance**	**Alex Bryson**
10.55am-11.15pm	**Discussion**	
11.15am-11.30am	**Break**	
11.30am-11.40am	**Work-life balance, equity and representation in the local labour market**	**Diane Perrons & Róisín Ryan-Flood**
11.40am-12.00pm	**Discussion**	
12.00pm-12.10pm	**Information and Consultation**	**Paul Willman**
12.10pm-12.30pm	**Discussion**	
12.30pm	**Lunch**	

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CENTRE *for* ECONOMIC PERFORMANCE

The Future of Trade Unions in Modern Britain

Leverhulme Trust Research Programme, 2000 - 2005

Seminar on Public Sector Research

Thursday 9 January 2003, 2.00 pm

CEP Library

1. **The future of public service unionism in a restructured public sector**
   Stephen Bach and Rebecca Givans

2. **Membership and pay**
   Helen Bewley

3. **Gender and the new economy**
   Róisín Ryan-Flood

4. **Social partnership and union organising campaigns**
   Vidu Badigannavar

5. **Payment systems**
   Richard Belfield

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Representing Workers: Trade Union Recognition and Membership in Britain, forthcoming 2003.

Edited by Howard Gospel and Stephen Wood

Routledge Series: Volume 2

Edited by John Kelly and Paul Willman

Union Organization and Activity, forthcoming 2004

1. Introduction
John Kelly and Paul Willman

2. Organizing Campaigns
Vidu Badigannavar and John Kelly

3. Winning Recognition and Building Organization
Sian Moore

4. Unions and the Internet
Richard Freeman

5. Union Structure
Paul Willman

6. Representing Workers in the New Economy
Diane Perrons

7. Social Partnership
John Kelly and Vidu Badigannavar

8. The Organizational Ombudsman
Sue Fernie and David Metcalf

9. Responses to Union Busting
John Logan

10. Employers and Trade Unions
Alex Bryson, Rafael Gomez and Paul Willman

11. Unions and Politics
Robert Taylor

12. Unions and the Public Sector
Stephen Bach and Rebecca Kollins Givan

13. Union Organizing: A Practitioner's View
Frances O'Grady and Paul Nowack (both TUC)

13. Conclusions
Paul Willman and John Kelly

Perspectives on Work

Magazine of the American Industrial Relations Association

Volume 7, forthcoming June 2003