

Chp. 12: Unions

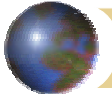
- ✚ At the center of ER general theories:
 - ▣ Collective barg., unions & employee rights
- ✚ Management Styles
 - ▣ Prerogative & employee influence
 - ▣ Dimensions: individualism & collectivism
- ✚ Unions – multiple versions & roles:
 - ▣ difference within and across countries, industries, organisations (see p. 306)

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The General ER Theories have all dedicated a central role to unions and collective bargaining (indicating something about the time these General ER Theories were developed).

Management styles are concerned with how managers deal with employee rights and, if necessary, collective action.

“Just as jobs can have multiple satisfactions with a mix of intrinsic and extrinsic factors so individual employees can join unions for a variety of motives: these could be instrumental, utilitarian and/or ideological. This indicates that diverse union positions as well as diverse recruitment strategies are necessary. It is, therefore, not surprising that there are many different theories of unionism, different types of unions and a range of union behaviours. Thus, care must be taken when talking about unions, the union’s role or union behaviour since there is a huge diversity in all of these. This diversity is a result of the influence of national institutional settings, culture, industry location and historical genesis on union structures and behaviour.” (p. 306).



Unions- roles & types

- ✚ Chapter 12: why do people join unions, what do unions do (*), union structures
 - ▣ (*) includes union strategies & activities
- ✚ Theory starts with: orientation to work, outcome influence & employee rights
 - ▣ Historically, it starts with guilds
 - ▣ Unions and economic impact – a long standing discussion (see chp. 7)

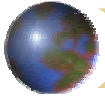
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As unions have been around for a long time, it is amazing that the title of key book on unions (Freeman & Medoff (1984)) is: What Do Unions Do? However, the fundamental topics of chapter 12 are still debated heavily today.

We do not deal with the economic impact of unions in this chapter, please see chp. 7. This was, however, a major point of the discussion prior to the ECA (see chapters 3 & 4).

How close is the link between orientations to work and motivations for union membership? Is this really correct?

“At the outset, a union is the creation of its individual members. Thus, a useful way of understanding trade unions is to ask why individuals join them. But the motivation to join (or not to join) a trade union is closely linked to the reasons that people work in the first place, and the extent to which they feel able to satisfy their work goals independently rather than through co-operative action with others.”



Unions – general remarks

- ⊕ Unions rights, as democratic rights, were once unlawful in OECD countries
- ⊕ 'The appropriate perspective for examining unions and union behaviour is an interest group perspective.' (281)
- ⊕ A mixture of centripetal and centrifugal forces in ER => convergent & divergent interests across & within unions

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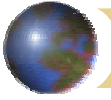
Outside OECD countries, persecution is still a problem for unions and political parties.

“Within this interest-group framework, the individual employee-employer relationship and the broader relationship between labour and capital are held in tension by a mixture of centripetal and centrifugal forces. The centripetal forces pull towards respect and a willingness to work together for the common good. /.../ In contrast, the centrifugal forces in the employee-employer or labour-capital relationship threaten to break up that relationship, at least in the short term.” (p. 281)

This gives rise to two issues:

There will be fluctuations in the compatible interests between employer-employee across cultures, legal framework, industries, workplaces and even over time.

There will be fluctuations within unions in terms of compatible or divergent interests amongst members.



Orientation to work

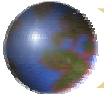
- ⊕ Two critical distinctions re: work
 - ▣ Economic & socio-cultural dimensions
 - ▣ Instrumental/extrinsic & intrinsic values
 - What values are most important for union decision?
 - ▣ Mix of factors for most: see fig 12.1
- ⊕ Union membership as a rational choice
 - ▣ If you have limited bargaining power
 - ▣ If you were not victimised
 - ▣ If 'free-riding' could be avoided

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In most cases, there is a complex mix of instrumental values/economic necessity and the desire to meet social or cultural expectations.

- This depends on the types of jobs, the expectations of people and general social norms
- Classical writings on the potential intrinsic satisfactions of work are: McGregor's 'Theory Y', Herzberg's 'Motivators', Maslow's 'Self-actualisation'. "These ideas play a prominent part in the development of the notion of a 'psychological contract', and in strategies to redesign jobs and the organisation of jobs within the modern enterprise." (p. 283).

See fig. 12.1 for the mix of work and values



Union membership options

⊕ How can 'free-riding' be avoided?

⊞ Positive and negative incentives

- Pos: 'security' benefits & 'goods' benefits
- Neg: compulsory unionism & 'closed shops'

⊞ M. Olson: negative > positive incentives

⊕ Why join or leave unions?

⊞ Hirschman: exit, voice & loyalty

⊞ Plus: apathy & sabotage

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Free-riding is a major problem for unions as it can influence 'marginal potential members' from joining. The use of positive and/or negative incentives may overcome the 'free-riding' problem.

Positive incentives include social security (sickness, accidents or death insurance), preferential access to goods and services.

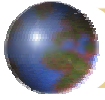
Negative incentives include 'closed shop', compulsory unionism, intimidation/ostracism.

Since Olson published his book on Collective Action in the late 1950s it has been considered that negative incentives are more effective than positive ones.

○ If you advocate voluntary unionism, this is a problem since it would have negative implications for union density. However, it may secure a more dedicated membership as well as a better popular image.

Hirschman's (1970) distinction between 'exit', 'voice' & 'loyalty' can be used in terms of union membership. Loyalty is important as it often determines whether people voice their disapproval (in this case by becoming union members) or exit the organisation. We have added two further categories: 'apathy' and 'sabotage'.

In many low paid jobs where there are no unions there are often very high turnover rates. For example, many American fast-food or retail businesses would consider turnover rates above 100 percent as normal. Thus, the low level of loyalty has led to 'exit' rather than 'voice'.



Why do people join unions?

- ✚ Differs re: work organisation attitudes
=> different attitudes to unions
- ✚ Motivations for joining unions
 - ▣ Instrumental, utilitarian, ideological
 - ▣ Vall (1970): personal needs, social environment, image of union(s)
 - ▣ Vall model rework – see fig. 12.2
 - Added angle: image of employers (experience?)

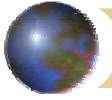
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The study by Tolich & Harcourt is used as an illustration of: why people join the union and how they were recruited

○ The study show a mix of interest but with emphasis on three main causes: instrumental, utilitarian and ideological.

Another study of Van de Vall is adopted to produce fig 12.2 which provide another way of viewing factors which influence union membership decisions.

The discussion of union density & strategies belongs here – see slide 9.



Theories of unionism

- ✚ Market & political theories
 - ▣ Market: regulating the market for labour
 - Supply & demand, working conditions
 - ▣ Political: organising centres, develop of class-consciousness, political influence
- ✚ NZ unions: 'pragmatism', immediate economic demands, assertion of employee rights & influence.

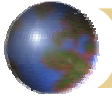
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- Do employee groups have any common interests?
 - How can the mix of convergent & divergent interest be adjusted to encompass the 'common' interests of employees.
 - Theories say something about main interest differences between employee groups – for example, workplace level, industry level, national level.

It is often important to fashion a positive public image of unions and employee interests

- New Zealand unions:
 - “New Zealand unions as a whole do not have a single systematic set of principles, objectives, policies, demands, strategies, and tactics.” (p. 291)
 - “Common to them all, however, are economic demands on behalf of their members: demands that infringe the freedom of action of employers; demands that are based in a fundamental and shared conception of the rights of working people, both in the workplace and in the broader community.” (p. 291)

What is not mentioned, but can be seen from chp 3, is that many NZ unions have pursued narrow 'trade' interests, with less development of common, union-wide demands. This is partly influenced by the British and Australian roots of the unions and partly by restrictions entailed in the 'industrial matters' rules of the conciliation and arbitration system. Instead wider union interests were often pursued through the Labour Party.



Employee rights

- ⊕ The right to information, consultation and shared decision-making
 - ⊕ Involvement in managerial decision-making can be uncomfortable for many unions
- ⊕ Employee rights vary across countries, organisations & managerial functions
- ⊕ Freedom of association/choice & voluntary unionism

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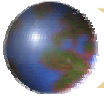
As part of the democratisation of working life, unions and individuals have asserted the right of employees: the existence of non-discriminatory and healthy employment practices (see chapters 14 & 16) and the right to know and to be consulted (see chapter 10).

This is an area where there is considerable difference between the Anglo-American and European approach: “But while most employers were willing or constrained to negotiate with employees and their representatives about the terms and conditions under which such employees were to be employed, they were less ready to negotiate with employees about how they were to be deployed within the organisation once they *had* been employed. (p. 292)

- It is disputed how much employees & their representatives are involved in/influence managerial decision-making. The discussion of workplace reform in NZ (see chapter 9) shows how some unions were uncomfortable with sharing decision-making, and that employees have no great desire to be involved beyond their own jobs.

○ “...in practice the actions of employee representatives at the level of the firm are such as to increasingly involve them in management activities. This is a situation that some unions, for both ideological and practical reasons, may find uncomfortable.” (p. 293)

“Most employees are unconcerned about many areas of an organisation’s operations.” (p. 293).



Union density & strategies

- ⊕ Factors facilitating high union density
 - ⊞ Visser's explanations
 - ⊞ Additional labour market factors
- ⊕ Strategic unionism: a wider union role
 - ⊞ See key characteristics – p. 297
 - ⊞ Is this the union strategy under the ERA?
- ⊕ Patterns of NZ union strategic choices under the ECA (fig. 12.3)

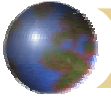
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○ NZ union strategies post 1987 (with the formation of the CTU) has been influenced by 'strategic unionism'. It has also faced, however, an anti-union environment under the ECA.

§ The ECA's impact on union membership and union strategies are detailed in chp 4

§ The Boxall & Haynes model in fig. 12.3 – mainly based on a strategic choice model – outlines four patterns of choices when NZ unions were faced by the ECA environment.

What are the patterns of union strategies under the ERA?



NZ union structures & practices

- ✚ CTU – Council of Trade Unions
 - ▣ Private & public sector unions
 - ▣ Amalgamation with TUF in 2000
 - ▣ Co-ordinating and public policy role
- ✚ Finsec – financial sector union
 - ▣ Successful (?); but faced with adverse changes in firm structures & ownership
 - ▣ Relies on workplace representatives

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