**Unions and the Fairness at Work Agenda:
Reflections on the Workplace Issues**

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The purpose of this paper is to reflect briefly on the current situation of trade unions in the UK at the level of the workplace, and to identify some themes for the future. The period since 2008 has seen two strongly contrasting developments.

The first is austerity and efforts to control public sector debt. In a context of job losses and wage restraint, trade unions have found it hard to maintain, let alone advance, their position. Some commentators place these recent developments in the context of long-term change in the labour market and the regulatory environment to suggest that the prospects for unions are bleak.

The second development is marked by widespread concerns about inequality and the quality of jobs. Several publications have highlighted these concerns to suggest that unions, as bodies with a long history of promoting workers’ rights, could have a significant role to play in constructing a fairer society. The views of commentators such as Joseph Stiglitz are notable here. Stiglitz is a highly influential economist who has documented the failings so the American business model, in terms not only of the inequality that it generates but also its inefficiencies and lack of sustainability. He has come to include strengthening collective bargaining between unions and employers as part of the solution, an argument that many in the union movement have long made but that is notable coming from an economist without specific links to unions.[[1]](#footnote-1) The argument, which stems from many different research projects, is that inequality is not the inevitable result of globalization but reflects the decay of institutions such as collective bargaining (see Rubery and Grimshaw, 2003, for a summary).

Several other publications from Unions21 and other bodies make the case for extending the role of unions (Unions21, 2012 and 2013; Taylor, 2013). The potential role for unions in promoting fairness at work is not in serious dispute. We know that, when unions were more influential than they are now, they contributed to the governance of the workplace in various ways including providing ‘voice’ for workers with the result that forms of ‘exit’ that are costly to employers, such as absence and quitting, were lower than in non-union workplaces. We also know that unions are at least compatible with various ‘high performance’ practices, while some would argue that, to make these practices really effective, a union contribution is central. It is clear, moreover, that independent voice for workers has declined so that there is a gap that unions could fill (Brown et al., 2009; Colling, 2012).

Linda Dickens draws together several strands of analysis in linking legal provision of employment rights with effective operation of these rights:

the state could harness the ability, knowledge and expertise of unions to enhance its own regulatory capacity . . . [by writing unions in to] the enforcement or implementation of employment rights . . . The model [of health and safety representatives] of requiring employers to consult with elected representatives (union or non-union), to ensure they receive training and permit them paid time off to perform their functions could be adopted in other areas (Dickens, 2012b: 221).

It is thus feasible to produce a picture of potential ‘demand’ for voice and representation that unions could meet. But this unfilled latent demand has been present for at least thirty years. I recall for example a union leader in the early 1990s arguing that unions could be valuable interlocutors for management – my memory may be faulty and I will not not give a name, but it was at an annual conference of the British Universities Industrial Relations Association. By this, he meant that many firms were then introducing formal performance appraisal schemes and that unions could play a useful role in ensuring that these operated as intended – or at least, I would say, as intended if managements genuinely saw them as means to manage performance more effectively, as opposed to being devices of surveillance and discipline.

The problem is that there is very little evidence that these useful functions of unions are leading firms to unionize. The Workplace Employment Relations Survey of 2011 for example reports that 30 per cent of workplaces had some union membership, with only 21 per cent having a recognized union; the figure for the latter in the private sector was a mere 11 per cent (van Wanrooy et al., 2013). There was also no evidence that arrangements such as joint consultation committees were being used to provide a voice for workers: JCC coverage continued to be low, and it declined from 2004 (from 23 per cent of private sector workplaces in 2004 to 15 per cent in 2011).

There are many well-rehearsed reasons for the difficulty of organizing. But many of these reasons are very hard to change. Is there anything that unions can do despite them, or will the good intentions about promoting fairness remain unrealized?

My argument is that debate around what unions can deliver runs the danger of wishful thinking. Unions need to grasp the nettle of the ‘business case’ for what they can deliver, that is, what they can do to improve organizational functioning on terms which, crucially, are not wholly management’s but which managements can accept and work with. This may not be a popular argument, but we need to think about ways in which a contribution can be sold to sceptical managers and governments.

I need to introduce a bit of theory (Edwards et al., 2006). Workers have two kinds of interests in relation to their jobs. The first relate to the immediate issues of wages and control of the production process. At any one time, these interests are opposed to those of managers. Most obviously, wage rises affect profits. As for ‘control’, I mean the ways in which such things as work loads and discipline are handled. If unions gain control of these matters, for example affecting the operation of a discipline procedure, managers lose some of their otherwise unqualified right to manage. But workers also have interests in the longer-term development of the firms for which they work: other things being equal, investment makes firms more likely to survive and thus to be able to provide jobs. I recall many years ago listening to a conversation between a union official and the owner-manager of a clothing factory. The official wanted to know why new machinery was not being introduced with a view to improving efficiency. He was expressing workers’ developmental concerns, and also questioning why the owner, who in principle shared these concerns, was not acting on them. Another favourite example is the work of inspectors appointed to police wage standards under the Trade Boards that were set up in 1909. A study in the 1930s found a corset manufacturer where the technical organization of work was poor and machine operators had to fetch their own work. ‘After the [wages] inspector pointed out these deficiencies they were corrected, with the result that output was considerably increased’. A more general effect was the rationalization of formerly chaotic wage systems and the ‘dissemination of trade knowledge’ through meetings of the boards (Edwards et al., 2002). There is similar, albeit anecdotal, evidence in relation to the National Minimum Wage, with various external agencies being able to encourage firms to improve production and payment systems. The problem, however, is that the effects are very patchy.

Improving the efficiency of firms can also mean that there is the space to raise wages and also the quality of jobs. Managers, for their part, also have shared interests with workers. For example, a discipline procedure that is capricious may suit individual managers, but it is not in the interests of management in general, for it will generate immediate costs in grievances and so on, as well as longer term costs through reduced commitment from workers.

There is, then, a terrain on which unions can demonstrate their value to managers. This does not mean giving up their independence. Independence means two things: being able to dispute the principle of some change; and negotiating the detailed process if its implementation if it is accepted in principle. I have studied aluminium smelters, in the UK and Canada, where unions believed that these two conditions were met, and were thus willing to work with the introduction of team work systems. In doing so, they were able to shape how the systems operated, sometimes indeed over the hostility of some line managers, while retaining a very clear divide between managerial and trade union functions (Bélanger et al., 2003).

The value of unions to firms can be summarized in two categories. The first is helping to make managerial systems work, or in other words protecting managers from themselves. In the field of dismissal for example, it continues to be the case, over 40 years after the introduction of laws on unfair dismissal, that in around a third of cases that end up at Employment Tribunals managers have not followed their own procedures (Edwards, 2005). This category in fact breaks into two sub-categories. The first is, as here, to help managers to do what they clearly want to do, that is, operate proper procedures. The second is to address what may be more implicit, that is, what managers should do even if they do not know it. For example, a performance appraisal scheme needs scrutiny, and if managers have such schemes they should in principle welcome such scrutiny even though in practice they may not like to be questioned.

The second category concerns longer-term development. A firm considering some new technology can well benefit by involving those affected by it in its design and operation.

A major challenge lies in the context. The example of team work given above was effective because of several factors. These included, on the union side, the fact that the unions were well-embedded and had the tradition and confidence to engage with management. On the management side, there was no question of managing without unions or of using things like team work to undermine union loyalties. In this context, each side respected the other. In other contexts, managements need unions for other reasons. Classic instances are the willingness to engage with ‘moderate’ unions for fear of some more revolutionary challenge. In other cases, by contrast, managements can and do see unions as an obstacle. For example, in the past innovations such as total quality management were introduced as part of an attempt to weaken or remove unions.

The German scholar Wolfgang Streeck (1992) speaks of beneficial constraints that are needed to allow the positive effects of unions on productivity to operate. By this, he means that firms’ freedom of action is constrained so that low-cost and command-and-control systems of labour management are ruled out or at least made costly. The classic example is the freedom to hire and fire. If this freedom is constrained, managers are more likely to see workers as a resource and to consider ways of using the resource constructively. Such constraints have not been a feature of the UK system, and opportunities to use the idea have not been taken. The Information and Consultation Regulations, for example, could have laid down what meaningful consultation meant, and given examples of its benefits. This could have made UK consultation more of an active and engaged process, as exists in other parts of Europe. The leading study here by Mark Hall and John Purcell characterizes the approach of the Blair governments as ‘half-hearted’ (2012).

There are two lines to pursue.

The first line is the show the usefulness of unions in terms of making existing systems work better and more generally improving the kinds of system in place. I have mentioned above such established areas of industrial relations as discipline arrangements and payment systems. But there are many others that extend the scope of ‘industrial relations’. Chris Wright and William Brown (2013) have pointed to the regulation of the supply chain. As they point out, firms have interests in controlling their suppliers and avoiding the damage to their brand image if suppliers are found to be exploiting their workers. Unions can exploit this vulnerability to gain leverage, and then use the leverage to develop regulations that control substantively the behaviour of suppliers. Two exemplary cases are discussed. My colleagues Geraint Harvey and Andy Hodder have begun to argue more generally that unions can play a key role in the fair trade agenda. Many firms now use independent external audits of their practices is this area, and unions can offer a distinct contribution because they combine ‘insider’ knowledge of the firm with ‘outsider’ independence.

The second line joins up these specific roles. The problem is that such roles are isolated from each other and that there are few mechanisms to learn from, and generalize, their contribution. The idea of sector forums, which achieved some prominence during the mid-200s but which never took off, represents one route. Its key point is that there is a shared context, so that examples of, say, team work in one firm have traction in other firms. A connected idea, which I have been pressing for some time, relates to small and medium-sized firms – which account for 59 per cent of private sector employment in the UK but which are largely a trade union desert. Some of these firms have begun to develop local industry associations, which are primarily directed at sharing trade knowledge and the like, and which also sometimes have a role in promoting businesses from the ethnic minority community. There is no reason why such associations cannot also address employment standards, for example by having their members declare that they observe the NMW and the Working Time Regulations, with this declaration being a way of guaranteeing quality to customers. Unions can assist in the promotion of such practices.

The other element of joining up concerns the role of the state in generating beneficial constraints. One approach is to use state agencies to promote good practice. As I have again argued in the past, it would be possible to require firms taking state aid under various development schemes to be subject to visits from ACAS to work on employment practices. More generally, independent inspection can act to ‘shock’ firms into better practices. A wider approach is to use the mass of legislation now covering union recognition and information and consultation. It is true that past governments have taken a minimalist approach here, but that is not fixed for all time. My argument has been that action at the level of the firm and through the supply chain can generate concrete evidence of a business case for unions. Such evidence can then underpin legislative and other action.

It is obvious that the challenges here are huge, and that a more favourable political environment would be needed for serious progress to be made. But there is at least a clear agenda that can be pursued, underpinned by a vision of what unions can do in terms of productive improvement in the organization of firms.

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1. E.g. BBC news report, 24/1/2013:http://www.bbc.co.uk/news/business-21183987; and Stiglitz’s *New York* Times essay, 19/1/2013: http://opinionator.blogs.nytimes.com/2013/01/19/inequality-is-holding-back-the-recovery/?\_r=0. [↑](#footnote-ref-1)