

# Challenges for british trade unions commerce essay



**ASSIGN  
BUSTER**

What will be the key challenges for British Trade unions in the next decade? Using materials from across the course identify these challenges and make your predictions about the size, nature and influence of unions throughout the forthcoming decade.

## INTRODUCTION

Industrial Relations in Britain have been at the centre of attention and analysis for many years. There has been a concern on its substance and its future. Its development is associated with the rise and growth of trade unionism. Since the 18th century, it has been a system that relies on voluntary arrangements for negotiation and consultations. Today, industrial relations in the UK has suffered harsh strains and pressure. This is largely attributed to factors such as the change in employment pattern, the growth in scale of industrial organisations amongst others. Also, stories of strikes, wage demands and industrial disturbance constantly hit the news. However, Industrial relations today is very much different from what it used to be. So many things are happening; from the recent recession, to the decline of union membership and the economic changes taking place. Hence, for the purpose of this essay, I shall be examining the trade unions and the possible future challenges they might encounter. Furthermore, it is important to note that one cannot look into the future of trade unions without going on a journey to the history of how they emerged, the present state of these trade unions and then predict what their future might turn out to be.

## **History of British Trade unions**

### **The Early years up to 1979**

British Trade unions had their origin in the mediaeval craft society which was established to control access to crafts, ensure that craftsmen were not engulfed by numbers and also monitor the degree of price control. In a nut shell, they controlled the market. The society set down rates and gave its members benefits particularly in cases of sickness, accidents and retirements. By the 18th century, when the markets began to expand, there was the need for more people to be employed. This brought about the emergence of craftsman organisation whose aim was to provide joint aid, support and assist a number of people that were facing difficult times. During this period, a number of strikes took place in localities with regards to increase in pay and reductions in working hours and this put so much pressure on employers to ban what was referred to as “ combinations”. Pieces of legislations aimed at banning combinations within 1720 and 1799 led to the emergence of two important combination acts in 1799 and 1990 that prohibited combinations and strikes in Britain. However just before the end of the 18th century, the craftsman societies had developed into trade unions. This period observed growth in the factory system, speedy social change and social disorder. The combination act still didn't do much and was revoked in 1824.

By 1825, a new measure emerged which confined combination only to specific actions over hours and wages and new offences were introduced such as molestation and intimidation of workers. Furthermore, an attempt to

set up a Grand National Consolidated Trades' union in 1834 to bring all union together was never supported.

Prior to 1850, unions were just local events (except miners), but by the middle of the century, a number of union mergers began to spring forth and this was as a result of the growth of railway which ensured easy communication. The first was the Amalgamated Society of Engineers (ASE) established in 1850. It was a friendly society that catered for unemployment, sickness, etc. Then, there was the emergence of the Trade union act in 1871 directed towards protecting the union funds. Other mergers following the footsteps of ASE included wood work and tailoring. It is essential to note that jobs in this period were restricted to men even though women had begun to gain entrance into the labour market.

With the development of national unions came trade councils from 1858 in main cities and towns. The first meeting of what was to be called a trade union was organised in Manchester in 1868 and thereafter in Birmingham in 1869. By 1870, TUC had a general secretary and in 1895, the representation at TUC was restricted only to unions thereby excluding trade councils to avoid dual representation. This period also characterized endless industrial disputes which were due to the change in work practice and the technologies. In addition, the strikes during this period were concerns relating to how work should be done and the kind of people employed to do particular tasks.

The Late 1880's saw the emergence of what was called a 'new unionism'. This was the beginning of large scale organisation of unskilled workers, all

fighting for better wages through hard fought strikes at the national level. An example was the popular London dock strikes in 1889 and the seamen's strike also in the same year.

The period between 1896 to 1914 witnessed very high costs of living and falling wages and as a result led to strengthening of the newly emerged labour party which allowed for more people to join the trade union. The First World War during this period had tremendous effects on industrial relations. By 1919, unions became militant and required long term benefits in negotiation almost immediately after the war when labour was scarce. There were several amalgamations of unions like the Transport and General workers union and the union for Building and Trade workers. Subsequently, small local unions that could not compete soon faded out. By the end of the 1920's, there was a rise in unemployment and trade unions decided to protect jobs rather than increase wages (Tyson, 2006). There was also the emergence of the triple alliance between the transport workers, railway workers and miners which was to reinforce mutual support in times of difficulty and confrontation.

The Second World War brought about co-operation between unions and government. Between 1939 and 1951 there was shift in growth of manual labour workers. Also during the wars (first and second world wars), institutions of negotiation were established to prevent strikes, although a number of strikes still occurred.

Trade union membership grew mostly in the white collar jobs in the late 1950's and 1960's. However their density did not increase until the 1970's.

The change in occupational structures brought about more white collar jobs and allowed more women to join unions.

## **Trade unions from 1979-2000**

During this period, there was a dramatic decline in trade union membership in the UK. Four notable features were responsible for this decline which the British trade union had little control of. They were the changes in employment, the growth of individualism, management's human resource strategies and a very hostile government (Stirling, 2005).

The changes in employment led to closures of factories and a huge number of redundancies in manufacturing sector, expansion of private sectors and growth of part time jobs. Also in many cases, the HR strategies were often devised to circumvent union organisation. Furthermore, the hostile government inherent in both employment legislation and the process of privatisation was also responsible for the decline. Lastly, individualism was inherent in workplace, where rewards and benefits were tied to individual appraisal and performance related pay rather than on collective agreements.

It is worthy to note that trade unions were able to respond to these changes in various ways. The first was their move towards organisational restructuring by adopting new systems of internal management (Brewster & Allen, 1998). They also adopted the 'new realism' which was effectively a give in to employers strategies. They countered derecognition by focusing on single union agreements and high profile no strike agreements (Bassett, 1986). In addition, trade unions were committed to recruiting new members as they also wanted to be more organisational friendly, include part-time

workers, women and those from minority ethnic groups. Lastly there was the development of a consumer trade unionism where members were seen as consumers and offered individual services and benefits (Bassett & Cave, 1993).

By the mid 1990's, the TUC and unions decided to change their approach when they realised that relying on political change, waiting for economic improvement, spending so much on consumer service and the struggle for members were results that didn't work.

The year 1997 saw several changes with labour returning to government. This brought about the employment relation Act of 1999 which helped unions claim recognition. Also in recent years there have been several changes such as National Minimum Wage, rights to maternity leave and rights of part time workers.

## **KEY FACTS TO NOTE**

In 2007, TUC had 66 allied unions compared to 109 in 1979

There was a decline of TUC membership at around six and a half million since the mid-nineties.

Emphasis on Trade union has changed.

There has been rapid growth of legal advice and representation of members at tribunals

The importance of training has also been emphasised with government funding a scheme where workplace learning representatives have been developed.

Lastly over the years, unions have come to embrace the agenda on equality and diversity.

Having looked at the history of the British trade union, let's take a look at where they are presently.

## **Present State of British Trade Unions**

There are quite a number of trade unions in Britain today. These unions look after the welfare of their members. They also help their members deal with issues of pay, job cuts and pensions in the workplace. Thus, they represent their members in pay negotiations, grievance procedures and also protect their members against clients and the state (Bryson, 2007). Little wonder when employees are asked the question as to why they join unions, they give answers like they join unions for protection, political belief, solidarity, traditions, pay conditions and so on.

Recently there has been quite a number of strikes in Britain, all centred on pay cuts, work-life balance, redundancies amongst others. For example, the Communication Workers Union (CWU) in 2009 engaged in a bitter dispute with the Royal mail over pay, job losses and modernisation which led to a series of nationwide postal strike. Also bus drivers and bin men decided to stage 24 hours walkout in some parts of the country in 2009. In addition, unions intended to ballot staff at British Airways and Network Rail. However by January 2010, Unite and British Airways embarked on fresh talks.  
<https://assignbuster.com/challenges-for-british-trade-unions-commerce-essay/>



Furthermore, workers at the Fijitsu electronic company started their first of six nationwide strikes on dispute over pay, pension and jobs in December.

Trade unions today are in crisis. They do not only face internal difficulties but also have to cope with external, economic and political change. One central problem they might face is that they may be too weak to make a difference. But with the current recession and globalisation, we just cannot tell what they can do.

However, a surprising reality is that the rate of union membership (union density) of employees is swiftly declining. In 1979, 13.3 million people were members of trade unions and the proportion of employees who were union members stood at 55%. By 2003, union membership as estimated by the labour survey had dropped to 7.42 million with the proportion of members at 29.1% and in 2005 to 29%.

By the end of 2006, the rate of union membership fell to 28.4%. This subsequently declined to 28% in 2007. As at 2008, the union membership cut down by 27.4%. Furthermore, the density in private sector fell by 0.6% to 15.5% while public sector fell 1.9% to 57.1%, both in 2008. (SOURCE: Labour Force survey, Office for national statistics, department of employment (1892-1974); certification office (1974-2006)).

Against this background, it is imperative to understand the reason for the decline in union membership and the challenges unions encounter.

## **Current Challenges for British Trade Unions**

British trade unions have gotten to a point where they need to sit and rethink their strategies. These unions are faced with various challenges ranging from political, economic, to financial that if not resolved soon might pose a major challenge for them in the future.

A lot of scholars have tried to identify the challenges that British trade unions face. According to McIlroy (2008), British trade unions today are faced with challenging conditions such as globalisation, neo-liberal politics, recession and a host of other issues.

To Frege & Kelly (2003), trade unions are facing challenging conditions in representing their members, they face crisis of membership density, the wearing out of structures of interest representation and declining mobilisation capacity. They stated that a reason for the decline in density has been as a result of the changing structure of employment, the decline of employment in traditional manufacturing industries and the increased employment in service industries

They identify several factors that have and would continue to pose a challenge to unions. I find these factors really interesting and they include:

Economic and social change (the trends in labour market)

The Institutional environment (for example the structure of collective bargaining, legal and arbitration procedures and political system)

the state and the employer's strategies

The structure of the union itself such as union leadership, relationships, networks and organisation of movements.

As it has been noted already, Britain currently faces economic crisis which is attributed to the recent recession. In these difficult economic times, when there is a high level of unemployment and drastic cuts in wages and benefits, unions would find it almost impossible to please their members. Borrowing the words of Koelble, (1988) it is worthy to note that the more brutal these economic crisis are the more problems union leaders have to face.

Today, unions also face the risk of extinction if they do not progress. A major challenge unions have is in their structure and policies. They need to balance relationship between their members and the employers by showing that they can get through to workers without sidelining employers and deliver to employers while also looking out for the interest of their workers. In some of the articles I read, research carried out shows that so many workers are of the belief that unions need to work more with employers so as to increase productivity which is as important as any action taken on pay, impartiality and fairness.

Also, unions like every other voluntary organisation have to provide incentives whether positive or negative so as to attract prospective members. Having attracted membership, they are then faced with the problem of maintaining these members so as to ensure the union survival. Significantly, economic growth has been seen as a requirement for the provision of positive incentives by unions; therefore, in periods of economic

growth, it is easy for trade unions to squeeze out some compromise from employers and the state. On the other hand, when there is a decline or stagnation in economic growth, it reduces the ability of unions to provide more benefits (Koelbe, 1988).

It might be wrong for me to say that unions are not recognised in some organisations. However, according to Guest who was cited in Storey (2007), he stated that traditional unions may only be tolerated in some business not because they are special but because they have always been in existence and also because they do not incur any unwarranted cost. Some organisations today have the tendency of abandoning collective bargaining without formally derecognising the unions. The presence of HRM in workplaces has further reduced the roles of trade unions and if some organisations could do without them, they would not hesitate. The result of all these is that unions have some members that are not covered by collective bargaining and thus face the difficult duty of convincing such members to remain in the union. They also have to convince employers that they can be trusted.

What about the financial crisis these unions face and might continue to face if they lose more members? Unions are facing some financial crisis. This is not surprising though as they rely heavily on membership subscriptions as the primary source of income. Consequently, if membership density continues to drop, their income would drop as well unless they decide to increase subscription fees of members or get their revenue from other means. The question unions should ask themselves is if they can help their existing members without relying so much on voluntary activities.

<https://assignbuster.com/challenges-for-british-trade-unions-commerce-essay/>

Also, unions' organising potential is badly damaged. Trade unions are now confronted with issues such as their inability to organise new workplaces and new workers as they used to. As a result of this a number of workers have never been a member of any trade union. In addition, some relatively new organisations hardly ever recognise unions for pay bargaining. If they can't sort this out, it is definitely going to be a big challenge they would face in the coming decade. It is also important to add that in the case of tight finance; unions might not want to gamble by spending money on organising new workplaces unless they are partially sure of success.

It is imperative to state that we currently live in an era of global economic and industrial restructuring. Globalisation has prompted the urge for the development of world economy. It involves several issues like deregulation of the labour market, liberalisation and privatisation, development of communication network technology, the internalisation of financial markets amongst others (Akteruzzaman, 2006). All these issues have posed a challenge to workers and their trade union. Today, unions have a feel of globalisation as there has been a lot of job loss, decline in wages etc. Workers have become one of the many victims of globalisation. Thus globalisation is seen as a threat to trade unions.

Still, there is the impact of the current recession of the labour market which has increased tremendously the unemployment rate in the last 20 months. Labour market report states that the unemployment rate has risen by 1.3% to reach 7.1% since the third quarter of 2008. In a recent Cipd article (January 2010), it is postulated that unemployment would hit a high rate of 2.8 million by summer 2010 with job markets only slowly recovering in the <https://assignbuster.com/challenges-for-british-trade-unions-commerce-essay/>

second half of 2010. As a result of this, the redundancy level has increased. In the recession, the private sector would continue the trends of having lower levels of industrial actions as this is caused by the change in staff attitudes and the increasing need to sustain competitive advantage on the global scale. However, it has been predicted that there would be more strike actions in the public sectors (CIPD, November 2009). As a result of this, unions need to fight for their members in public sectors since strikes might be inevitable.

According to Amble (2005), for unions to increase in size again, they need to drop their militant and confrontational attitude and be more dependent and co-operative. He argues that some potential members may be put off by unions' style of struggle, strife and strikes which has very little appeal to employees who care more about 'getting on' rather than 'getting even'.

Lastly, unions have a problem with their strategy. What appealed to yesterday's workers might not be attractive to today's labour force. They need to set new agendas around so many issues they currently face such as low pay, work-life balance and equality.

Although the future challenges of British trade union cannot really be determined by present occurrences, one can however predict what these unions are likely to face in the future. Having looked at the current challenges British trade unions face, unions need to ask themselves some questions:

do they have the ability to meet the challenge of an aspirational agenda

Are their thoughts channelled to what they want to do or rather how they do it?

Can unions achieve the objective of servicing, partnership and organising?

How flexible would their role be in meeting the demands and need of members in the next decade?

Would they be able to contain different strategies for different employment relations environment?

If unions cannot provide answers to these questions, then this might be some of the future challenges they would encounter.

## **The Future of British Trade Unions**

A lot has been said and predictions have been made with regards to the future of trade unions. Several scholars have come up with predictions and possible solutions to the challenges unions face currently and possibly in the future. There has been the question of what unions can do to achieve membership. According to Metcalf (2005), unions are faced with two potential ways for revival. First, it is either employment in unionized sectors of the economy grows in relations to non union employment or secondly, unions must employ more rigorous means of organising activity with the aim of enhancing their appeal to both employers and potential members. He further goes on to states that unions should invest more in organising and servicing so as to produce significant returns.

Furthermore, even if unions are able to put a stop to the decline in membership, there might be a problem with achieving steady growth. Unions need to break more into the contemporary service sector economy. Although there have been a lot of jobs in the public sector, the actual employment growth might come from organisations where trade unions have not been so successful at organising. Thus trade unions might be faced with the challenge of changing themselves even further to remain relevant to certain groups.

There is also the need for trade unions to develop better political relationship with the government and other parties. They must learn to abandon the pattern of making unrealistic demands and realise that not all their demands can be met since the government must also govern in the interest of the country in general.

In addition, Partnership needs to be encouraged. Unions need to adopt a better process of engagement. They should learn to appeal to employers making them see that effective co-operation helps a great deal in the improvement of performance in organisations.

Also, the financial state of unions could have a lasting effect. Unions need to re-evaluate and ask themselves if they can provide for their members without depending on voluntary endeavours.

Many scholars are of the belief that unions will be successful only if they align themselves with the new realities of the labour market and can also plead to both the top and bottom of the economy. Unions need to broaden their horizon by aiming at new or previously neglected class of workers into <https://assignbuster.com/challenges-for-british-trade-unions-commerce-essay/>



membership and extend organisation and representation towards the low waged employees (Lucas, 2009; Oxenbridge, 1997; Heery, 2002).

Several strategies have been identified by scholar as ways of generating renewal for trade unions such as servicing, organising and partnership approach (Heery, 2002). However, some scholars argue that all these strategies can be used together and are well matched. A very brilliant way to address the problems of trade union in Britain is giving by Frege & Kelly (2003) who came up with six strategies:

organising (gaining of membership)

partnership (working together with employers, employees and trade unions would bring about motivated trust and benefits)

organisational reforms (such as mergers and internal reorganisation)

political action (Lobbying with a focus on legislation and labour market regulations policies)

coalition building with other social movements

Lastly, possess strong international links to exchange and share information.

In my opinion if these strategies are put in place; trade unions would survive extinction and disappearance and remain relevant in the future.

## CONCLUSION

There is so much uncertainty as to what the future of British trade unions would be. These trade unions have come a long way, through thick and thin

<https://assignbuster.com/challenges-for-british-trade-unions-commerce-essay/>

and their ability to survive the test of time depends on the strategy they employ. One fact is clear though that although there has been a modest amount of industrial disputes in recent times, Britain is not likely to face a repeat of the wide spread strikes that was present in 1979.

In conclusion therefore, unions should not be relegated to the background. Employers need to communicate with their employees, the government would need views from workplace and above all, the employees need a collective voice which makes the unions very important.