

Are trade unions a
"thing of the past"?
essay sample



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Are Trade Unions a “ Thing of the Past”? Essay Sample

“ Historically, trade unions were a vital concomitant of the process of industrialization and political liberalization in most countries. As their influence grew to unprecedented heights after the Second World War, social theorists saw them as a key ingredient of the capitalist economy and social democracy” (Gospel and Wood 2003, p. 2). Throughout the years, trade union density and membership in Britain, as well as the proportion of the workforce covered by collective bargaining, have declined significantly. Nevertheless, trade unions have strongly influenced developments at the national level, including minimum wage campaigns and union recognition procedures (Gospel and Wood 2003, p. 1). However, can unions still be “ perceived as critical intermediaries in the model of the pluralist society, that was the base of liberal democracy?” (Gospel and Wood 2003, p. 2). This essay will analyse the development trade unions, and general trends in membership and their status in today’s society. It will continue to discuss the drawbacks and benefits of being a member, while assessing trade unions’ effectiveness in fighting for employee rights, with an emphasis on female workers and equality rights. Moreover, alternatives for employees, like employment tribunals, will be explored.

In the majority of advanced market economies the membership has shrunk, and unions’ ability to achieve strong bargaining relations with employers declined (Gospel and Wood 2003, p. 1). Trade unions today have 6. 4m members; this is less than half of 13. 2m in 1979, when unions thrived and membership was at its highest (Brownlie 2012). In the 1960s and 1970s, as a result of decentralized bargaining, wages and conditions in unionized firms

were by far more favourable than those in non-union firms in economies such as UK and USA (Gospel and Wood 2003, p. 2). However, a decline in membership was triggered when the Conservative Government came into power in 1979. The new administration and employers have increasingly downplayed any positive effects of union representation since at the cost of innovation and performance (Gospel and Wood 2003, p. 2).

Metcalf (cited in Kessler and Bayliss 1998, p. 162) argued that the decline in union membership in the 1980s was ' the result of a complex interaction of five factors: the macroeconomic climate, the composition of the workforce, the policy of the state, the attitudes and conduct of employers and the stance taken by unions themselves'. The initial decline in membership, followed by the 1989-1992 recession, led to further declines, and a subsequent slow economic recovery that disallowed further increases (Kessler and Bayliss 1998). Gospel and Wood (2001, p. 3) describe the climate change as a coercion of direct and indirect state support for collective bargaining in Britain in the late 1960s, as deriving from the lack of corporatist relations between the Government, employers and trade unions.

The authors claim the latter originated from " the weakness of the central employer and trade union bodies, coupled with the increasing trend away from industry-level bar-gaining, militated against such agreements"; the Government has consequently applied more direct and stronger measures (Gospel and Wood 2001, p. 3). The Thatcher administrations introduced laws that removed support for collective bargaining and significantly limited unions' ability to strike. Moreover, unions became widely perceived as having adverse effects on unit costs, technological innovation and

productivity growth, and were accused of fuelling cost-plus inflation (Gospel and Wood 2003, p. 2). In attempts to control this, measures such as privatization and marketization of the public sector, deserted primary economic objective of full employment, eliminated exchange rate controls etc. (Gospel and Wood 2001, Kessler and Bayliss 1998).

The composition of the workforce has changed, as the highly unionized manufacturing sector and manual male employment suffered a significant decline, resulting in severe employment cut-backs; considerable increases in the service sector, female part-time employment and in professional and highly skilled work also heavily contributed to the union membership decline (Kessler and Bayliss 1998). Consequently, unions suffered a collapse in union morale and limited resources prevented them from recruiting new members or breaking into unrecognised sectors; member turnover has also skyrocketed e. g. in USDAW about one-third left every year (Kessler and Bayliss 1998, p. 178). Jointly, the above factors have contributed to the reduction of: union membership and density, influence on Government and in society, and bargaining power vis-à-vis employers (Kessler and Bayliss 1998). Since 1990s union membership level fell below 10m, and since fell continuously, never reaching those figures again (Brownlie 2012, p. 22).

By the time Labour returned after the 1997 election, membership had fallen to just 7.8m (Bryson and Forth 2010, p. 2) and “ the landscape of industrial relations had been transformed” (Gospel and Wood 2003, p. 3). Trade union membership in the private sector fell by 450 thousand between 1999 and 2007; in the public sector it increased and peaked at 4.11m in 2009 (Brownlie 2012). After the 2008-09 recession, private sector membership

increased by 43 thousand to 2. 51m, while public sector membership fell by 186 thousand to 3. 88m. Similarly, union membership density had declined between 1989 and 1998 from 38. 8% to 29. 9% (Bryson and Forth 2010, p. 2), and fell to 26% in 2011 confirming the downward trend (Brownlie 2012). The essay will now move on to discuss unions' operational effectiveness within the new market conditions, and evaluate the advantages and disadvantages of membership to employees.

For a long time the unions aimed to expand the scope of their collective bargaining power. Despite this, in the 1980s and 1990s, management successfully restricted union power and the scope of collective bargaining through bypassing unions and approaching individual workers (Kessler and Bayliss 1998, p. 180). Unions fought back by publicising the battles (e. g. in the newspaper industry at Wapping), however unsuccessfully. Furthermore, management's move from a collective to an individual, more participative approach marked a growth of HRM; it embodied open communication and compensation for accepting changes, which earned employees' willingness to accept changes (Kessler and Bayliss 1998, p. 182).

Additionally, the use of PRP schemes in public and private sectors aided the process; it has succeeded to penetrate both sectors, despite mixed trade unions' reactions (Kessler and Bayliss 1998, p. 183). Thus, unions exercised very limited collective bargaining powers, and their efforts resulted in maintaining wages just ahead of the cost of living in public and private sectors; unfortunately, the rather trivial wage increases in the private sector came at a cost of dismissing employees (Kessler and Bayliss 1998, p. 183). The above clearly demonstrates unions' inability to effectively negotiate with

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employers over wages, which in turn failed to safeguard members' jobs. It can be argued, that unions have, in fact, deteriorated members' interests and endangered their jobs. The essay now continues to address the above accusation.

The general purpose of trade unions is to protect and improve the interests of union members, vis-à-vis those of management or the employing organisation; encapsulated are four main functions: economic regulation, job regulation, power holding, and wider social change (Dundon and Rollinson 2011). This includes negotiating wages, pay freezes or cuts with employers. The proportion of all employees who have their pay set by collective bargaining has, in common with membership density, been in decline since the 1980s, having fallen from 36% to 32.5% in 2009 (Bryson and Forth 2010, p. 7).

While 67% of the public sector in 2009 was covered, the private sector coverage was considerably lower (18%); Bryson and Forth (2010, p. 7) argue this was crucially determined by trade unions' inability to gain recognition for collective bargaining in newly established, private sector firms. Bargaining power is typically measured in terms of union membership density and coverage; hence, as both significantly contracted, it can be said the unions have not, or have just slightly, benefited their members. Unions' ineffectiveness was underpinned by, while aiming to improve pay conditions, causing further reinforcement of extensively widening of pay differentials, despite joint union efforts to help the lower-paid (Kessler and Bayliss 1998, p. 183). This suggests unions' failure to effectively perform their power holding function, which aims at securing the highest possible wages to

counteract the vulnerability of individuals in the labour market (Hyman cited in Dundon and Rollinson 2011, p. 136).

Since the 1990s, union wage premium for the public sector employees was considerably larger than those in the private sector (see Chart 1) (Brownlie 2012, p. 12); in 2011, hourly wage rates for public sector workers were 18% higher among union members than non-members, in contrast with just 8% in the private sector; however, the public sector suffered a general decrease of 2.1%, while private sector enjoyed a 2.3% increase. Those figures suggest that unions have become more effective in collective bargaining. However, the diminished scope of bargaining today covers less than 30% of the workforce, jointly with union membership in the private sector at less than 20%, gradually shifted the individual rights agenda away from collective bargaining, and towards determination by the state (Suff, Mizon and Reid 2006, p. 5). In fact, Podro's research (2011, p. 12) found that fewer employees' voice is represented at a collective level; increasingly that voice is expressed via direct communications with employers. Furthermore, Podro states (2011, p. 12) that employee voice representation is now more diverse, including representation by works councils representatives, employer sponsored communication and civil society organisations. Critics, like Heery, argue (cited in Podro 2011, p. 12) that trade unions are still the most effective organizations representing workers' interests; nevertheless, he believes a hybrid representation in form of joined different institutions would be more effective and versatile.

The changing composition of union membership most often changes unions' priorities, and concentrates their focus on issues, e. g. the gender pay gap

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(Bryson and Forth 2010, p. 4). In 1999-2009, union members composition become increasingly feminized, older, more educated, and dominated by workers in non-manual jobs and those working in the public sector (Bryson and Forth 2010, p. 4). Historically, unions privileged the interests of men, and developed an overly masculine promoting gender inequality, where female interests were marginalized (Williams and Adam-Smith 2006, p. 136).

In the 19th and 20th centuries, women were intentionally excluded from skilled, highly paid jobs, reinforcing occupational segregation and sexual division of labour (Bradley 1989). Unions rarely represented women, as they were unable to integrate and represent female interests (Kirton cited in Williams and Adam-Smith 2006, p. 136). Since the 1980s, however, female-dominated service sector employment has grown significantly, and the unions became female-friendly (Williams and Adam-Smith 2006, p. 137). Furthermore, the feminist movement encouraged many to challenge the male-dominated structures and decision-making processes of trade unions (Colgan and Ledwith cited in Williams and Adam-Smith 2006, p. 137), triggering a steady increase in female union membership. In 2011, for the tenth consecutive year, union membership density for females was higher than for males, at 28.7% and 23.4% consecutively (Brownlie 2012, p. 13). If current trends continue, the future composition of the UK workforce will be more feminized and ethnically diverse (Podro 2011, p. 3).

In recent years, women benefited largely from collective bargaining. Female workers covered by collective agreements now enjoy better pay and working conditions, greater job security, and family-friendly working arrangements (Bewley and Fernie 2003). Better pay is clearly demonstrated by a higher

union wage premium for women (30. 7%) than men (9. 9%) (Brownlie 2012, p. 1). Moreover, since the 1980s, unions sought to represent a diverse workforce, women in particular; the aim was to promote greater fairness and equality at work (Dickens cited in Bacon and Hoque 2012, pp. 239-240). Britain identified an important role for the union movement in contributing towards the effective implementation and delivery of the recent extension of equality legislation in the areas of flexible working, disability, age, sexual orientation, and religion and belief (Trades Union Congress (TUC) 2009a). Today, highlighting unions' success, equality practices such as systematic monitoring and reviews of procedures to prevent discrimination are more predominant in unionized workplaces than elsewhere (Bewley and Fernie 2003). Moreover, union representation of disadvantaged social groups' interests is an enormous benefit to all employees. However, despite the success in recruiting more women, unions struggle to appeal to young members.

Unions have the ability to impact upon employer equality practices via facilitation effects, ranging from union provision of information on equality policies to employees, assistance provided to members wishing to investigate harassment or discrimination complaints, and their representation within grievance procedures (Budd and Mumford cited in Bacon and Hoque 2012, p. 241). Employees who know their rights are more likely to pursue equality-related grievances, hence issues can be brought to employers' attention, who may respond by improving equality practices and prevent issues from re-emerging in the future (Bacon and Hoque 2012, p. 241). Increasingly, employee voice is listened to via direct communications

with the employers, as fewer employees find their voice represented at a collective level via trade unions (Podro 2011, p. 12). Alternatively, there are other statutory systems of worker representation – appointment of representatives to works councils, employer sponsored participation, or civil society organisations (Podro 2011, p. 12).

Nowadays, collective bargaining has been progressively replaced by a set of individual legal rights, ranging from unfair dismissal to discrimination, giving rise to employment tribunal (ET) claims, where disputes are resolved as the basis for better promoting fair workplace solutions to resolving workplace conflicts (Suff, Mizon and Reid 2006). In 2010 alone, ET claims raised by employees have cost UK businesses £1. 6 billion (Ambition 2011). In practice, separation of individual and collective rights and disputes is seldom clear-cut; the majority of jurisdictions are concerned with individual rights, while just some allow trade unions to exercise collective rights (Suff, Mizon and Reid 2006, p. 4). The phenomenon of statutory overlap occurring between the individual and collective dimensions in employment rights cases is but a visible reflection of the deeper relationship that exists between the regulation of individual rights and the influence of collective bargaining, Suff, Mizon and Reid (2006, p. 4) argue. Today, in times of diminished union density, workers not covered by collective bargaining benefit from statutory employment rights, that give rise to due protection, and ensure fair and equal treatment of all workers.

In conclusion, regardless of the past inequality and discrimination claims, individual working experience remains affected by gender, or ethnic background (Podro 2011, p. 6); workers with disabilities or health problems

tend to have a much more negative experience of work. Moreover, the pay gap between men and women remains wide, and although many women have made real advances in breaking out of low paid, low status jobs, this has had an impact on some more vulnerable ethnic minority groups and migrant workers (Podro 2011, p. 6) In my opinion, the above evidence supports the diminishing role of trade unions in today's society. It cannot be stated that trade unions have not had an impact on British employment relations - it is quite the opposite.

Without trade unions workers could possibly not enjoy the minimum wage legislation, or women could still be discriminated against and forced to work in low paid jobs. Decreased union density and coverage affecting union bargaining power leads me to answer the question posed earlier. In my belief, unions do not constitute the base of liberal democracy, as low union membership prevents them from taking a strong stance and becoming critical intermediaries. With then growth in convenient individual conflict resolution practices employees are not required to identify themselves with a particular organisation, as their problem is unique or they simply wish not to share it. As affiliation with trade unions is purely voluntary, it gives workers a chance to decide, if and how, they want to be involved.