

Decline of british trade union membership: causes



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Introduction

The purpose of this essay is to analyse the factors leading to rapid decline of British trade union membership in the 1980s and 1990s. According to MacKenzie (2008), unions in industrialised countries have faced challenges associated with labour market restructuring. The restructuring happened due to liberalisation and privatisation of the sectors, downsizing the direct workforce and use of sub-contracts. According to Armstrong (2006) the political condition and change of economic condition with the effect of globalisation are the major factors contributing the change in trade union operation and its decline of membership. There are other factors also, one of them, according to Machin (2000) is union inability or unwillingness to unionise the growing number of new workplaces. The introduction of HRM(human Resource Management) concept and practice within the organisations as observed by Taylor (2003) contributed to the introduction of employee relations as a concept that broadened the study of industrial relations from a union focus to include wider aspects of the employment

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relationship, including non-unionised workplaces, personal contracts, and socio-emotional, rather than contractual arrangements. It is quite clear there are many factors responsible for the decline of trade union membership.

It is important to look at British trade union history briefly to get a perspective of its function, growth and difficulties it is facing. As Stephen Dunn (2009) observed the British trade union experienced extraordinary growth for quarter century till 1950s in terms of its membership, activities and ability to carry on collective bargaining on the backdrop of World War 2 and changing socio-economic condition. That progress slowed down but it was still growing till 1970s when it again experienced rapid growth in its membership. The time after 1980s then continued to 1990s and 2000 the trade union membership experienced rapid fall and from 2000 it started stabilising with very slow increase. The report prepared by Cockburn (2009) shows the recorded trade union membership of 7, 656, 156 in 2008-09, compares to 7, 627, 693 reported in the previous period. This indicates an increase of 28, 463 members or 0. 37%. The total recorded membership of around 7. 6 million compares with a peak of 13. 2 million in 1979. The essay will try to discuss about various factors responsible for the decline in membership.

Economic Factors

The British economy saw many changes after World War 2 in terms of its growth, flexibility and approach. According to David Farnham (1997) there are three major changes happened in international and UK's domestic economy since 1950s and very prominently after 1980s. First, the developing countries restructured their manufacturing industries to become

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important exporters of manufactured and semi-manufactured goods in Europe, North America and Australasia. Second, the developed countries started moving from manufacturing to service economy thus non-manufacturing industries started growing in these countries. Third, the new emerging markets of East Europe and breaking down of Soviet Union created new opportunities for trade. The above changes had direct impact on UK economy and resulted in declining of number of people employed in manufacturing industries by 45% from 1979 and 1996, David Farnham (1997). There was an expansion on non-manual jobs, professional jobs also the number of working people grew from 25 million in 1971 to 28 million in 1996. The above changes are reflected on British economy and have long lasting effect on life style of people. It also brings more completion in the market from external suppliers and changed the focus of British economy from large, nationalised, manufacturing based economy to privately owned, relatively small and service oriented. The idea of Globalisation in mid 1980s, as described by David Farnham (1997) saw capitalism as the major globalising dynamic and constantly increasing the scale of production and consumption. The increase in trade and commerce with new markets opened new scope as well as competition. The focus of the economy changed to mass produced, cheap products to meet high volume of demand and consumer's aspirations. Thus British economy experienced imported products from East Asian countries which resulted in decrease of manufacturing industries in Britain. With the number of people in employment increased the ability to buy, availability of easy credit and other factors contributed developing of overall living standard of the people. This change in economic condition made the trade union membership less

attractive and the collectiveness started eroding among members resulted in decline of membership.

Political Factors

The British politics observed influence of two political parties The Conservatives and The Labour between 1970 and 2000; their ideological differences were prominent in their policies. The strategy of Conservative party who was in power from 1979 to 1997, as observed by David Farnham (1997), were influential in reducing public expenditure, cut taxation and state borrowing, privatised the nationalised industries and other public sectors, deregulate the economy, working towards free market, free trade, free enterprise, legislation to curb the powers of trade unions to free up labour market as well as undermine collectivism in favour of individualism at work places. As Ed Rose (2008) observed the employers' right to manage was reinforced by restricting powers and activities of trade union and encouraged fluidity and flexibility within the labour market. According to Ed Rose (2008) the result is private sector employers achieve greater control over the work and labour process. In 1997 when the Labour party formed government they promised to change its traditional Labour policy, as observed by David Farnham (1997), towards promoting competition, pursue tough, efficient regulation, working as a partner to both employers and employee, fairness but no favour to the trade union and last but not the least no return to secondary action, strike without ballots or trade union law of the 1970s. Moreover, consecutive governments passed various legislations which curb the power of trade union and strengthen the hands of employers as well as encourage individualism over the collectivism. According to

Millward (2000) and Kersley (2006), the union experienced decline of the unionised sector, collective representation which resulted in fall of collective bargaining with pay and other issues. As observed by Taylor (2003), somewhat hostile treatment from the Government and the policies, legislature changes that are made to restrict trade union power and activities were responsible for trade union to lose relevance in private sector organisations and also put challenge in front of trade union to adapt its functioning with the changing circumstance failing of which saw decline in membership and inability to connect with new workplaces.

Industrial Factors

The period from 1970s as observed by Ed Rose (2008), saw restructuring of British industry in terms of management style of employment relationship, increasing emphasis on communicating with workforce and workplace representation of employees. The result of these changes are adopting anti-union strategies, shifting from pluralist to more unitarist style by many private sectors. Both private and public sector organisations adopted HRM practices, strategies and models of employment engagement thus moving away from collectivism to individualism. As observed by Kersley (2006), Milward (2000), the restructuring of British industry saw the shift from manufacturing economy to 'service economy', the introduction of technology, computerisation and information technology paved the way for developing specialised skills, part-time, fixed and temporary work contract which resulted significant increase in labour market insecurity and have impact on employment relationship. Moreover, as Ed Rose (2008) pointed out with the changing economic condition and focus on cost saving many

organisations sub-contract their fringe jobs to small or other organisations and only concentrate on core activities thus number of employees within the organisation has substantially decreased resulting decrease of employees bargaining power within the organisation. The drive for employing multi-skilled employees also reduced the dependence on specific employee to complete a task thus decreased the level of job security among employees resulting shift of balance towards employers' control more than the employees.

Trade Union's Internal Factors

According to Curran (2006), the trade unions become too institutionalized which prevents it from progressing rather tied up in its own structure with the control power to the full time management of the Trade Union. According to him trade union leaders suffered complacency and forgot to remind people the good work of trade union movement and lot still can be done for those who are being exploited by organizing collective bargaining. Moreover, trade union failed to create connection with the new immigrant workers who would have been highly benefitted from trade union support as they were recruited for low skilled, low paid and most of the times were exploited. He observed that trade unions failed to recognize and adapt itself with the change that the society experienced due to political, economical and the effect of globalization. The trade unions need to understand that they have to adapt and organise its function according to the need of the situation, the advent of technology, prosperity and disposable income has changed the lifestyle of the trade union members but as an organization Trade Union failed to adopt itself with that change and got stuck with the philosophy,

style and culture of trade union's foundation time. Moreover, many large Trade Unions still struggle to get rid of their ' Masculinity culture' when the reality is almost 40% of the working population are women and it is difficult for the women to become member of trade union and associate with its day to day activities. As observed by Bob Carter(2004), the Trade Union need to redirect recruitment of members who are in part-timers contract of employment; change bargaining priorities to reflect part-timers' concerns; and to change union organization and representation to facilitate participation by part-timers. It is quite evident from the above discussion that trade unions failed to change its priority and redesign its role to suit with the changing world and thus it became somewhat irrelevant to some members which directly reflected in decline of membership.

Future of Trade Union

The prediction of future of Trade Union membership and prospect is difficult but can only be done based on past experience, available data and survey results. According to Ed Rose (2008), the evidence shows that there is very less likely the New Labour Government will change the direction of policies towards empowering and giving more authority to the trade unions. It is evident that the balance is more towards the Employers than trade union in controlling employee relationship. Moreover, the specialist skills of managers to deal with employer engagement, various legislations passed to provide more provisions and empower individualism and limiting collective bargaining are the clear indications of limiting trade union roles and powers in future. According to Kersley (2006), the change in giving standard contract to the employees and increase of special kind of contracts like

consultancy, fixed term, term time, temporary, part time also private organisations support to non-unionised organisations and improving individual employee engagement programme as well as government legislations to support individualism are some of the biggest hindrance towards improving Trade Union membership.

According to Ed Rose (2008), the prospect of increasing Trade Union membership looks bleak but analysing the present situation of increase in unemployment, increase of women membership in trade union as revealed from recent surveys and the indications are there that this trend is going to continue as well as the growing general perception among employees that employers are responsible for unfair treatment at workplace may help to improve the situation of trade union membership. There three strategies as suggested by Ed Rose (2008) could change the situation of decreasing Trade Union membership are ' Servicing Model', ' Partnership Approach' and ' Organising Model' to suit with the changing economic, political and industrial conditions. According to these models the Trade Union need to give service to its individual member by devoting more resources to the enforcement of their rights, be a partner with the employers to achieve competitive advantage for the firm and add values to the service provided as a trade union and last but not the least to organise support for the workforce to solve conflicts and maintain a strong presence throughout. The above models may be theoretically looks good but there are contradictions and depends how well they are executed as well as perception of the role to all the stake holders. There can be element of low level of trust between employers and Trade Union on each other as ' Partnership Approach' can

contradict 'Organising Model'. The whole situation of maintaining relationship with both employers and employees can be very difficult if the interest of employees and employers on specific issues are vastly different and in that situation it can be difficult for trade union to follow the above models as this can be perceived as contradictory to each other.

According to Peter Wilby (2010), with the growing globalisation and the organisations tendency to move to the countries with cheap labour and favourable business environment, legislation, it is the time for the trade union to think globally as well as strengthening their local roots to strengthen the trade union movement. The trade unions should create a global Union to stop exploiting labour cause anywhere in the world and thus fight for the jobs for local people. It is important for trade union for its own survival to organise movement for local people and working proactively to increase membership, more reliant on its own strength and less dependent on political party like The Labour party introducing favourable legislation to empower Trade Union. According to Curran (2006), trade union should realise that changing its culture and style is not a threat to its values rather a way to sustain its principles of maintaining equality, liberty and solidarity at workplace. The growing trend of capitalism in the society creates 'hour glass' situation in organisations where some people at top are enjoying all the benefits and those at the bottom are struggling and their family is experience stress and low prospect of development. This economic condition and stress to fulfil every demand to maintain good lifestyle and the realisation by trade union to change its style of functioning will help to improve the prospect of improving trade union membership in next five

years. Though it is difficult to predict if it will be able to touch its peak in terms of membership but it will definitely be able to improve current situation in terms of membership.