

The Evolution of the Modern British Workplace

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Overview

- Mapping union demise in Britain since 1980?
 - What appear to be the causes?
 - Compositional change
 - The role of markets
- What has taken its place?
 - Non-union voice
 - High involvement management/HRM
- What are the consequences: do trade unions still have an impact on working conditions in Britain?



Workplace Employment Relations Survey

- Nationally representative survey mapping employment relations in around 2,500 workplaces across Britain
- Conducted in 1980, 1984, 1990, 1998 and 2004
- Data collected from:
 - Senior manager responsible for personnel issues
 - Most senior union and non-union representatives (where present)
 - Random sample of 25 employees (1998 and 2004 only)
- Includes workplaces with 25+ employees in the private and public sectors (10+ employees in 1998; 5+ in 2004)
- Representative of around 70% of all employment in Britain



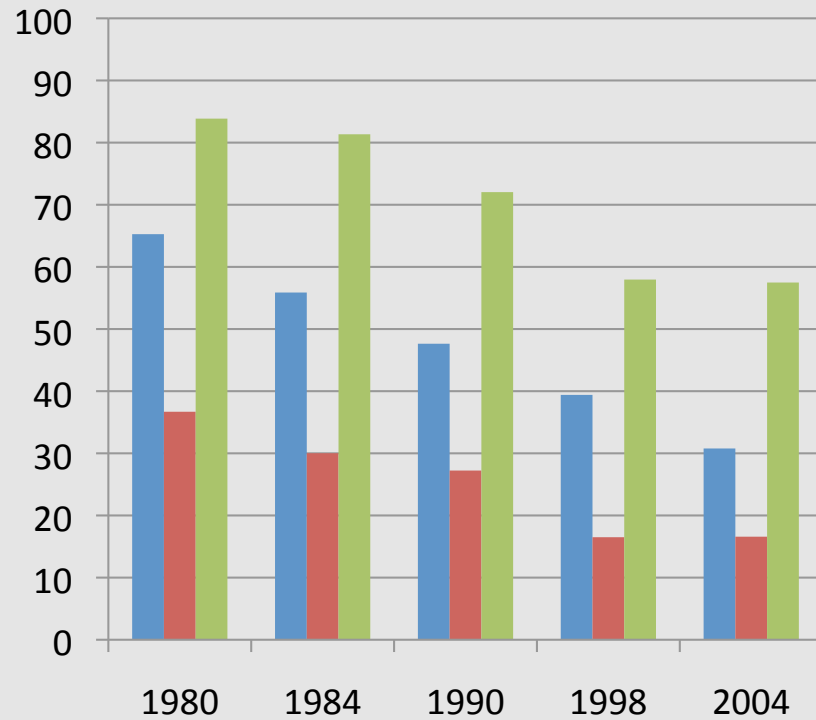
Workplace Employment Relations Survey

- Recruitment and training
- Information provision and employee consultation
- Employee representation
- Payment systems and pay determination
- Grievance, disciplinary and dispute procedures
- Equal opportunities, work-life balance
- Workplace flexibility
- Workplace performance
- Wages and effort
- Employee attitudes to work



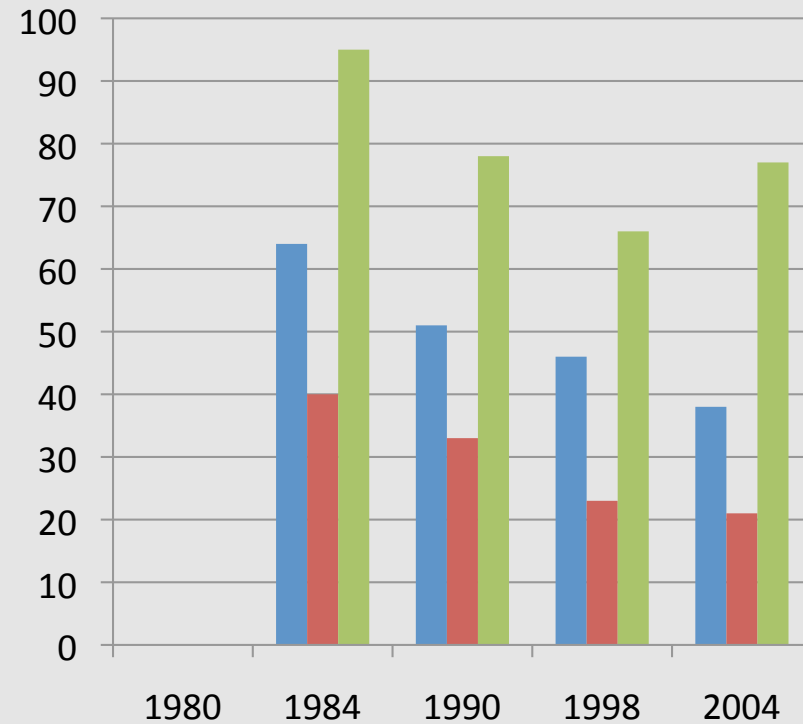
Union organisation

Membership density



■ Private manufacturing
■ Private services
■ Public sector

Bargaining coverage

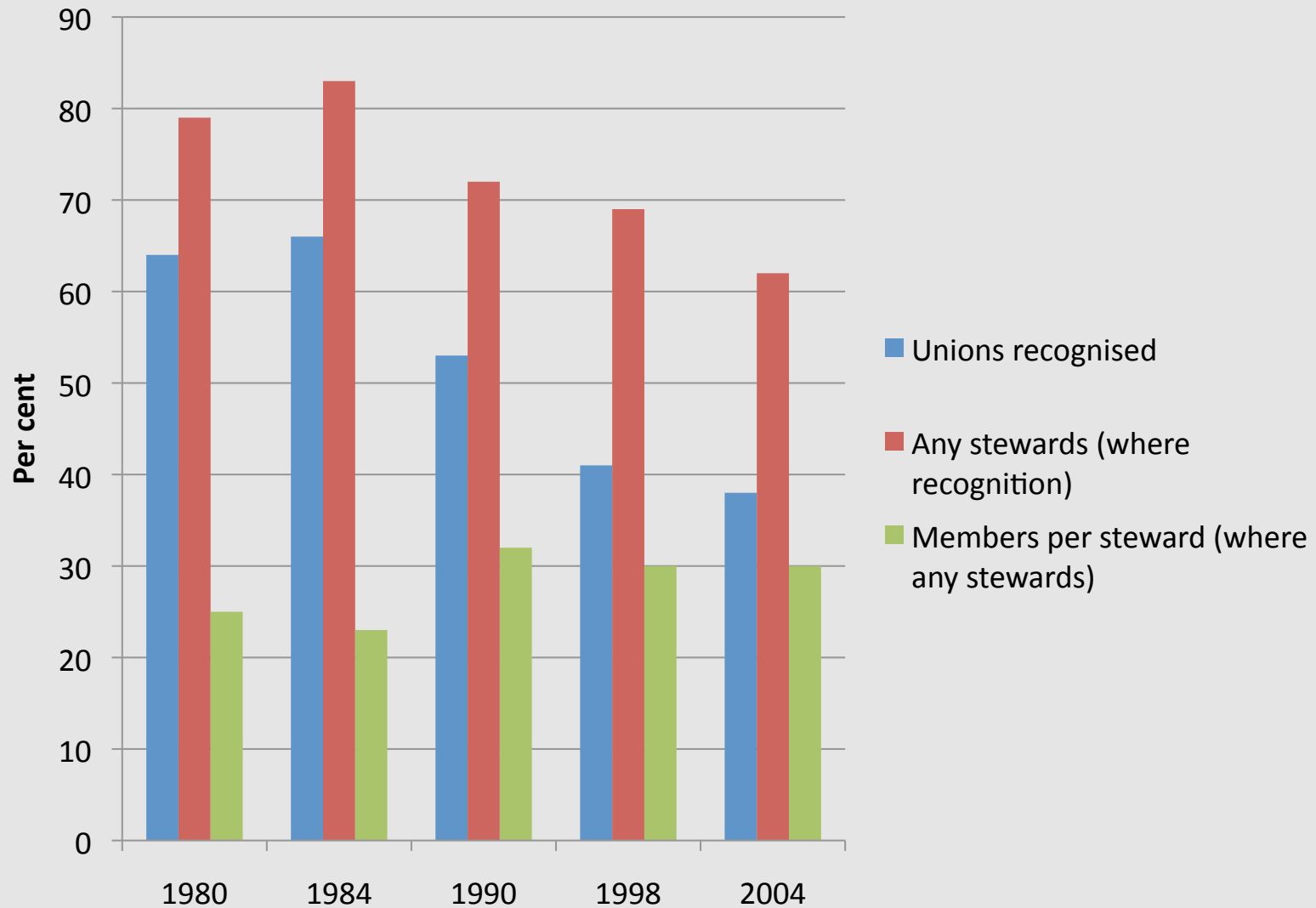


■ Private manufacturing
■ Private services
■ Public sector

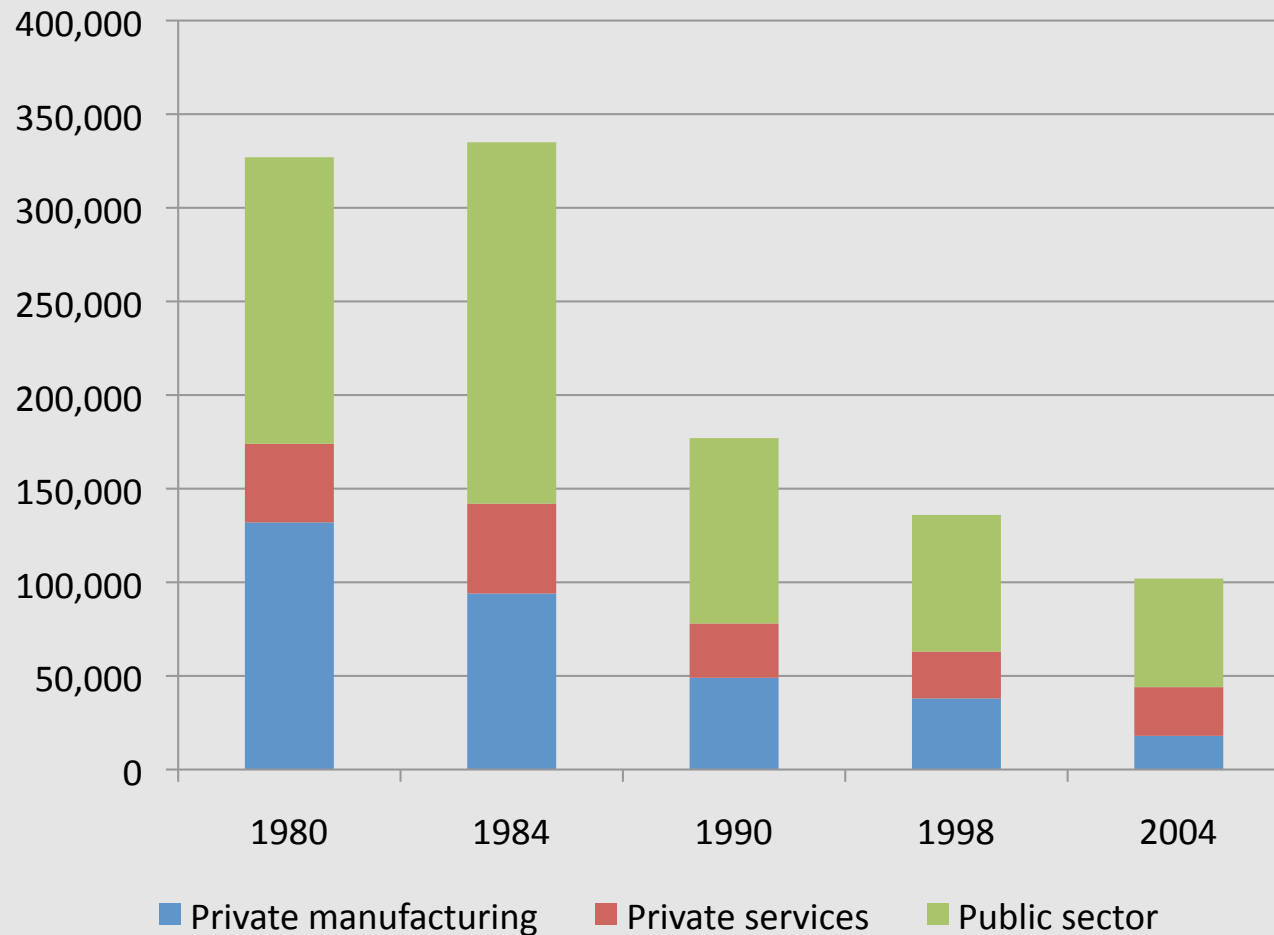
Percentage of workplaces with 25+ employees recognizing unions, 1980 - 2004

	1980	1984	1990	1998	2004
Manufacturing	65	56	44	28	37
Private Services	41	44	36	23	20
Public Sector	94	99	87	87	88
All	64	66	53	42	39

Union organisation



Numbers of shop stewards



Base: shop stewards of recognised trade unions
in workplaces with 25+ employees
Source: Forth and Charlwood (2009) using WERS

Changing activities of shop stewards

- Only small decline in provision of administrative support (office, telephone)
- Stability in % of workplaces that deduct union subscriptions
- Stability in incidence of full-time lay reps 1980-1990, and small increase 1998-2004

But ...

- Fall in number of issues subject to negotiation
- Growth of 'hollow shell' unionism
- Less involvement in collective disputes
- Greater role for individual casework

*Base: shop stewards of recognised trade unions
in workplaces with 25+ employees
Source: Forth and Charlwood (2009) using WERS*



Workers' perceptions of shop stewards

- In 1998/2004:
 - fewer than three-fifths of union members thought that the union(s) at their workplace were taken seriously by management
 - fewer than half thought unions made a difference to what it was like to work there
- But on-site shop stewards positively affect workers' perceptions of union effectiveness

*Base: union members in workplaces with 10+ employees
Source: Forth and Charlwood (2009) using WERS*

*Effects of Compositional on Union Recognition
Private Sector 1980-2004*

Year	Actual union recognition rate	Percentage point decline	Rate with compositiona l change only	Percentage point decline due to compositiona l change	Percentage point decline due to within-group change
1980	49.5	-	-	-	-
2004	22.3	-27.2	40.8	-8.7 (32%)	-18.5 (68%)

What lay behind the collapse of collective bargaining?

- The change in industrial structure away from manufacturing?
 - Only 10% of the decline in incidence of CB in the private sector between 1984-2004 can be attributed to change in workplace size and industrial composition
- The anti-union legislation and government action of the 1980s?
 - The decline was under way earlier:
 - In 1998, 45% of 1940s w/ps had CB; 23% 1960s; 12% 1980s
 - In 2004, 32% of 1960s w/ps had CB; 13% of 1970s
 - A change of regime in 1997 did not slow the decline:
 - Rate of contraction of CB 1998-2004 much the same as 1990-1998



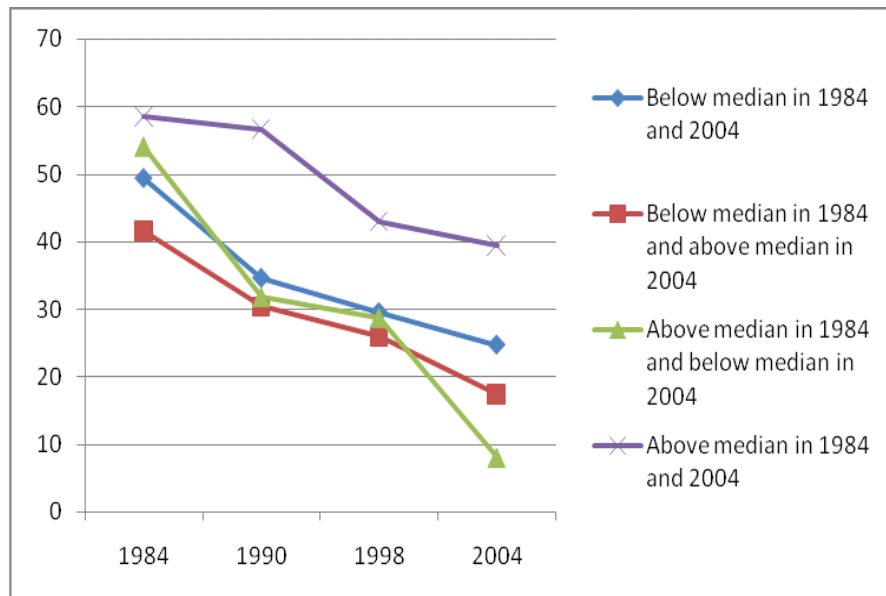
A more powerful explanation lies in the effects of increasing competition

- A period of increasingly international product market competition and ownership:
 - UK Mfg imports as % mfg domestic demand rose from 25% in 1980 to 62% in 2005
 - Foreign ownership of LSE shares rose from 4% in 1981 to 40% in 2006
- WERS firms were asked about their competition:
 - those 'dominating' their market were twice as likely to use CB as those with 'many' competitors
 - use of CB fell between 1984 and 2004 by:
 - 35% where they 'dominated'
 - 62% where up to five competitors
 - 70% where six or more competitors



The impact on collective bargaining of *change* in relative profitability

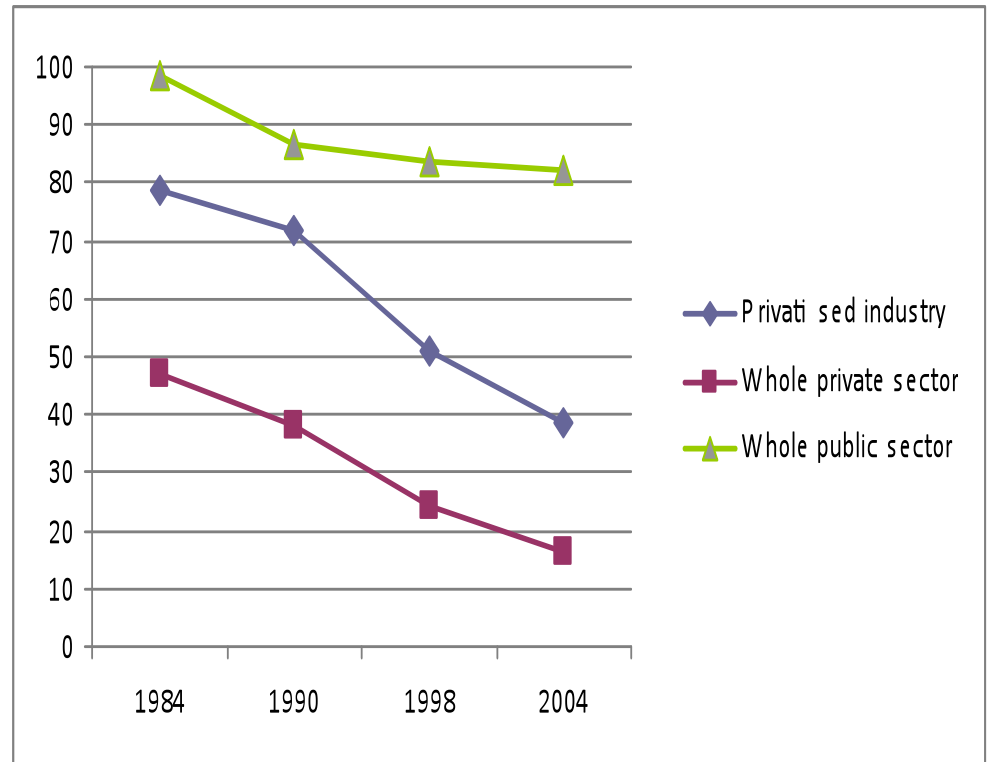
Coverage of CB in workplaces in industries experiencing relative change



- CB has been most resilient in sectors with consistently high profits
- Those with consistently low profits saw CB decline at about the average
- Those with relative improvement of profitability saw less decline in CB than those where relative profitability declined
- Profitability collapse was associated with CB collapse

Collective bargaining under the impact of privatisation – a natural experiment

- At sectoral level, CB had varied fortunes under privatisation:
 - Energy & water, CB still high
 - Trans and coms, CB slight fall
 - Other services, sharp fall
- Privatisation does not guarantee product market competition
 - Some are natural monopolies
 - Ofwat, Ofrail, Ofgen, Ofcom
- Privatised industries' coverage of CB ends up closer to the old private sector's



What has happened to 'voice' more generally?

- the decline of union only voice

	Year			
Panel A: All Workplaces	1984	1990	1998	2004
1 No voice	16	19	18	14
2. Voice (all types)	84	81	82	86
Panel B: Voice Workplaces Only				
3. Union only	24	14	9	5
4. Union and non-union	42	39	32	33
5. Non-union only	16	28	41	46
6. Voice, but nature not reported	2	<1	<1	2

Non-union representation

- Evidence patchy, but clearly no substantial expansion since 1980
 - individual non-union reps in 10% of workplaces in 1980 rising to 14% in 2004
 - Workplace consultative committees in 34% of workplaces in 1980, falling to 24% in 2004
- However, the decline of union representation means that, among all workplaces with 5+ employees, the incidence of union and non-union representation is now similar

*Base: workplaces with 25+ employees
Source: Forth and Charlwood (2009) using WERS*

Human Resource Management

- Big rise in number of personnel specialists – esp. those with “human resources” in job title
- Increase in formal personnel qualifications and a rising proportion of women for those with HR roles
- However, personnel specialists more likely to be associated with traditional IR practices rather than those linked to HRM
- The incidence of HRM practices is positively associated with better performance
- Personnel specialists tend to be found where performance is poorer
- *Is Increased Incidence of HR specialists due to response to legalistic needs rather than “better” people management?*



High Involvement Management

- **Diffusion of HIM has been uneven**
- **Few workplaces with strong HIM orientation**
- **HIM associated with lean production and TQM but not enriched jobs**
- **HIM does not substitute for unionism**
- **HIM is associated with higher productivity but lower well-being**



Wages

- Wage premium from union bargaining identified in 1980, 1984 and 1990 (workplace data)
- General premium absent for union bargaining in 1998 and 2004 (employee data)
- But still a premium attached to ‘strong’ unionism
 - Where high coverage etc.
- Union membership premium has declined
 - Secular trend or indicative of counter-cyclical wage premium?



Unions and Other Workplace Economic Outcomes

Association with:

- Employment growth:
 - Significant negative effects only for early 1980s
- Financial performance:
 - Significant negative effects only for early 1980s
 - Though negative association with active collective bargaining in 2004
- Managers' perception of 'climate':
 - Significant negative effects only for 1980s



Management-employee relations

	1980	1984	1990	1998	2004
All workplaces					
Strike action	11	15	11	1	3
Non-strike action	11	13	5	1	3
Private manufacturing					
Strike action	19	9	4	0	*
Non-strike action	16	12	7	1	2
Private services					
Strike action	3	5	2	1	1
Non-strike action	3	3	2	*	2
Public sector					
Strike action	15	31	31	3	9
Non-strike action	19	24	8	2	7

Base: all establishments with 25 or more employees
WERS series

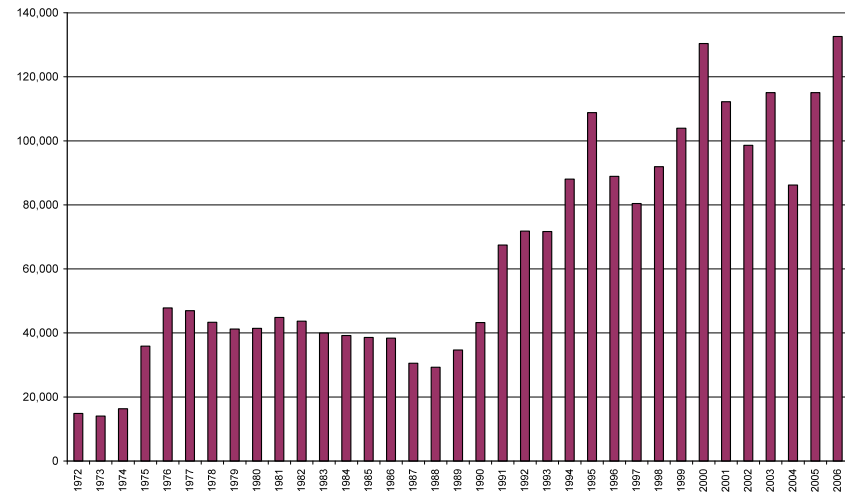
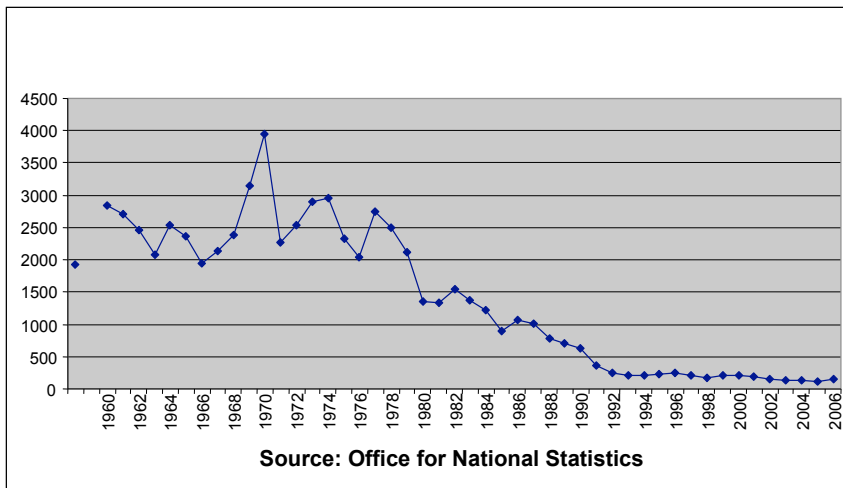
Base: all workplaces with 25+ employees
Source: Dix, Forth and Sisson (2009) using WERS

Stoppages 1960-2006 and Employment Tribunal Claims:

Stoppage Days

1972-2006

Employment Tribunal
Claims Registered



Expressions of conflict, by 'voice'

	Any industrial action	Any grievances	ET claims	Voluntary resignations	Relations between managers and employees
	<i>% of workplaces</i>	<i>% of workplaces</i>	<i>Claims per 1,000 employees</i>	<i>Resignations per 100 employees</i>	<i>% of employees rating 'poor' or 'very poor'</i>
Union voice only	9	45	1.3	9.0	17
Union and non-union voice	7	44	2.1	8.8	19
Non-union voice only	1	40	2.7	17.2	11
No voice	*	31	2.9	18.3	11
All workplaces	2	38	2.4	13.8	15

Base: all workplaces with 5+ employees
Source: Dix, Forth and Sisson (2009) using WERS

Management-employee relations

- WERS ordinal scale: how would you rate the relationship between management and employees generally at this workplace?

	1980	1984	1990	1998	2004
All	2.49	2.38	2.26	2.30	2.31
Union	2.46	2.31	2.16	2.31	2.22
Non-union	2.53	2.46	2.32	2.29	2.34
Raw gap	-0.556 (4.63)**	-0.815 (6.32)**	-0.525 (4.39)**	-0.233 (2.06)**	-0.585 (4.58)**
Regression-adjusted gap	-0.398 (2.70)**	-0.582 (3.87)**	-0.271 (1.87)*	-0.005 (0.04)	-0.157 (1.05)

- Union negative effects absent after 1990
- But time trend not statistically significant

*Base: all workplaces with 25+ employees
Source: Blanchflower and Bryson (2009) using WERS*

In summary ...

- Substantial decline in prevalence of trade union representation
- Increasing weakness where unions remain present
- Non-union reps have not filled this representation gap
- Not Sisson's 'bleak house' or Guest's 'black hole'
- Voice persists but now direct non-union dominates
- Some growth in HIM though linked to lean production/TQM
- Union effects on workplace outcomes appear to be weakening



Further information

- Workplace Employment Relations Survey 2004

Survey documentation and background information at:

www.wers2004.info

- Brown W, Bryson A, Forth J and Whitfield K (2009) *The Evolution of the Modern Workplace*, Cambridge: Cambridge University Press

Further details :

<http://www.cambridge.org/catalogue/catalogue.asp?isbn=9780521514569>

