

A perfect union?

What workers want from unions

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Foreword

Union membership reached a peak in 1980. It then settled into what seemed an inexorable fall during the 1980s and 1990s, under the impact of a hostile government, laws that restricted trade unionism and big changes in our economic structure that closed many unionised workplaces.

But this changed after the 1997 election. A stronger economy, a different political climate and the new rights for people at work introduced by Labour all helped unions stop the membership decline. Union numbers have gone up a little one year and down a little the next, but the basic trend for the last five years has been flat.

This is no mean achievement. Even though the economy has done well, unionised jobs have continued to disappear in the manufacturing sector. Unions have had to recruit elsewhere to make up for these lost members. The expansion of the public sector by the new government has been the major source of new members but unions through recruitment and organising efforts have also gained elsewhere.

While we can take pride in halting union decline, that is not enough. We must also begin to grow once again. This is no easy task. Unions have to run hard just to stand still, given the turnover in membership every year.

If we are to be successful in recruiting new members we need to understand today's world of work. This is why the TUC has published a range of research to guide union strategy and in particular *Reaching the Missing Millions*, the report of the Promoting Trade Unionism Task group in 2001. It drew on a range of research including official statistics, the WERS survey, specially commissioned focus groups and a survey commissioned from the London School of Economics. We published more from this British Workplace Representation and Participation Survey, which asked detailed questions about unions and the world of work, in *What Workers Want from Workplace Organisations*, TUC, 2001. It found a substantial demand for collective representation at work among unorganised workers but uncertainty about whether unions were the right vehicles for a collective voice.

We concluded that further research would help unions identify what they should do in the workplace to make membership more attractive.

This report is one result of that. Its principal conclusion is that unions must be highly proficient all-rounders. We are most successful in delivering what workers want when we can pursue a broad bargaining agenda, work effectively with employers to improve the workplace and defend people against unfair treatment when this is necessary. In other words unions must be credible partners, willing to work constructively with employers but having enough power in the workplace to make a real difference to employer decisions.

The most serious challenge facing the movement today is that around half of the workforce have never been a member of a union. Yet paradoxically this study also reveals that even amongst these 'never members' the demand for collective representation is high.

That does not mean it will be simple to sign them up. The number of 'never members' is growing throughout the workforce. There is no single target group such as young workers, women or part-time workers. It is much broader than that and we must now look to anybody under 40, working in the private or public sector. While it should be easier for us to recruit in the public sector, the real gap is now in private services. Our challenge is to develop an agenda that meets people's aspirations for career and skills development, access to learning and genuine choice and flexibility in working time, as well as dealing with the basics of pay

and conditions . Our opportunity is to show that together unions can make Britain a much better place to work.

Brendan Barber, General Secretary, TUC

Executive Summary

The Membership Challenge

- Trade unions have experienced great difficulty in organising workplaces established since 1980
- Union membership decline in the 1990s is largely explained by a decline in membership in organised workplaces.
- Trade union membership decline has halted in recent years, but unions have yet to experience the growth in membership that occurred in other periods of full employment and macro-economic stability.
- Almost half of all employees have never been union members at any point in their working lives.
- The union wage premium has fallen in recent times and unions may need to focus on other benefits to recruit new members.

The Organisational Challenge

Organisational effectiveness depends on:

- Strong workplace structures where there is regular contact between union reps and members.
- A balance of power in the workplace where the union is seen as having enough power to make a difference to employer decisions.
- Employer support for the union role in the workplace

The Bargaining Challenge

- Unions are most successful when they can address a broad bargaining agenda and establish a virtuous circle of effectiveness.
- Success on each of the following dimensions supports good performance on all of the others
 - fair pay increases and bonuses
 - protecting workers against unfair treatment
 - promoting equal opportunity
 - making work interesting and enjoyable
 - working with the employer to improve performance
- While unions are good at establishing members priorities they do less well in delivering those priorities

The Employer Challenge

- Employer support is critical to both organisational and bargaining effectiveness.
- Most employers – including those that recognise unions – are indifferent about the union role.
- The challenge is to develop an agenda that employers find attractive at the same time as ensuring that members' interests are properly safeguarded.

Section 1: Introduction

Unions in Britain today face a huge organisational challenge. The catastrophic decline in membership that began in the mid-1980s has been halted but signs of membership growth are weak and union density (the percentage of all employees in union membership) has continued to edge down slightly as employment has expanded.

Why should this be so? Historically, full employment and a favourable public policy environment usually means rapid union growth – yet today, with a reasonably buoyant economy and an effective statutory procedure for union recognition, union membership is static.

The purpose of this report is to try and answer that question. It begins by offering a new perspective on the pattern of membership decline over the past 20 years, and explores a number of issues that should help unions to rebuild organisation in the future.

There's no shortage of work looking at union membership. Strategies for union growth have come and gone. But there has been little research on what employees look for in a union and how this helps them decide whether or not to join.

This report begins to fill the gap. It includes a comprehensive assessment of employee demand for union membership in the unorganised sector. It looks at what employers think about unions and how this affects employees' perceptions of union effectiveness.

What information have we used?

The three national surveys on which the analysis in this report is based are:

- British Worker Representation and Participation Survey (BWRPS)
- British Social Attitudes Survey (BSAS)
- Workplace Employee Relations Survey (WERS).

BWRPS was commissioned by the TUC in 2001. It is the most comprehensive recent assessment of what workers want from workplace representation and the extent to which unions deliver what workers want. It's a detailed look at how employees see their workplace and employer, the problems they have at work, the services they want from workplace organisations and their assessment of the ability of unions to deliver these services.

A team at the London School of Economics designed the survey questionnaire in collaboration with the TUC and wrote up the initial findings (Diamond and Freeman, 2001). The survey was carried out by face-to-face interviews with a representative sample of employees.

The analyses in this report also use data from BSAS for the period 1983-2001 (the survey has been conducted annually with the exception of two years, 1988 and 1992). Most of the survey is carried out by face-to-face interviews supplemented by a self-completion form.

WERS is a nationally representative survey of around 2,200 workplaces with 10 or more employees and is recognised as the most comprehensive survey of employee relations in this country. The latest survey was carried out in 1998 but there have also been three previous surveys in the series (1980, 1984, 1990). The analysis in this report is based on two parts of the survey, the face-to-face interviews with around 2,200 senior workplace

managers responsible for employee relations, and 28,000 questionnaires distributed to employees in 1,900 of these workplaces.

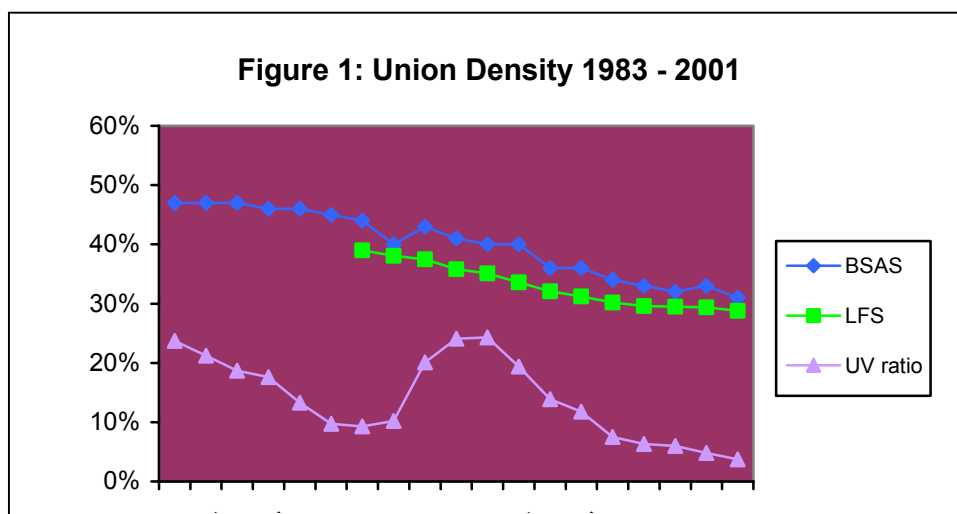
Section 2 – The scale of the membership challenge

Introduction

If we are to build membership we must understand what has happened to union membership over the last two decades. If union membership simply goes up and down with the economy there may be very little that unions can do. But if not, then we should try to identify what unions can do to affect membership.

Union density trends

The British Social Attitudes Survey shows that union density (the proportion of the total workforce in union membership) has been falling for the last twenty years (see Figure 1). The Labour Force Survey confirms this. The chart also shows the ratio of unemployment to vacancies in the economy – this is at its lowest when economic growth is strong and highest when the economy is either slowing down or in recession. We have done this to see whether union membership is influenced significantly by the general state of the economy.



The BSAS shows that the percentage of employees who were union members fell by a third between 1983 and 2001, from a half (49 per cent) to just under a third (31 per cent). This decline was *unaffected by the economic cycle*. In other words it did not matter whether the economy was growing or shrinking - in either case union membership fell. The Labour Force Survey figures from 1989-2001 tell the same story. In both series union density stabilises between 1998-2000. The very latest BSAS and LFS data indicate that density fell slightly between 2000 and 2001.

The 1998 WERS show that the pattern of union decline changed significantly in the 1990s. It shows that union density fell in *unionised* workplaces by about 12%. This is worrying for unions. We must ask serious questions about our workplace organisation and in particular the role of workplace representatives.

We would suggest three factors that contribute to membership decline:

- changes in the composition of the workforce and structural change in the economy;
- the rising proportion of employees who have never been members of a trade union; and,
- changes in the costs and benefits of membership

The remainder of this section deals with each in turn and what effect they have on membership.

Changes in the structure of employment – the failure to organise in ‘new’ workplaces

There have been big changes in the workforce since the early 1980s. Many say that this has been the most important factor contributing to union decline. Job losses in engineering, steel making, shipbuilding and coal mining are all said to explain most of the change in union membership since 1983. Of course there is some truth in this, but it is by no means the only explanation of what happened.

Certain groups of employees have always been more likely to be union members than others. Full-timers, for example have been more unionised than part-timers, and public sector employees more than those in the private sector. Over the last two decades employment has grown most strongly amongst groups of employees and industrial sectors with a weaker tradition of unionisation. More women have entered the labour force, more people are working part-time, the number of non-manual workers has increased and there has been an explosion of employment in private services.

The important point to note is that even without these changes in the labour force, union density would have declined markedly *anyway* – albeit not as dramatically as was actually the case. Analysis of the BSAS suggests that change in the structure of employment accounts for only *one-third* of the decline in union membership in this period. Fundamentally it is the difficulty of securing recognition in new and growing workplaces (and recruiting members in these workplaces), which helps to explain most of the fall in membership.

Detailed analysis of WERS shows that the growth of non-unionised workplaces is common to all sectors. There is only a slightly greater chance of a new workplaces being unionised if it is in a sector whose older workplaces are unionised. Statistically speaking only one-tenth of the increase in non-unionisation among new workplaces is because that they are different in some way from older workplaces (Millward et al., 2000; Machin, 2000). In other words the biggest barrier to union organising in new workplaces is simply *the fact that they are new*. The owner(s) of the business may have grown up in a largely union free world and may be sceptical, if not actively hostile, to union organising efforts. The costs for a union of running a campaign in such workplaces will be high – they have to persuade a sceptical employer as well as a workforce composed predominantly of employees who have never been union members.

Some commentators have drawn the conclusion from WERS 1998 that the rapid decline in union membership in the 1990s was attributable to ‘a reduced propensity among employees to join trade unions, even when encouraged to do so [by management]’ (Millward *et al.*, 2000). The argument runs that ‘Thatcher’s children’ have abandoned collectivism and that there is much less appetite for trade unionism than was once the case. This might be expressed as a change in consumer tastes – people simply do not want to buy union membership any more and there is little that unions can do to persuade people to buy an ‘outmoded product’.

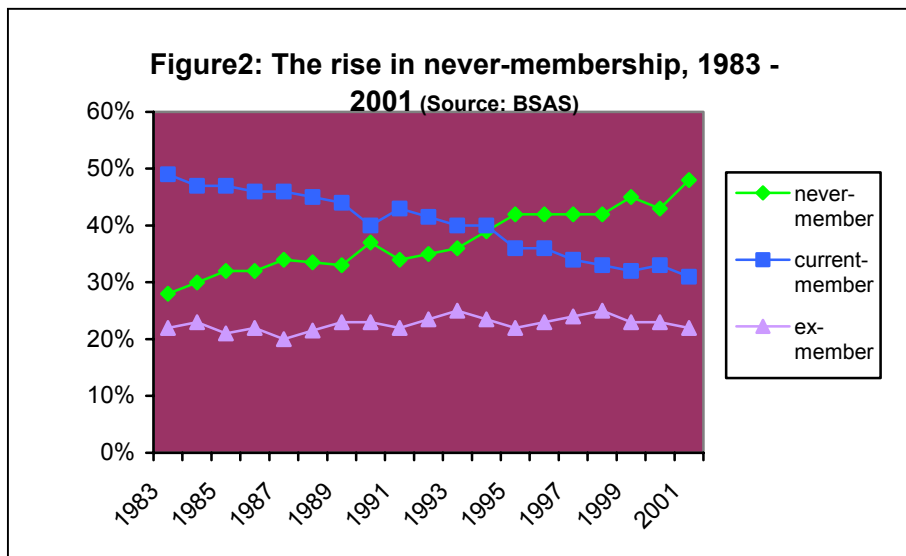
But, as will be made clear in Section 5 it is wrong to assume that workers today have abandoned trade union values, and a very large number of workers continue to express strong support for the principles of trade unionism.

Union decline began in the 1980s at a time when government policy was viciously anti-union. But since 1997 this has changed. The full consequences of the Employment Relations Act and the statutory procedure for trade union recognition may have yet to emerge. There is always a lag between a shift in policy and membership decline or growth. The general industrial relations climate has changed for the better since 1997 and the opportunities for union growth have been significantly enhanced. Further policy changes, like the implementation of the EU Directive on Information and Consultation may also have a significant impact on employer behaviour.

However, if we are to build on these new rights and grow once again then we must make an appeal that meets what unorganised workers and employers say they want workplace organisations to deliver. The remainder of this report aims to clarify what unions need to focus on to achieve this objective.

Unorganised workers and unions – the growth of ‘never members’

This failure to establish recognition or recruit members in new workplaces is reflected in the growth of the number of workers who have *never* had any connection with the trade union movement at any point in their working lives – people who might be described as ‘never members’.



In fact, the decline in union density in the economy as a whole *is almost wholly accounted for* by the rise in never-members. By the mid-1990s, never-members outnumbered union members for the first time and since then the gap has widened to 17 percentage points (current members at 31 per cent and never-members at 48 per cent).

The number of former members remained virtually static between 1983 and 2001. So, it is unions’ inability to attract new members, rather than an increase in the numbers leaving unions that explains declining membership.

‘Never membership’ is most concentrated in those groups of workers and regions where unions have been historically weak. In the period 1999-2001, never-membership rates were

highest among young workers (78 per cent), those in non-union workplaces (66 per cent), the low paid (57 per cent), employees in workplaces with fewer than 25 employees (57 per cent), private sector employees (55 per cent) and those in the south of England (52 per cent).

However, the level of never-membership rose *for every group in the workforce* over the 1983-2001 period. Analysis of the BSAS shows that changes in the composition of the labour force account for around half of this rise in never-membership, but the rest of the rise is explained by an increasing tendency towards never-membership among *all* workers.

This conclusion is confirmed by another study (Machin et al 2001), which shows that each group of workers entering the labour market over the last twenty years has been increasingly less likely to join unions. Much union discussion has concentrated on the need to target young people and women working part-time, but these new findings suggest that the big gap in membership is workers under the age of forty in the public or the private sector, with the biggest deficit in private services, where union density is very low.

Perhaps more surprising is that 'never-membership' is also a significant factor in *unionised* workplaces, where 9 per cent of the 12 percentage point drop in union density between 1983-85 and 1999-2001 is explained by rising never-membership. In other words as long-standing union members retire they are replaced by younger workers who have never been union members and are resisting recruitment even in well-organised public sector workplaces. However, in roughly the same period BSAS reports the paradoxical finding that there was a relatively small, but significant, rise in the percentage of non-members saying unions did their job well (up from 49 per cent to 58 per cent).

There are several reasons why this may be so. Many non-members may be perfectly content to benefit from the operation of an effective union without paying union subs. Many of the benefits of union membership are available to workers in the same workplace without joining the union because in most cases all workers are covered by improvements to terms and conditions negotiated by the union for its members.

If employees are more prepared to 'free-ride' than they were in the past, this may be a significant contribution to falling union density. While there is little reliable evidence on the incidence of free-riding over time, one recent study shows that 41 per cent of private sector employees in unionised workplaces are 'free-riders' and another estimates that in total over 3 million employees are free-riders. In principle these should be relatively easy targets for union recruitment campaigns, of which more is said in Section 5.

Are the existing benefits of trade unionism enough to attract new members?

Another possible explanation for falling union membership is that while employees are just as inclined to join unions as in the past, in non-organised workplaces employees are making a cost benefit analysis, and deciding that the benefits they will get from union membership are not worth the cost.

Union membership is what economists call an 'experience good'. In other words, unless you know something about what unions do, and have some understanding through your own experience or through the experience of family and friends then it is unlikely that you will join in a non-union environment.

We must therefore ask people what they know about unions now, whether they value the services that unions offer – and whether they know enough to make an informed judgement about membership. This raises serious questions for unions about communications

strategies, the collective bargaining agenda and precisely what potential members are offered in recruitment campaigns.

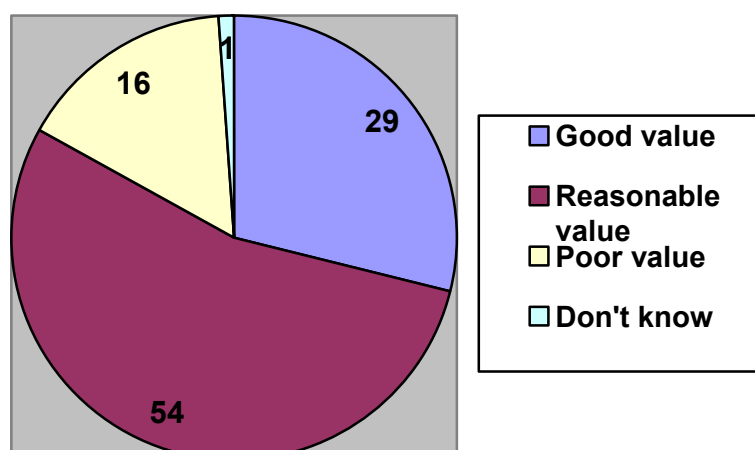
Union membership differs from alternative ‘consumer services’ in that many people pay their subscription because they strongly believe in the movement’s collectivist ethos and view the returns in this light as opposed to simply individual gain. In addition, unlike many other consumer services the decision to pay to join the union can be strongly affected by positive peer pressure in the workplace. Those commentators that subscribe to the ‘Thatcher’s children’ argument have suggested that social trends over the past 20 years have tended to dilute these unique features of union membership.

For example, a number of studies suggest there has been a move from collectivism towards individualism with a consequent weakening of the foundation of trade unionism (Phelps Brown et al., 1990; Bacon and Storey, 1996). This is supported by a finding from the BSAS that the proportion of employees with a ‘union ethos’ has declined over time. However, the finding must be handled with some care. It may simply reflect a lack of experience of unionisation rather than hostility to collective action. ‘Never members’ may not display much of a union ethos given their lack of contact with trade unions. In any case it would be wrong to over romanticise the past. People have always joined unions primarily because they believe they will benefit from their membership either directly through better wages and conditions and/or through the insurance principle of having help on tap if anything goes wrong. There’s always been a mix of the individual and the collective. And indeed, the BWRPS suggests a high level of unmet demand for union membership. We explore this further in Section 5.

The relative costs that are faced by workers trying to establish a union in their workplace have increased in a number of ways. First, management endorsement of unions declined dramatically in the 1990s, especially in the private sector (Millward *et al.*, 2000; Bryson, 2001). In other words it is a major step to put your head above the parapet as a union member and seek to organise your colleagues. Workers may believe that they run the risk of damaging their employment or career prospects and may be unwilling to incur these costs for the uncertain benefits of collective bargaining in the future. Once again the recent public policy changes may be making a difference to the climate but it is premature to judge whether changes in the law are driving major changes in employer culture.

A more positive finding is that the financial costs of union membership have not risen substantially over time, with a recent estimate (Reynolds et al. 1999) showing that union subs are equivalent to roughly two hours’ pay per month. Nevertheless, this cost is substantial enough to deter some workers. BWRPS suggests that in 2001, roughly one in six (17 per cent) employees were non-members in workplaces with a union that they could join and out of these, almost a third (30 per cent) said that high membership fees were important in their decision not to join. This is most likely an issue where the decision to join or not is a marginal one.

Figure 3: Are unions good value for money (source: BWRPS)



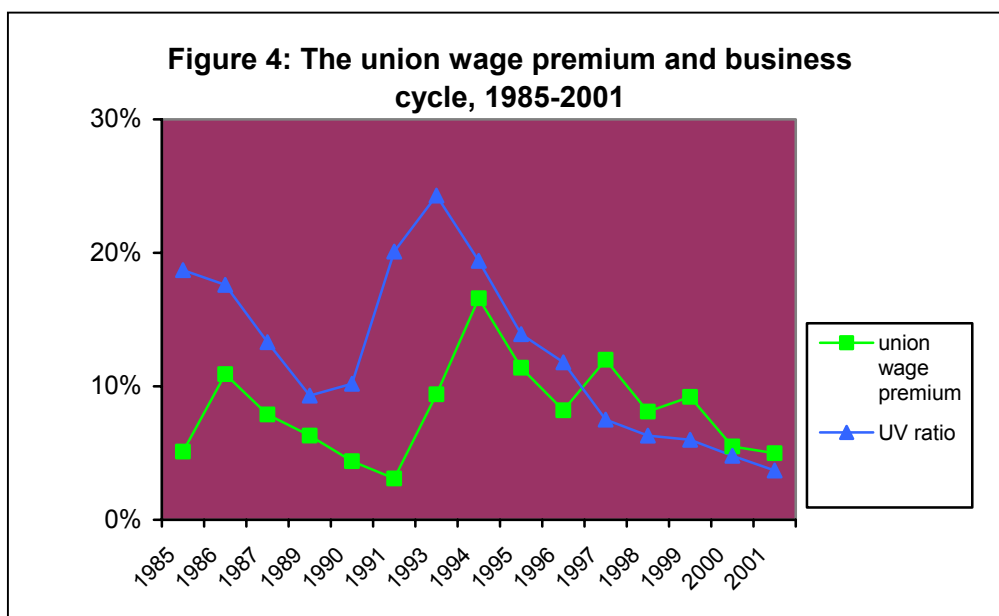
The BWRPS shows that only 30 per cent of union members think membership is ‘good value for money’, with 53 per cent saying it is ‘reasonable value’ and 16 per cent say it is ‘poor value’. On this evidence, the costs relative to the benefits of membership may affect whether employees continue to remain union members, as well as whether they join in the first place.

This then leads to a further question. Are unions able to offer enough to potential members to make joining a union seem worthwhile? Some of these benefits, like higher wages for union members, may be fairly visible. Other benefits, such as greater social justice in the workplace, are harder to identify prior to entering the labour market and near impossible if one has never been a union member. So, what has happened to these benefits in recent times?

The union wage premium

One obvious way of measuring the value of union membership to employees is to estimate the extent to which members’ wages are higher than those of similar non-members. The union ‘wage premium’ arises because unions bargain on members’ behalf for wages that are above what the unfettered ‘free market’ would deliver. However, there has been speculation that increased competition since the 1980s and the decline in the coverage of collective bargaining has reduced the ability of unions to secure past levels of wage premium.

Recent research suggests the premium today is significantly lower than the 10 per cent or so found by earlier studies. Analysis of the BSAS data from 1985-2001, shown in the chart below, sheds some more light on the union wage premium over time and its relationship with the economic cycle.



The chart shows how closely the union wage premium tends to follow the economic cycle. It suggests that the union wage advantage tends to increase when the economy is slowing down but reduces when the labour market tightens. Current low unemployment has led the union wage premium today to fall below five per cent. The chart shows little or no relationship between changes in the premium and union density trends over this period. Union density has been at its most stable since the mid-1990s, a time when the premium has been relatively low.

Some will find these results surprising. One might expect that unions would be more successful at securing wage increases when the labour market is tight and the economy is operating at close to full employment. But these findings suggest that unions have been most successful at sustaining wages in bad times. The relative decline of collective bargaining in the private sector - where only one in five workers is a union member - means that market forces drag wages closer to the union rate when the economy is growing strongly.

Of course collective bargaining on pay remains a key concern of union members. BRWPS shows that 70 per cent of union members cite it as a 'very important' negotiating issue. However the union wage premium does not appear to have the same 'pulling power' for unions across the wider labour market - there continued to be sharp falls in membership when the premium was at its height in the early 1990s.

And as we shall see later, unions that focus *all* their energies on a relatively narrow range of issues like pay and grievance handling are not perceived as particularly effective – and therefore are less likely to appeal to non-members.

What about non-wage benefits?

There is very little research on the non-wage benefits of union membership over time. However, since 1983 BSAS has asked all employees in unionised workplace how well they think unions are doing their job (the question is: *On the whole, do you think the union(s)/staff association(s) in your workplace do(es) their job well or not?*). Since 1983 those answering 'yes' to this question has remained fairly static at around 6 in 10 employees.

Among union members, the figure was 63 per cent in 1983-85 and 65 per cent in 1999-2001, two-thirds seem consistently satisfied with their union.

While some businesses might be rather concerned if a third of their customers were dissatisfied with the service provided, unions may be able to attribute some of this dissatisfaction to a lack of communication about the benefits of membership. A common criticism of British unions is that that they could make much more of their 'stirring music' – those real achievements that distinguish union and non-union workplaces.

For example, recent studies suggest that unions continue to have a powerful 'sword of justice' effect in the workplace. Unionised workplaces have narrower pay differentials, a smaller gender pay gap, are more likely to adopt family friendly policies and have a better track record on the treatment of part-time workers, race equality, disability and health and safety issues (Metcalf et al 2001).

But it would be wrong to underestimate the scale of the challenge. The BWRPS shows that members give unions only moderate grades in making the workplace better. In the non-union sector only a fifth of workers believe that their workplace would 'operate better with trade unions'. We now look in more detail at these findings. First we explore what makes unions organisationally effective and then consider the foundations of bargaining effectiveness – what do unions need to do to deliver what workers want?

Section 3: Organisational Effectiveness

While there is no shortage of analysis of union membership trends there is very little research on what makes unions effective in the eyes of employees. The following two sections build up a picture of what employees think about union performance in the workplace, and more importantly, try and isolate the practical measures that would improve union effectiveness.

The analysis distinguishes between two types of union effectiveness:

- First, **organisational effectiveness**, a term used to embrace those factors which give a union the capacity to represent its members by virtue of its 'healthy' state as an organisation.
- Second, **bargaining effectiveness** or unions' ability to 'deliver the goods' for employees by improving the quality of work and working conditions.

A union that does both well is an effective union.

In this section we look at a number of ways in which unions can be organisationally effective. These include how good the union is at:

- communicating and sharing information,
- responding to members' problems and complaints, and
- winning respect from the employer.

A union that lacks these key organisational attributes will be limited in its capacity to address a broad collective bargaining agenda.

The analysis shows that union organisational effectiveness depends on the following three features:

- Strong workplace structures with regular contact between union reps and members.
- A balance of power in the workplace where the union is seen to have enough power to make a difference to employer decisions.
- Employer support for the union role in the workplace

These features are drawn from an analysis of how members rate their union's performance at:

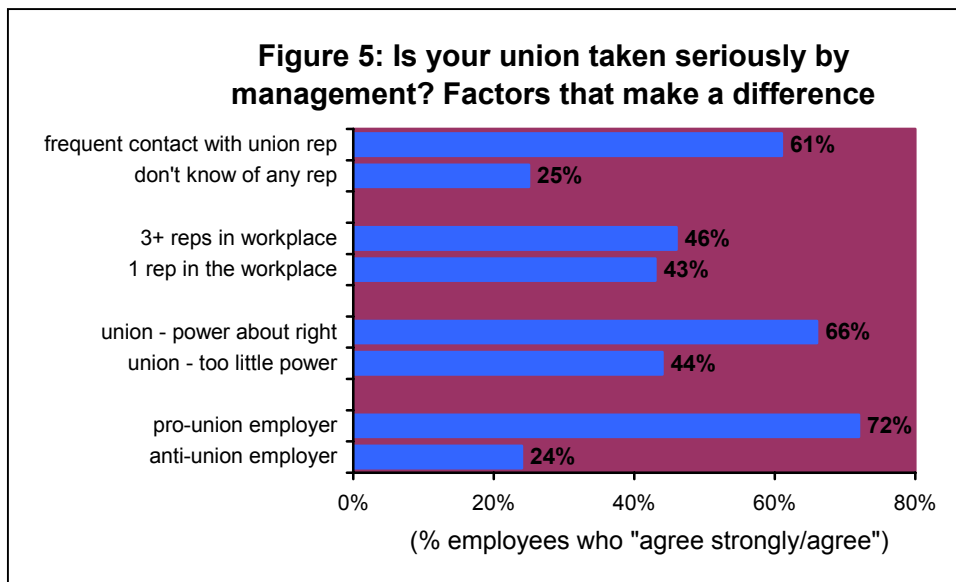
- communicating with members;
- being open and accountable; and
- being taken seriously by the employer.

The Importance of effective workplace representation

- **Communication with members:** Sixty per cent of employees who have frequent contact with union reps say the union is "excellent/good" at communicating and sharing information with employees as opposed to only 34 per cent of those workers who have no contact with reps.
- **Openness and accountability:** Sixty-five per cent of those with regular contact with union reps agreed that the union was either excellent or good at being open and

accountable – in terms of responding to problems and complaints. Only thirty seven per cent of those with intermittent contact with reps gave the union similarly high marks.

- **Taken seriously by the employer:** Three fifths of employees who had frequent contact with union reps believed that their union was taken seriously by the employer compared to a quarter of those who said they did not even know of a rep in the workplace. As the chart below shows the absolute number of union reps in the workplace appears to make little difference- the key point is the frequency of contact with union reps rather than the number of reps.



Balance of Power

- **Communication with members:** Two thirds of those who believed that the union had the power to make a difference in the workplace believed that the union was also good or excellent at communication with members – as opposed to the 34 per cent who believed that the union had too little power who gave an excellent or good grade.
- **Openness and accountability:** Around two thirds of employees agree the union is 'excellent' or 'good' at being open and accountable where the union is seen to have enough power to make a difference. This compares with around two-fifths in workplaces where the union is perceived to have insufficient power.
- **Taken seriously by the employer:** Two thirds of employees who think that the union has the right amount of power believe that the union is taken seriously compared to only 44 per cent of workers who believe that the union has too little power.

Employer support

- **Communication with members:** In workplaces where management support the union role 60 per cent of employees give the union a positive satisfaction rating and in workplaces where the employer is anti-union only 30 per cent of employees do so.
- **Openness and accountability:** Where employees believe that the employer is in favour of the union, over four fifths (82 per cent) of union members say that the union is good at taking notice of their problems and complaints. However, this percentage falls to 66 per cent among employees who think their employer is either indifferent or opposed to the union. These findings clearly show that productive employer-union relations are not only compatible with a union that is highly responsive to members' problems but a necessary condition for the union to be seen as effective.
- **Taken seriously by the employer:** Among employees who believe the employer is pro-union, nearly three quarters (72 per cent) believe the union is taken seriously. However, among employees who think the employer is anti-union, only around a quarter (24 per cent) think the union is taken seriously.

Union power

Given that a 'balance of power' is essential to union organisational effectiveness, how do workers evaluate union power today? Both BSAS and BWRPS ask employees whether they think that the union has 'too much or too little power'. Between 1989 and 1998 BSAS shows that there was a significant fall in the proportion of the workforce who believed that union power was 'about right' from 52 to 45 per cent. The main reason for this was a significant rise in those saying that union had 'too little power', rising from 32 per cent in 1989 to 40 per cent in 1998.

Table 1: Union power at the workplace, 1989-2001 (per cent employees)

	1989	1998	2001
Far too much	<1%	<1%	1%
Too much	4%	2%	3%
About right	52%	45%	53%
Too little	32%	40%	33%
Far too little	6%	7%	6%
Don't know	6%	5%	4%

Source: BSAS for 1989 and 1998, BWRPS for 2001.

BWRPS asked this question again in 2001 and this revealed that employee attitudes about union power had largely returned the levels in 1989. This suggests that some of the Labour government's public policy changes may be having an impact on perceptions of union effectiveness - although so far it is hard to detect any direct boost to union membership.

This change in mood is good news for unions. Employees make a conscious link between union strength and unions' ability to deliver for employees. For example, 70 per cent of respondents to BWRPS believe 'strong unions are needed to protect the working conditions and wages of employees'.

Assessment

What are the implications of this analysis?

- First, there is no substitute for having workplace representatives who can communicate effectively with members and respond rapidly to problems and complaints. In the absence of a strong reps structure the union will not be seen as effective.

- Second, the union must have enough power to make a difference in the workplace.
- Third, the union must be able to develop a constructive relationship with the employer. Each of these features reinforces the other – they are all necessary conditions for union success but none of them alone is a sufficient condition.

This raises difficult questions for unions. How do we get more and better reps? Do current reps training programmes equip people with the right skills to maintain effective workplace organisation? Do we provide the support for reps that they need? Does the union agenda give sufficient scope for joint problem solving with employers as well as ensuring that members are properly protected?

There is a strong case for saying that the revival of trade unionism depends on a revival of workplace organisation. This means that unions should devote efforts to servicing and supporting reps where collective bargaining is already established as well as seeking to organise in non-union workplaces. Reps need a portfolio of skills that goes well beyond the bread and butter issues of discipline, grievances and health and safety. Effective communication skills are essential to maintain credibility and trust with both members and the employer. Analytical skills are needed so that reps can demonstrate knowledge of the problems facing the employer's business and participate in joint problem solving activities. Problem solving skills are critical to any effective joint work with employers.

Some might argue that this is a wholly unrealistic prescription – nobody could expect union reps to perform such superhuman feats. Two points might be made in response. First, the best reps *already* have these skills. The most innovative collective agreements reflect the capacity of reps to play this wider role. Second, the argument assumes that most reps lack the capacity to acquire these skills – a view that is at best patronising and at worst offensive. Experience shows that reps are more than capable of rising to the major challenges facing their members and their employer. The task for unions is to equip reps with the skills they need to face today's more demanding world of work.

This is why the TUC is running a campaign <proper name goes here> to win proper recognition of the role of reps in union revival. An important part of this is the launch of a new website www.unionreps.org.uk to provide support and information for reps in their daily work.

Section 4 - Delivering the Goods

Next we look at what unions need to do to deliver what members want. The most striking finding in this analysis is that real achievements in one area – promoting equal opportunities for example – can have an influence on perceptions of union success in quite another area – securing fair pay increases for all workers.

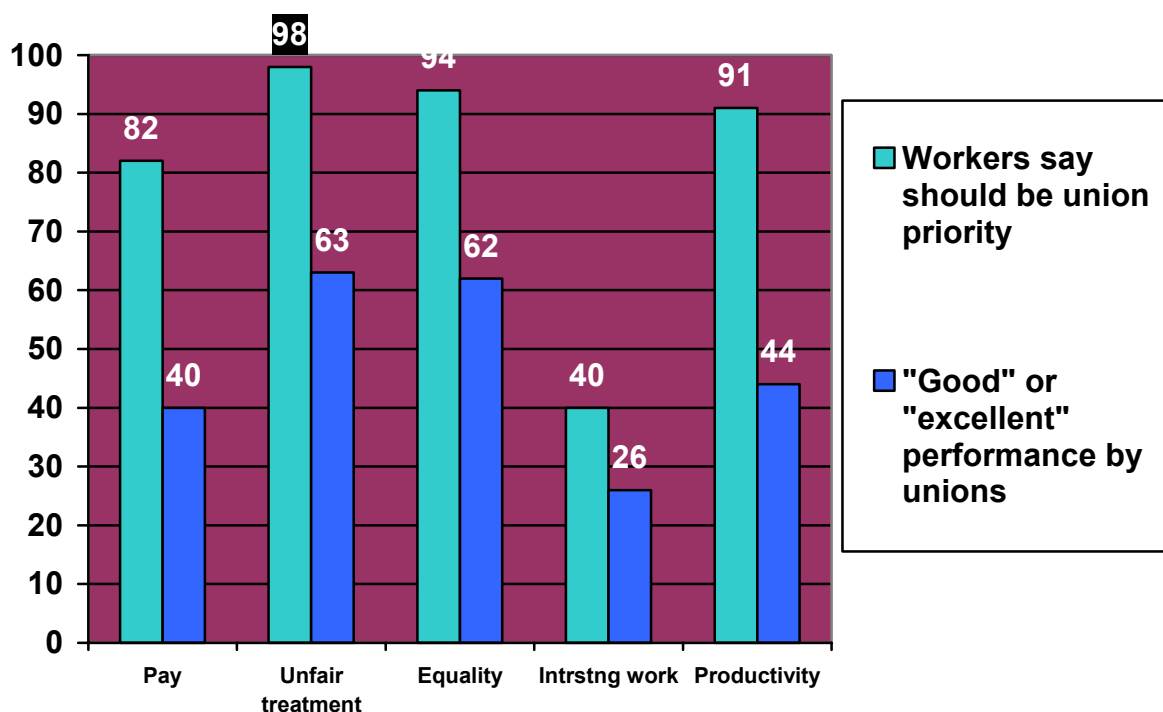
The 'virtuous circle of effectiveness'

The clear conclusion is that successful unions achieve a 'virtuous circle of effectiveness'. Unions must be good all-rounders, able to deliver on both the organisational front and on a wide collective bargaining agenda. We show this by looking at a range of other ways in which unions 'deliver the goods'. In particular we explore how success on each of the following dimensions supports good performance on all of the other dimensions:

- fair pay increases and bonuses;
- protecting workers against unfair treatment;
- promoting equal opportunities;
- making work interesting and enjoyable; and
- working with the employer to improve performance.

As the chart below shows, unions are reasonably good at identifying members' priorities. However, a much smaller percentage of members believe that unions are either 'good' or 'excellent' at 'delivering the goods' in these areas.

Figure 6: Assessment of union bargaining effectiveness (% in unionised workplaces)



Source: BWRPS 2001

Winning fair pay increases and bonuses

According to the BWRPS, 61 per cent of employees in unionised workplaces think setting pay, bonuses or perks is a 'very important' priority for unions and another 31 per cent think it is an 'important' priority. Union members attach higher priority to it than non-members, with 69 per cent viewing it as 'very important'. However, when asked to evaluate unions' performance in winning fair pay increases and bonuses, only 40 per cent of employees in unionised workplaces gave 'excellent' or 'good' ratings.

This issue matters to employees. BWRPS shows that where the union is rated as 'excellent' or 'good', only 12 per cent of employees agree that workers at their workplace are being paid unfair wages as opposed to 25 per cent where the union is rated as 'fair', 'poor' or 'fail'.

Table 2: Change in probability of union being seen as effective in winning fair pay increases

Union characteristics and employee attitudes	Change in probability
Union rep is elected	+10%
Union has too little power	-25%
Employer in favour of the union	+18%
Management and union work together	+23%
Union understanding of employer business is "excellent/good"	+39%
Union openness and accountability to members is "excellent/good"	+43%
Union is "excellent/good" at sharing information about employer and workplace	+56%
Union is "excellent/good" at promoting equal opportunities	+38%
Union is "excellent/good" at working with management to increase productivity	+45%
Union is 'excellent/good' at making work interesting and enjoyable	+42%
Union is "excellent/good" at protecting workers against unfair treatment	+45%

Source: BWRPS (coverage is all employees in unionised workplaces)

So, what makes a union effective in winning fair pay increases? Table 2 shows the effect of different factors on the likelihood that the union will be rated 'excellent' or 'good' at winning fair pay increases. For example, the first row of the table shows that in workplaces with an elected workplace rep, employees are 10 per cent more likely than average to believe the union is "excellent/good" at this aspect of collective bargaining compared to workplaces where there is no rep.

The most striking aspect of the findings in this table is that a union's ability to win fair pay increases is positively associated with most features of both organisational and bargaining effectiveness. Furthermore, employees do not think that union effectiveness at winning fair pay increases comes at the expense of good relations with management. Indeed, employees view good relations with management as essential for pay bargaining effectiveness. For example, employees see the union as much more effective in winning pay increases where there is:

- a co-operative relationship in which unions and employer work together;
- the union works with the employer to improve quality and productivity; and,
- the employer supports the union.

However, as suggested in Section 3 the union can only work with the employer from a position of strength. Where the union is seen to have 'too little power' the likelihood of being seen as "excellent/good" at winning fair pay increases drops by 25 per cent.

Delivering improvements in other aspects of employees' working lives – protection against unfair treatment, making work more interesting and enjoyable, and promoting equal opportunities – also indicate that the union is seen as good at pay bargaining. Finally, unions that understand the employer's business are seen as better at delivering for their members.

These findings set out the scale of the challenge facing unions. To be effective at pay bargaining, unions must foster relations with the employer, get to know the employer's business, cultivate relations with employees, ensure openness and accessibility, have representative structures in place on the ground, prove effective in delivering on other fronts, and operate from a position of relative power. It is not an 'either/or' situation for unions. They are either competent on *all* fronts, or else their ability to deliver fair pay increases is compromised.

These conclusions are reflected in the remainder of this section.

Protecting workers against unfair treatment

85 per cent of employees in unionised workplaces believe 'protecting workers against unfair treatment' is a 'very important' priority for unions, with another 13 per cent saying it is 'quite important'. Unions perform better at this task than they do at pay bargaining, with 21 per cent of employees rating unions as 'excellent' and another 42 per cent rating them 'good'. Members are even more positive, with 25 per cent rating unions as 'excellent' and 45 per cent as 'good'.

Those features that indicate a high degree of union effectiveness at delivering fair pay increases play a similar role in ensuring that unions are effective in protecting workers against unfair treatment. Once again, if members say their union has too little power in the workplace it reduces by 25 per cent the likelihood that the union will be seen as 'good' or 'excellent' at protecting workers against unfair treatment.

Organisational effectiveness is also important here. Workers who think that their union is open and accountable are 52 per cent more likely to believe that the union is good at protecting workers. There is also a strong link between being effective at promoting equal opportunities and protecting workers – which increases by 46 per cent the likelihood that the union will be seen as effective in protecting members.

It is important to understand that being effective in protecting members does not depend on a relationship of perpetual antagonism with the employer. Unions with a good track record of working with the employer to improve productivity are more than 50 per cent more likely to be seen as effective in protecting workers against unfair treatment. One might say therefore that a high trust relationship between an employer and a union is most likely to ensure that members are properly protected. This argument is reinforced by the findings that those unions that contribute to making work more interesting or enjoyable or demonstrate a sound understanding of the employer's business are also more likely to be seen as effective in protecting members.

Promoting equal opportunities

According to BWRPS over two-thirds (68 per cent) of employees in unionised workplaces think the promotion of equal opportunities for women and ethnic minorities is a 'very important' priority for unions, with a further 26 per cent saying it is 'quite important'. Almost two thirds (62 per cent) employees in unionised workplaces think unions are either 'excellent' or 'good' at performing this role.

The pattern of results here is much the same as in the previous analyses with two exceptions. First, effectiveness in promoting equal opportunities is associated with frequent contact by employees with union reps – making good or excellent performance 19 per cent more likely. Second, if the union is seen as the first place to turn to for rights advice, workers are 14 per cent more likely to rate unions as good or excellent at delivering equality. As ever, effective workplace organisation is a necessary condition for good performance.

Making work interesting and enjoyable

Only 40 per cent of employees in unionised workplaces think that 'making work interesting and enjoyable' is a 'very important' issue for the union at their workplace, apparently making it a somewhat lower priority than other issues assessed here.

In part this reflects the reality of the union role today – and the focus of union activity in the past. Traditionally unions have concentrated more on issues like pay, and have left questions of job design and work organisation to employers. Workers may give this kind of activity lower priority because this is not an area that unions themselves have treated as a strategic priority. Reflecting this workplace experience, only 5 per cent say that their union is 'excellent' at making work interesting and enjoyable, with another 21 per cent saying their union is 'good'.

The biggest impact on union effectiveness here is if employees rate their union as "excellent/good" at working with the employer to improve quality and productivity. This raises the likelihood of the union being "excellent/good" at making work interesting and enjoyable by 41 per cent. Workers who say this also give the issue a higher priority ranking than most union members.

Workers consistently put 'having a rewarding and interesting job' at the top of their list of priorities in working life. The survey shows that unions have a proven ability to make a difference to the quality of work but only do so in a minority of workplaces. WERS suggests that the retreat of collective bargaining in the face of employer hostility has reduced the union role to the handling of grievances, discipline, health and safety issues and compliance with the law (Brown et al 2000). The challenge is to find a point of leverage to broaden the agenda.

Working to promote equal opportunities is also associated with union effectiveness in making work interesting and enjoyable (there's a probability boost of 28 per cent). This can be explained by unions striving to ensure that all workers can achieve their potential. These findings suggest unions are most likely to be seen as effective in making work interesting and enjoyable where they are able to move from 'traditional adversarialism' to an 'aspirational' agenda focused on the quality of working life, job redesign, job enrichment and career development (Earls 2002). Self-evidently this is linked to union capacity to give workers wider access to training opportunities and the introduction of new rights for union learning reps may play a very important role in this regard.

Organisational attributes, such as openness and accountability of the union and its preparedness to share information with employees are also associated with effectiveness in making work interesting and enjoyable (respectively increasing probability scores by 31 and 36 per cent). This suggests that union reps need to be close to their members to ensure that the pursuit of the joint enterprise of workplace reform is not simply seen as a capitulation to the employer's agenda.

Working with management for improved performance

Fifty-eight per cent of employees in unionised workplaces think working with management to improve quality or productivity is a 'very important' issue for the union at their workplace, with a further 33 per cent saying it is 'quite important'. But ratings of unions' ability to work with managers to this end are poor. Only 9 per cent rate unions as 'excellent' and 35 per cent rate them as 'good'.

Further analysis shows that unions must have a clear idea of the nature of the employer's business and disseminate this information to employees if they are to be effective in working with the employer to increase productivity. Both these features increase the probability of effectiveness by 50 per cent or more. Unions that are perceived as being 'excellent/good' at

making work interesting and enjoyable achieve the highest score (probability increase of 57 per cent).

This finding contains both good and bad news for unions. The good news is that unions can make a real difference by working with employers to improve productivity through programmes of job redesign and job enrichment. The bad news is that the narrowing of the bargaining agenda over the last decade and the reduction in union influence in many workplaces means that only a minority of union members are able to see substantial union achievements in this area.

Achieving productivity improvements also goes hand in hand with two core collective bargaining issues that are high on the priority list of members and non-members alike: protecting workers against unfair treatment and winning fair pay increases. Where the union is perceived to be "excellent/good", it's 50 per cent more likely to be excellent or good at influencing workplace productivity.

There is also a clear 'consultative pay-off' for employees if the union demonstrates that it can work constructively with employers. Where employees think unions are "excellent/good" in this respect, the likelihood that employee suggestions for improving quality or productivity are taken seriously by management almost doubles - from 24 per cent where the union is not rated "excellent/good" to 42 per cent where it is.

How widespread is 'effective' trade unionism?

So far we have identified those features of trade unionism that make for organisational and bargaining effectiveness. Next we try to identify the number of employees in unionised workplaces covered by arrangements of this kind. A summary is set out in table 4 below and this sets out the scale of the challenge facing unions.

For example, only a fifth of employees in unionised workplaces report frequent contact with a union rep and only around half rate the union as "excellent/good" at being open and accountable to members. Unions get rather low 'effectiveness ratings' for some non-core bargaining issues – like making work interesting and enjoyable - and somewhat disappointing scores for core issues such as pay bargaining.

Some of the findings are paradoxical. For example, nearly six in ten employees in unionised workplaces think management and unions work together but despite this, only around four in ten think their employer is 'in favour of unions'.

There is also a clear divide in the attitudes of public and private sector employers towards unions with less than a third of private sector employers in favour compared to half of public sector employers.

Table 4: Proportion of employees in unionised workplaces covered by 'effective union criteria' (public and private sector)

Effective union criteria	Private sector	Public sector	All unionised workplaces
Workplace has on-site union rep	84%	83%	83%
Has frequent contact with union rep	23%	18%	21%
Union has too little power	45%	34%	39%
Employer in favour of the union	31%	50%	41%
Management and union work together	57%	56%	57%
Union understanding of employer business is "excellent/good"	56%	66%	61%
Union openness and accountability to members is "excellent/good"	51%	56%	53%

Union is "excellent/good" at sharing information about employer and workplace	43%	47%	45%
Union is "excellent/good" at promoting equal opportunities	56%	67%	62%
Union is "excellent/good" at working with management to increase productivity	42%	45%	44%
Union is 'excellent/good" at making work interesting and enjoyable	23%	29%	26%
Union is "excellent/good" at protecting workers against unfair treatment	61%	65%	63%
Union is "excellent/good" at winning fair pay increases	37%	44%	40%
Union is the first place to go for advice about rights at work	38%	27%	32%
Workplace would be 'a lot/little worse' if there was no union	51%	58%	55%

Section 5 – What is the demand for union membership?

In this section, we look in more detail at unmet demand for union membership and ask whether improvements in union effectiveness might lead to membership growth

Unmet demand for union membership is to be found amongst two distinct groups of employees:

- **non-union employees in unionised workplaces.** In principle this group can easily choose whether or not to join a trade union.
- **non-union employees in non-union workplaces.** It is harder for this group to join a union. There is no union to join and establishing a union presence may be a difficult, resource intensive and even a personally risky process.

We start this section by looking at what helps to retain members in union workplaces and then go on to look at non-members and why they say they have not joined.

We then look at the non-union sector and how our analysis this should influence unions' organising and recruitment strategies.

Finally, we focus on the likely impact of the Information and Consultation Directive in the UK.

Retaining members in unionised workplaces

Whether unions retain their members will depend on whether the union is delivering what members want – in other words are the benefits secured worth the outlay in subs, is the union offering 'value for money'? According to BWRPS the majority of members (54 per cent) in unionised workplaces say that membership is 'reasonable value' while just under one-third (29 per cent) say it is 'good value' and 16 per cent say it is 'poor value'.

So, which aspects of union activity and which employee perceptions of unions are associated with the belief that unions are 'good value for money'? The information contained in BWRPS enables us to tease out the characteristics that increase the likelihood that employees view their union as 'good value for money'.

The biggest effect relates to a union being open and 'accountable to its members', which raises the likelihood that a union is seen as 'good value for money' by 16 per cent. Two other dimensions of union accessibility – the amount of contact with union reps and identification of the union as the first place the respondent would go for advice on rights at work – are also associated with 'good value for money'. So, unions that are organisationally effective are clearly valued by members.

The perceptions that the workplace would be a worse place to work in the absence of the union, and a belief that strong unions are needed to protect working conditions and wages, are both associated with 'good value' unions. More specifically, effectiveness in winning pay increases and promoting equal opportunities are associated with 'good value'.

Value for money is also associated with a 'mutual gains' approach to worker representation. Respondents to the BWRPS were asked:

Which one of the following two statements from organisations representing workers most appeals to you.....

(a) we work with management to improve the workplace and working conditions?

(b) we defend workers against unfair treatment by management?

Where employees said (a) rather than (b) they were 14 per cent more likely to also say that their union was 'good value for money'. There is also a substantial boost to seeing the union as 'value for money' if employees say that they 'strongly agree' that strong trade unions are needed to protect working conditions and wages. This confirms the finding set out above that workers see no contradiction between an effective union that protects them when they have a problem at work and a union that works constructively with the employer. Pursuing a 'mutual gains' agenda is the second most important factor increasing the likelihood that a union is seen as good value – a similar effect can be seen where the union is valued highly by members as 'making work interesting and enjoyable'.

The conclusion is that a high trust relationship with an employer complements the role of a strong independent union looking after the interests of employees.

Non-members in unionised workplaces

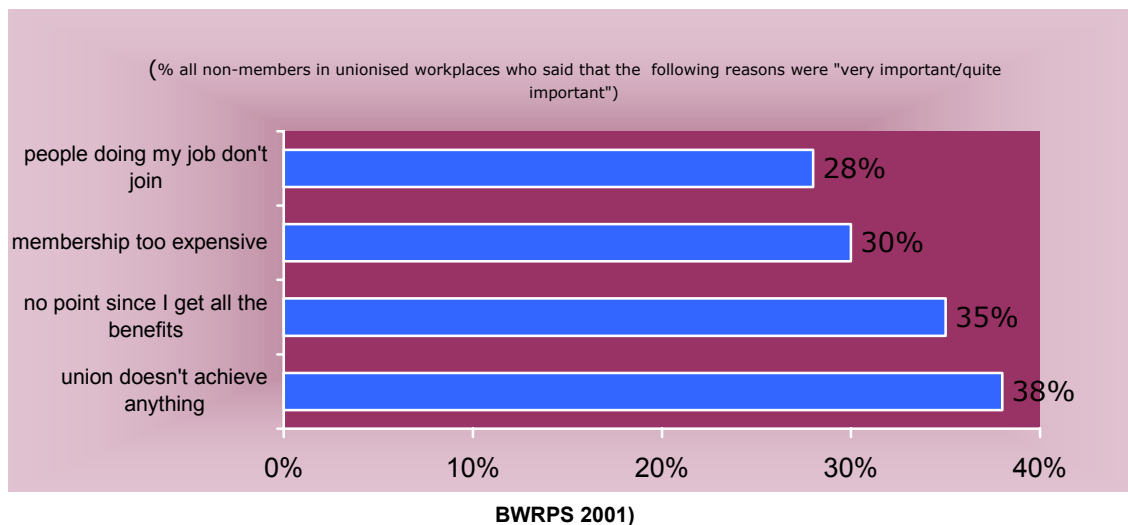
We now look at the potential demand for unionisation among non-members in unionised workplaces to see what potential there is for 'in-fill' recruitment. Section 1 showed that declining density in unionised workplaces is in large part due to a 'loss of appetite' for unionisation among employees. Here we explore that argument in more detail.

Far from being a phenomenon driven by changing social values, much of the decline in membership in organised workplaces can be explained by resource constraints and unions' limited organisational capacity. According to BWRPS, over half (56 per cent) of non-members eligible to join the union at their workplace say they had *never been asked to join*. In other words, despite the supposed increase in 'free riding', unions could boost membership immediately simply by approaching non-members in organised workplaces.

Ten per cent of non-members say they would be 'very likely' to join if asked and another 26 per cent say they would be 'quite likely' to join. Almost two in every five non-members could in principle be recruited without much effort by union organisers. However, while the raw figures offer real encouragement for unions the practical difficulties remain significant. It may also be that 'never been asked' is the easiest answer to give in such a survey – not everyone always tells the truth!

BWRPS is one of the few British surveys ever to ask non-members why they have not joined their workplace union. It asks non-members to rank how important four factors were in their decision on a four-point scale ranging from 'very important' to 'not at all important'. The results are set out in Figure 7.

Figure 7: Why don't non-members in unionised workplaces join? (Source:



This suggests that the difficulties faced by the union in making a significant difference to employer decisions – ‘the union doesn’t achieve anything’- is the most important factor in not joining (38 per cent) with free-riding behaviour coming a close second (35 per cent). These findings strongly suggest that unions need to focus on both organisational performance and extending the bargaining agenda to reduce the lure of free riding and make the ‘union offer’ more attractive.

The evidence might be read as suggesting that unions need to consider the level of their membership fees. A substantial minority (30 per cent) say they are deterred from joining by high subscription levels – even though union subs remain relatively low. This does not automatically mean that cutting subs would boost members – a better lesson is that unions should do more to sell services and benefits available to members, and making sure that subs are used to increase union effectiveness in the areas members value.

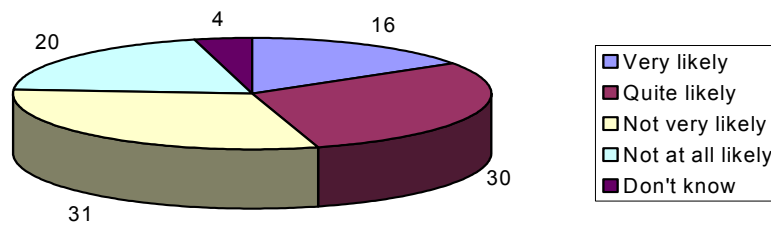
What makes membership more attractive?

As we have seen, 36 per cent of non-members in unionised workplaces say they are either ‘very’ or ‘quite likely’ to join their workplace union if asked. We can use the information from survey data to identify those union characteristics that make it more likely that someone will join. The most important by far is the perception of *overall effectiveness*.

Where non-members agree that the workplace would be a worse place to work if there were no union, they are 39 per cent more likely to join than those who think otherwise. A more general perception that strong unions are needed to protect employees’ working conditions is also associated with an increased willingness of non-members to join. A particularly important factor influencing the decision is whether the union has a reputation for working with the employer to make work interesting and enjoyable – if this is the case non-members are 22 per cent more likely to want to join the union. Unions’ efforts at in-fill recruitment will also be more successful where non-members feel they suffer from one or more problems at work (unfair wages, unfair treatment, bullying or discrimination). Where non-members feel they have no such problems their likelihood of joining the union drops by 19 per cent.

Again this throws up a big challenge for unions. Employees not only want protection against unfair treatment but also their union to play a constructive role and build good working relationships with employers.

Figure 8: Likelihood of non-members in non-union workplaces joining union if asked



Non-members in unorganised workplaces

Section 1 explained that perhaps the greatest challenge facing unions is the growth of a union free sector of the economy – covering almost four fifths of employees in the private sector – largely composed of new and growing businesses. There are now around 15 million unorganised private sector workers out of a total employee workforce of around 24 million.

Intuitively, one might expect the demand for union membership to be lower in this ‘union free’ sector of the economy than it is among non-members in unionised workplaces. But BWRPS suggests that this is not so. Figure 8 shows that 16 per cent of non-members say it is ‘very likely’ they would join if a union were established in the workplace and a further 30 per cent say it is ‘quite likely’. These figures compare with 10 per cent and 26 per cent respectively for non-members in unionised workplaces.

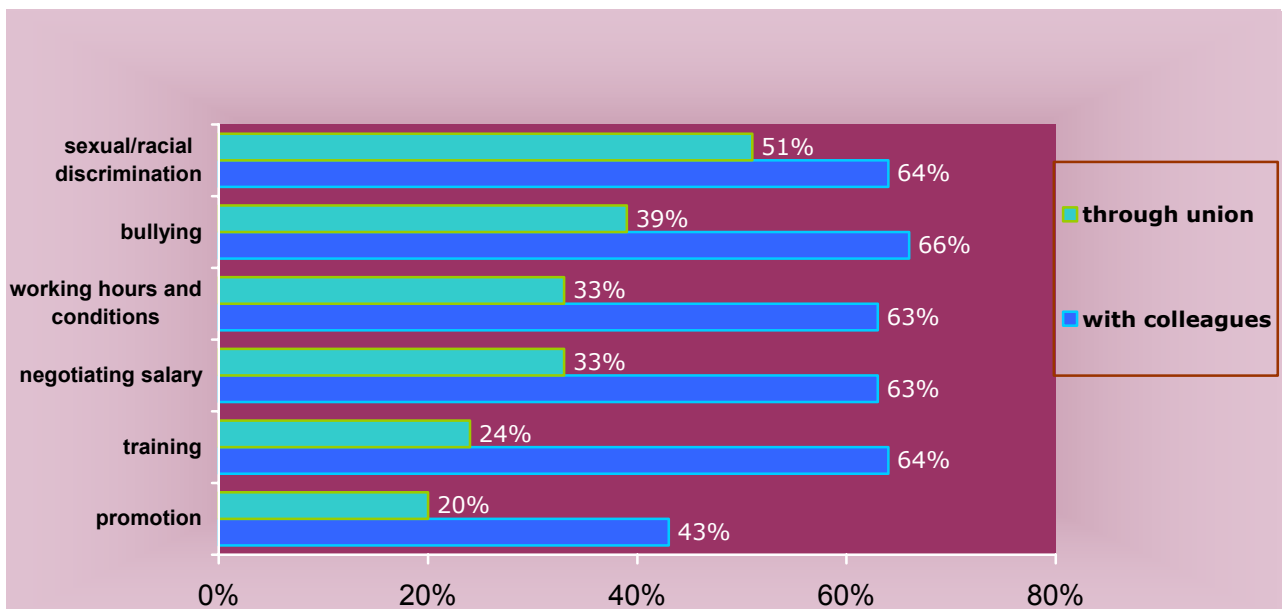
At face value, this suggests that the demand for union membership is *higher* among non-members in the absence of a union than it is among non-members where there is a union present.

However, there are two reasons for caution here:

- First, the question posed in the BWRPS assumes a union already exists in the workplace – the question is ‘If a group of workers at your workplace formed a union and asked you to join, how likely is it that you would join the union?’.
- Second, non-members could easily reconsider their decision once a union is in place either because they are prepared to ‘free-ride’ or because they decide the subs are too high.

However, in spite of these qualifications, BWRPS does show that the level of unmet demand for union membership in non-unionised workplaces is large, and offers unions real organising opportunities. Once again though the position is not quite as straightforward as it seems.

Figure 9: How do you want to deal with the following issues? (Source: BWRPS 2001)



In particular it is important to distinguish non-union workers' commitment to collective action from their commitment to trade unionism. This was examined in BWRPS by asking half the non-union sample whether they would like to deal with an issue on their own or with colleagues and asking the other half whether they would like to deal with the same issues on their own or through a union. The results are set out in Figure 9 above.

It is very clear that while workers have a strong belief in the need to work with their colleagues to protect their interests they do not *necessarily* see a union as the most obvious vehicle for collective action. In part such perceptions reflect the high levels of 'never membership' in this part of the economy – these workers will have no connection with the trade union movement or experience of trade unionism. Their perceptions of unions may have been shaped more by media stereotypes – unions as sources of conflict, organisers of strikes, partisans in an outdated class struggle - than by any dispassionate assessment of the desirability of union membership.

For unions this puts a premium both on better communication with never-members and the adoption of strategies that confound rather than confirm the stereotypes. More than anything else unions need to find a way to give never-members a taste of what trade unions can do – and that is why the information and consultation rights to be introduced in 2005 are so important.

Implementing the Information and Consultation Directive

Implementation of the EC Directive on informing and consulting employees, which comes into effect in March 2005, should result in more effective arrangements for information and consultation in both unionised *and* non-union workplaces.

The Directive provides for three levels of information and consultation in undertakings employing more than fifty employees:

- *Information* on the recent and probable development of the undertaking's or the establishment's activities and economic situation
- *Information and consultation* on the situation, structure and probable development of employment and any 'anticipatory' measures envisaged in the event of a threat to employment.
- *Information and consultation with a view to reaching an agreement* on decisions likely to lead to substantial changes in work organisation or contractual relations.

The details for implementation in the UK have yet to be fully determined but workplaces with no arrangements for employee representation will have to establish a consultative council if workers demand their rights under the Directive. In other words for the first time in the UK a universal right to employee representation will be enshrined in law.

The rather arcane details of the implementation of the Directive may seem far removed from union strategies for organisation and recruitment but there is a strong case for saying that the Directive is the best hope for union growth in the immediate future.

Under the Employment Relations Act unions must secure 40 per cent support amongst all those entitled to vote in a bargaining unit before the CAC will make an award of recognition. This is a very high hurdle. Organising an entire workforce is resource intensive, time consuming and there is no guarantee of success. However, under the I&C directive even if the support of a certain number of workers (say 10 per cent) is needed to initiate the process that is significantly less demanding than the recognition regime. Once a request for I&C has been validly made an employer will be obliged to move immediately to the election of

workforce representatives and the establishment of proper information and consultation arrangements.

In practice this means that unions will be able to organise works councils as a route to organising workers. Unions will be able to run candidates for membership of these consultative bodies, provide training to those elected and provide resources and expertise when discussions begin with the employer. It is certain that properly trained union reps will be far more effective in dealing with employers than non-union reps who have only their own resources to draw upon.

In other words the I&C Directive creates an opportunity for unions to establish a well organised presence in the workplace as a platform from which to build membership and launch a campaign for full recognition in the future.

The rights established by the I&C Directive are robust and meaningful. Employers will have to inform and consult or face a fine for failing to do so. Workers, who in these workplaces will be largely 'never members', will be able to see for the first time what real workplace organisation can do. If union membership is an 'experience good' ('you don't know what it can do until you have tried it') then I&C is the most obvious route available for unions to give non-members a taste of the fruits of collectivism.

In organised workplaces it is recognised unions that will be able to make use of these new rights. Once again much will depend of the detail of drafting but unions that have witnessed the narrowing of the bargaining agenda in recent years are being given an instrument that puts virtually all workplace change back on the agenda. In the future employers will simply be unable to say, 'that isn't negotiable' or 'this is a matter of management prerogative there is no need to talk to the unions'. Indeed, the I&C Directive is predicated on the notion that employers must establish the legitimacy of their decisions by consulting the workforce in advance of any changes. So for example, the introduction of new technologies, skill upgrading, job redesign, quality initiatives, new pay systems, will all be subject to information and consultation. Used creatively, the Directive could drive a major expansion of the bargaining agenda and enable unions to show that they can offer something tangible to workers who previously have been prepared to free ride.

The BWRPS shows that I&C rights are very popular amongst members and non-members alike:

- 90 per cent of union members favoured mandatory meetings between management and employee representatives and 77 per cent of non-members expressed a similar view;
- Almost 95 per cent of members and 85 per cent of non members were in favour of regular meetings between management and workforce representatives; and,
- More than 90 per cent of both members and non-members believed that these representatives should either volunteer or be elected.

In other words workers are showing a clear preference for a collective voice in the workplace. The opportunities for unions here are enormous and the task is to ensure that we are prepared when the I&C arrangements come into operation in 2005.

Section 6: Getting employers on board

Employers' attitudes to unions and union membership play a big part in determining how well unions recruit members. The recognition of a union for collective bargaining purposes is obviously a powerful factor in the decision to join. Even with a statutory recognition procedure in place, the simplest and easiest route to recognition is a voluntary agreement with a generally supportive employer. The way managers respond to unions directly affects workers' judgments about the value of trade unionism. All the evidence assessed so far shows that employer support for unionisation is a critical factor in making unions effective in the eyes of members.

The more depressing news is that management support for unions has declined in Britain and non-unionism has taken hold in much of the private sector. This declining support for unions is apparent from two trends:

- the fall in the coverage of union recognition.
- the falling support among employers for union membership in the past two decades.

The remainder of this section looks at how non-unionised employers can be made more favourable, and we make some suggestions about where unions might usefully focus their organising resources.

The findings are also relevant to many workplaces where the union is recognised, especially where lukewarm employer-union relations limit the ability of the union to address a broad bargaining agenda. However, there is a particular focus on analyses of non-unionised workplaces, particularly those in the private sector, since union concerns about engagement with employers is most acute in such workplaces.

What do employers think about unions?

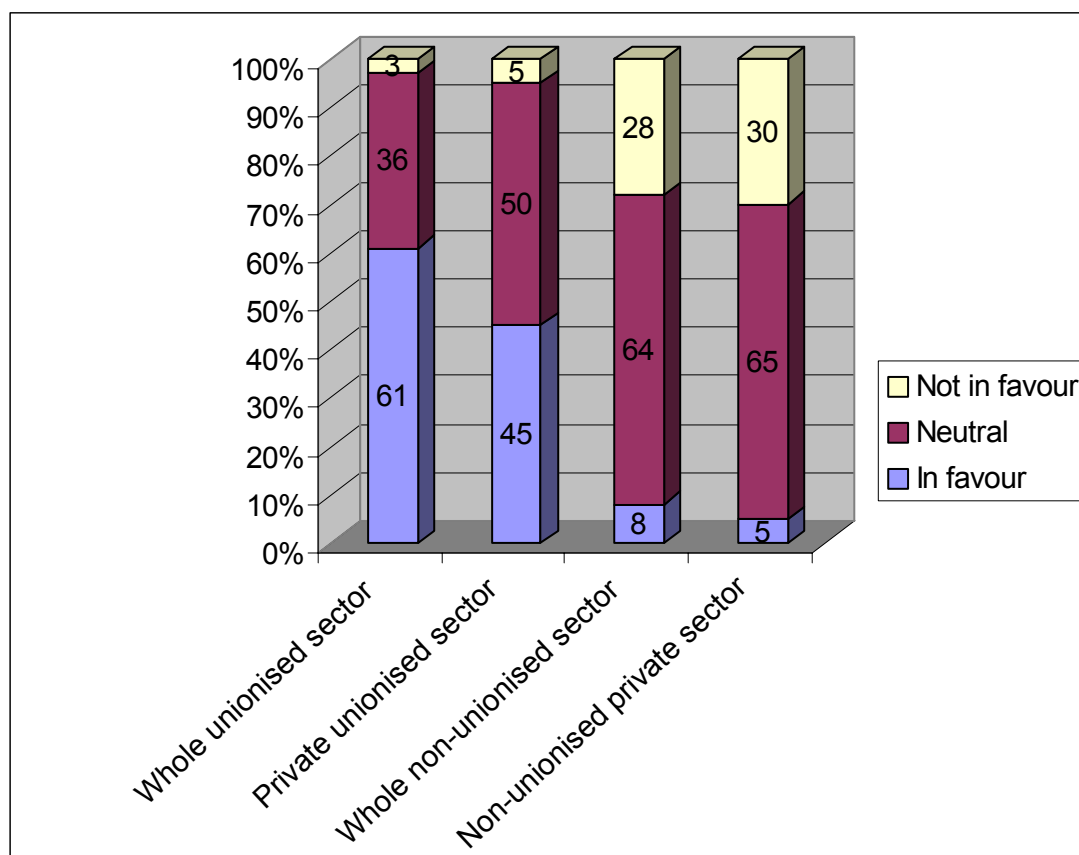
WERS is a particularly valuable source of information as it draws from face-to-face interviews with over 2,000 senior workplace managers. At one point these managers are asked to whether 'management's general attitude towards trade union membership among employees' is 'in favour', 'neutral' or 'not in favour').

As shown in the chart below, very few managers (3 per cent) in the unionised sector say they are 'not in favour' of union membership and in the unionised private sector the 'anti-union' camp is also small (at 5 per cent). However, WERS reveals a large degree of indifference towards unions in the unionised sector (36 per cent saying they are 'neutral') and that this is even more common in the non-unionised private sector (50 per cent). In addition, less than half (45 per cent) of employers in the unionised private sector say they are in favour of union membership in the workplace.

This chart also highlights the low levels of support for union membership among employers in the non-unionised sector. Only one in twenty private sector employers in this sector say they are in favour of the idea of union membership, with two thirds saying they are indifferent and 30 per cent saying they are against it.

These findings indicate that maintaining union influence in the unionised sector is largely a question of overcoming employer indifference. Although opposition to union membership is apparent for a large minority of employers in the non-unionised sector, there is some (albeit small) support for unionisation even here, and the main obstacle to organising is employer indifference.

Management attitudes to union membership at their workplace (WERS 1998)



Management attitudes in the private sector

Further analysis strongly suggests that most unionised private sector employers may be willing to support 'strong' unions if they can see advantages for the organisation in terms of productivity, financial performance or better employee relations. In workplaces where union density is above 50 per cent, employers are around 30 per cent more likely to be in favour of union membership.

There is a similar finding for workplaces where managers agree that the union helps find ways to improve workplace performance. This picture of employer attitudes towards unions chimes with the finding in the earlier part of the report showing that employees were more likely to support unions if they had a position of strength in the workplace and also played an active role in improving workplace performance.

In the non-unionised private sector, management is also more favourable towards the idea of union membership if they think that unions will contribute positively to workplace performance. Similarly, managers are more likely to support unions in non-unionised workplaces where a substantial proportion of the workforce have taken up union membership on their own behalf in spite of the organisation's non-union status.

European Works Councils appear to be significant in influencing employer opinion in the unorganised sector of the economy. Rather than substituting for unionisation, EWCs appear

to increase the likelihood that employers will support union membership (probability boost of 6 per cent).

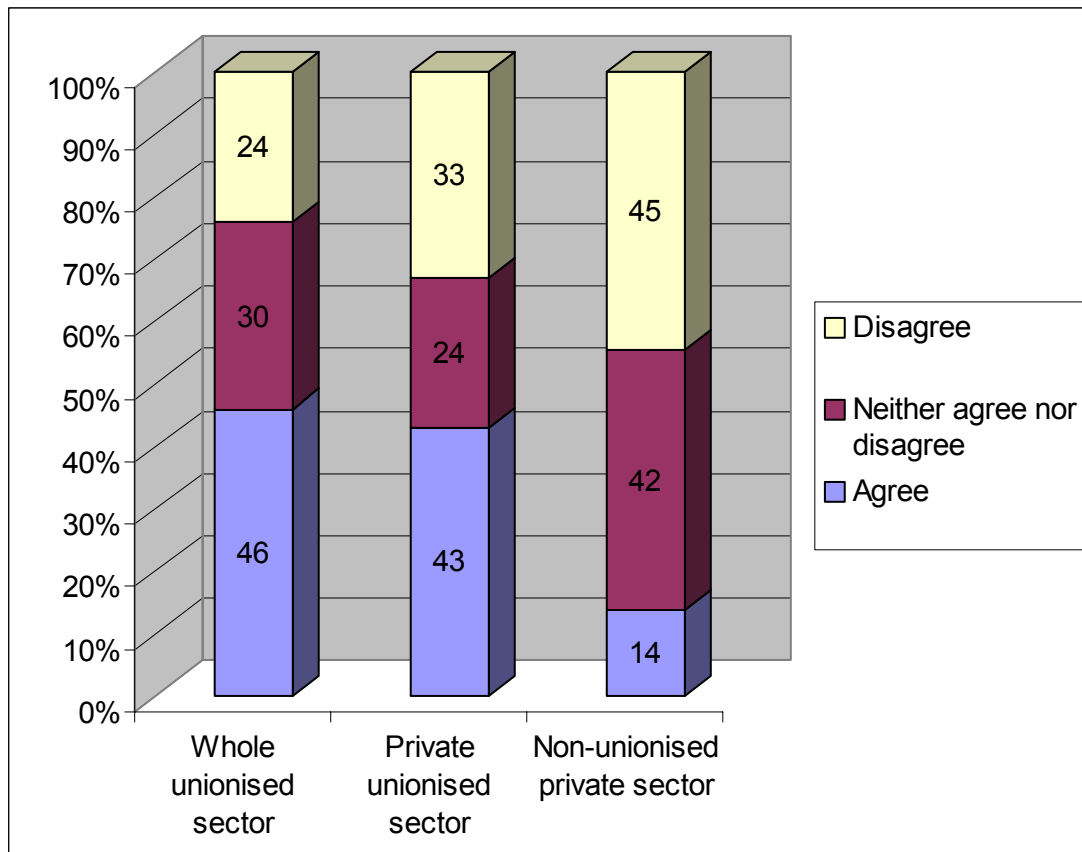
The best way of thinking about this finding is to recognise that unionisation is an ‘experience good’ for employers too. In other words, those employers who have some experience of collective worker voice are more likely to be positive about unionisation. The previous discussion about the implementation of the I&C Directive is also relevant here since dealing with workers’ reps for the first time will give managers too a taste of what unions are all about.

Unions therefore need to consider how best to win managers to a position that is supportive of effective trade unionism.

The union role in improving workplace performance

As we have seen, employers are significantly more likely to support union membership where unions are thought to contribute to improving workplace performance. It is important therefore to identify what unions can do to convince managers of this constructive contribution

Do unions help find ways to improve workplace performance? (WERS 98)



WERS 98 asked all managers whether they agreed or disagreed with the statement - ‘Unions help find ways to improve workplace performance’ - and results are set out in the chart above. Nearly half (46 per cent) of managers in unionised workplaces either ‘agree’ or ‘strongly agree’ with this statement and around a quarter disagree. Managers in private sector unionised workplaces are clearly more sceptical, with a third of them disagreeing with the statement.

The picture is very different in the private non-unionised sector, where almost half (45 per cent) of managers do not think unions help improve workplace performance at all. Nevertheless, even in the non-unionised private sector, a sizeable minority of managers (14 per cent) agree unions do help improve performance and this minority is likely to be most amenable to union organisation. In addition, over two fifths (42 per cent) of managers in the sector express neutrality about the statement and a significant proportion of them could be persuaded that unions can deliver improvements in workplace performance.

Private sector analysis

Is there anything particular about the way unions operate, or other aspects of employer attitudes to unions, which is associated with management's belief that unions can help improve workplace performance?

Further analysis of WERS highlights that the most important factor driving positive perceptions of the union is the presence of a full-time on-site union rep. In workplaces where this is the case, management are 48 per cent more likely to believe that unions help improve workplace performance. Of course, this may be why employers are prepared to support full-time union reps in the first place but, even if this is the case, employers who have them seem to think that full-time reps are a worthwhile investment.

Not surprisingly, if managers say they favour union membership in the workplace they are much more likely (increased probability of 36 per cent) to believe that unions generate productivity improvements. Union strength as represented by union density is another positive factor, with density rates of 25 per cent or more boosting the likelihood of managers agreeing with the statement. Managers who say that they prefer to consult with employees through the union rather than directly are also more predisposed (+23 per cent) to have faith in the 'union/performance' model.

The existence of a written formal policy on equal opportunities also predisposes managers more in this direction (31 per cent more likely). One could infer that management views the involvement of unions in devising these policies as a means of improving workplace performance as well as a means of addressing equality issues.

Bargaining arrangements also matter, with separate bargaining in multi-union establishments being associated with a lower probability of managers believing that unions help improve performance. Although there is no evidence that separate bargaining affects workplace financial performance in practice (Bryson and Wilkinson, 2002), this perception on the part of employers may help explain the dramatic shift towards single-table bargaining in multi-union workplaces which took place during the 1990s.

Assessment

WERS is a snapshot of industrial relations in 1998 – before the implementation of the Employment Relations Act. Any conclusions must therefore be somewhat tentative, but there is a strong case for saying that the overall climate has become more union friendly since that time.

Perhaps the most obvious point to make is the high level of indifference to trade unionism. Employers do not seem to have any strong views – even where unions are recognised. This is both a threat and an opportunity. The opportunity is to build on the evidence that employers respond well to strong unions that show they can 'add value' to the business. The threat is that employer opinion is probably malleable and can be easily shaped (perhaps unduly influenced) by negative stereotypes of trade unions.

The most important point for unions to remember here is that effectiveness in the eyes of workers is heavily influenced by the relationship with the employer. A strong union with a

robust tradition of independence working to solve shared problems with the employer is far more likely to be seen as successful than a union that is engaged in persistent disputes or one that accepts everything the employer says or does. In large measure this is little more than commonsense. Collective bargaining often involves difficult trade offs to reach an agreement that satisfies both parties. In other words mutuality, the idea that there must be real gains for the employer, the union and the members is at the centre of the most successful systems of industrial relations. An emphasis on the issues most likely to generate conflict means that many other significant gains for workers may be sacrificed in the process.

Section 7: Conclusions

The purpose of this report is not to identify the ‘magic bullet’ that can lead to an irresistible resurgence of union membership. In any case we have always been careful to say there is no single one size fits all approach to unionisation. What works in one workplace will fail in another.

However any successful strategy for union growth must be based on what the people we want to recruit know and think about unions. That is why we have tried to present an accurate account of worker opinion using the best information available. In this final section we raise some questions that unions need to tackle if they are to encourage non-members to become committed trade unionists. Of course the answers may be different in some sectors to others.

But the research does suggest some more general conclusions as well. These lessons relate to union membership trends, the sources of organisational effectiveness, the need to develop a wide-ranging bargaining agenda and relations with employers.

The membership challenge: Perhaps the most important new finding in this report is the identification of the growth of the ‘never member’ group. Almost half the workforce – and almost certainly most people under the age of forty working in the private sector – have never had any connection with the trade union movement at any point in their working lives.

Questions:

- How can trade unions reach out to this huge group of ‘never members’?
- What are the implications for unions’ communications strategies?
- What is the nature of the ‘union offer’ that will make membership an attractive option for ‘never members’?

The organisational challenge: The effectiveness of union organisation depends on three critical factors:

- Strong workplace structures with regular contact between union reps and members.
- A balance of power in the workplace where the union has enough influence to make a difference to employer decisions.
- Employer support for the union role in the workplace

Some might say that this is little more than commonsense, but the implications for union organisation are stark:

- WERS shows that 25% of workplaces with union recognition have no workplace rep.
- Two in every five workers in organised workplaces believe that the union has too little power.
- Only 40% of workers in organised workplaces believe that their employer supports the union role.

Questions:

- How can unions ensure that they can get and keep more and better reps?
- What skills do reps need to sustain successful workplace organisation?
Communication skills, analytical skills, problem solving skills?
- To what extent do current training programmes deliver these objectives?
- Are current union agendas sufficiently focused on both the development of strong and independent workplace organisation *and* constructive relationships with employers?

The bargaining challenge: The evidence shows that union bargaining effectiveness depends on unions being 'all-rounders' with success on each of the following dimensions supporting good performance on all of the others:

- Fair pay increases and bonuses
- Protecting workers against unfair treatment
- Promoting equal opportunity
- Making work interesting and enjoyable
- Working with the employer to improve performance

Yet the WERS findings suggest that unions' ability to address a broad agenda of this kind has diminished over time, and that this has hit worker perceptions of union effectiveness.

Questions:

- Where can unions find the leverage to broaden the bargaining agenda?
- Is the implementation of the Information and Consultation Directive the best instrument available?
- What do unions need to do to ensure that they are ready for the implementation of the Directive in 2005?
- Does the I&C Directive create opportunities in non-union workplaces? Should unions be seeking to organise works councils as a route to organising workers? What are the implications for organisation and recruitment strategies and the deployment of union resources?

The employer challenge: The evidence shows that employer support for the union role is a necessary condition for both organisational and bargaining effectiveness. While vicious anti-unionism is found amongst only a small minority of employers, the overwhelming majority appear to be indifferent to unions. This suggests that much employer opinion is up for grabs, if we can overcome negative stereotypes of unions.

Questions:

- What can unions do to shape employer opinion and convince the indifferent to become more positive about the union role?
- How should the balance be struck between ensuring that workers are protected against unfair treatment and working co-operatively with employers to solve shared problems?

There will of course be other questions that unions need to address and the analysis presented here is by no means exhaustive. It is essential however that the debate across the trade union movement continues so that in ten years time it will be possible to say that we have reached at least some of the missing millions.

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