Worker voice across organisational boundaries

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ABSTRACT

Trade unions have been through challenging times over the past 25 years as a series of pressures have reduced their influence both at workplace and national level. This has significant implications for the future of independent worker voice, particularly because evidence suggests that alternative non-union voice mechanisms have not proved effective (Terry, 2003). Much of the existing research has focused on continuing workplaces, where unions have found it hard to resist new management initiatives and collective bargaining has often shrunk to little more than a hollow shell. The situation in new workplaces is even starker as unions have experienced major difficulties in gaining recognition.

However, as yet, there has been little analysis of worker voice across organisational boundaries, in situations where choices about whether or not to recognise unions or allow worker voice may be dependent on the actions of more than one employer – as in public-private partnerships (PPPs) or sub-contracting arrangements. In this paper we argue that the prospects for worker voice in these situations are bleak. One option would be to develop partnership arrangements, but these are difficult to establish across organisations that have a mass of different business contracts and rely heavily on agency labour and sub-contracting. Another option would be to try and negotiate deals simultaneously with clients and suppliers across organisational boundaries, but this is problematic for a variety of reasons. Ultimately we suggest unions may need to look ‘outside the box’ and turn to models that have been used in other countries.

The decline in union and worker voice

The last 25 years have seen major sectoral shifts in employment in the UK as well as in other industrialised countries. Employment levels have been reduced in sectors where unions were strong and voice was relatively well-embedded – such as the public sector and large parts of manufacturing – and they have grown in service sector firms that have traditionally been less well-organised. This has led to decline in union membership and influence across the economy, a trend that has been exacerbated by the increased prominence of small firms which are also locally unionised. At the same time, employers have adopted more individualised HR styles that have tended to marginalise unions and put a primacy on ways of enhancing co-operation and unity rather than acknowledging and dealing with differences of opinion. Methods of employee involvement (EI) have been central to the HR practices adopted but these tend to be based around communications and involvement rather than grievance handling and dispute resolution. These are essentially weak forms of EI, designed solely to provide information that might help sell management decisions or improve working methods rather than give workers an independent voice (Dundon et al, 2004).

There are basically two ways of looking at the decline in union representation and worker voice. Firstly, it could be argued that there is a representation gap, whereby workers are keen to join unions but are prevented either by management actions designed to keep unions out or by the failure of unions to seek recognition. In short, this sees the lack of voice as an unfulfilled desire on the part of workers. Secondly, it is suggested there has been a withering of support for unions and workers are not actually that interested in becoming members. This might be because they lack knowledge of what unions do or they are opposed to them in principle, and the fact that younger workers have much lower rates of union membership offers some support for this view (Charlwood, 2003). Whatever the cause, there has been a significant growth in what Bryson and Gomez (2003) term the ‘never generation’, people who have never been union members during their working lives or have no contact with people who are. Between 1983 and 2001 this rose from 28% of the working population to 48%.
We would argue that the growth of multi-employer workplaces has contributed significantly to the rise in the ‘never generation’. Contrary to established notions of a single employer workplace, the multi-employer workplace is one where a web of contracting and sub-contracting arrangements takes place. Four examples illustrate what this means in practice: an airport, located on one site, in reality incorporates several employers and a myriad of different employment relationships – such as agency workers on short-term contracts, staff seconded to other employers to provide services on a regular basis, and those on so-called permanent contracts working for yet another employer; a hospital includes nurses and doctors employed by an NHS Trust, nurses from an agency and ancillary staff employed by a private firm that has a long-term agreement with the NHS Trust; a multi-client call centre, although distanced from client workplaces, has workers from different employers and agencies deployed on separate client contracts and subject to varying degrees of control by the client; a private sector firm which contracts-out cleaning, catering, security and long-term construction work to different employers, each of which has workers at the same establishment as those employed by the firm.

In short, the reality of the single employer establishment and organisation is now a myth, but there has been little systematic analysis of what this means for employment relations and HRM, as well as for worker voice and representation. In circumstances such as these, an attitude survey of staff working at a hospital is meaningless unless it is clear whether all staff, including those working for a range of employers, have been included. Equally, a partnership agreement between an employer and a trade union is of little value if it excludes large numbers of people working at the site. The question of organisational commitment is also problematic if workers have difficulty identifying who is their ‘real’ employer due to multiple influences over their working patterns (Earnshaw et al, 2002). These issues are discussed in greater depth elsewhere (see for example Marchington et al, 2004a; 2004b; Rubery et al, 2003; 2004).

The union response

In this paper we explore how, in multi-employer workplaces, worker voice typically becomes fragmented and divided, and in some cases muted altogether. Whilst it has been hard for workers and unions to retain a voice in continuing workplaces, attempting to establish voice in new organisations or where workers may be moved around between contracts is extremely difficult. Even workers employed by the same organisation, or from the same profession, but employed by different organisations at the same workplace, face major problems in generating and sustaining shared identity and commitment with their colleagues. Furthermore, whilst some sections of the workforce employed by the same organisation may be able to sign-up to partnership deals, others can be disenfranchised because they work at a site that lacks union traditions or they work increasingly alongside agency workers who show little interest in or have few opportunities to articulate their voice. The problems unions face is well summarised by Erickson et al (2002: 544):

‘Organising workers in industries where the employer is elusive and where layers of sub-contracting diffuse responsibility across multiple actors is a problem for unions throughout the world.’

Historically trade unions in the UK have focused their attention on the regulation and protection of workers’ economic interests, narrowly defined at the sectoral, company or workplace level, with limited engagement in policy debates at the societal level (Crouch, 2003). While this could be seen as a source of strength because workers are able to deal directly with employers that are trying to reshape employment relations, the lack of voice beyond the organisation also exposes trade unions to the wider impact of economic restructuring. If employers are not prepared to enter voluntarily into recognition agreements or the ultimate employer is elusive – as in sub-contracting arrangements – few opportunities exist for workers and unions to articulate their voice. Nevertheless, the main instruments that have been used for trade union renewal and modernisation in the UK – the partnership and organising approaches - are workplace-based and predicated on the notion of the single employer.

For many unions, the partnership model has formed a centrepiece of their recent strategy, supported by TUC Partnership Institute and the work of the Involvement and Participation
Association (IPA). This works on the assumption that the best way for trade unions to protect and enhance their members’ interests is to co-operate with employers in order to achieve mutual gains (Guest and Peccei, 2001). Most of the quoted studies are drawn from simple organisational forms, often in a single industry or workplace, and in these circumstances it is easy to overlook the potential advantages of collaborating with other workers and instead focus on the benefits that appear to flow from identifying with the employer. However, the ability of partnership to secure benefits in a multi-agency context is much more doubtful due to potentially conflicting objectives both between workers and between organisations. Tensions are always likely across a network because employers have conflicting goals from business contracts, and these can spill over into hostility between workers employed by ‘partner’ organisations. Both parties may be committed to ensuring maximum gains from the contract, and if penalties are invoked for poor performance the result may be conflict between workers. Similarly, there may be little interest in achieving mutual gains for workers across the business contract since a major reason for sub-contracting in the first place is to reduce costs and keep down wages. Permanent staff may indeed be hostile to agency workers who they fear provide a cheap and flexible source of alternative labour, a situation which is exacerbated if the agency does not have a recognition deal with a union. Even within a single firm that has a partnership agreement at corporate level, or one that covers some groups of workers at one site and not others, tensions can arise between staff employed on very different types of employment contract, in different parts of the country, and from different occupations. In general it is difficult to develop a case for partnership in contexts where there are multiple employers at the same workplace or where a single firm engages in multiple types of business contract.

An alternative approach for unions is to try and establish unity and solidarity across the network, and adopt the organising approach to mobilise worker voice. This works on the principle that grass roots activism is the best way to sustain union renewal and ensure the development of worker voice because it is embedded at the workplace. This has also been supported by the TUC through its Organising Academy (Heery, 2002). However, this too runs into problems when we consider worker voice across organisational boundaries, especially if work is fragmented and undertaken by workers who have little chance to compare notes about their employment conditions. Moreover, it requires remarkable resilience by workers on insecure contracts – such as agency workers or temporary staff – to declare openly they are willing to be union representatives in an environment where it is known unions are not welcomed. The chance of building up commitment to the union is again limited if workers are on short-term contracts or they move around frequently between different jobs – and employers – even if this is at the same workplace. Attempts to organise union meetings can also be problematic if different employers are not prepared to allow their staff time off or the contracts operate at different times of the day. As with partnership, the organising approach faces a series of obstacles once one moves beyond the confines of the single employer model.

Changing organisational forms and the reshaping of work

The project from which this paper is drawn was financed by the ESRC under its Future of Work Programme. It involved eleven different researchers, initially all based at the Manchester School of Management, UMIST, and it examined a total of 59 organisations across eight networks. In total nearly 500 people, from all levels in the organisational hierarchy, were interviewed for the project and masses of documentary information were collected from the organisations that took part. The networks included PPPs, franchises, agency work, supply chain agreements and other forms of inter-organisational mechanisms for producing goods and delivering services. The workplaces at which data was collected included a range of small to large establishments and organisations spread around the country, which had variations in gender balance and occupational mix. Moreover they ranged from the well-organised to union-free. A key factor was that we interviewed people from both sides of the business contract: from clients and suppliers, from public sector workplaces and private sector agencies, and from large and small firms. Although we make no claim that our findings are statistically representative, they are theoretically grounded and, in our view, capable of generalisation due to the richness and depth of the data we collected. For the purpose of this paper we focus on four of the networks.
The customer service network comprised several contracting arrangements between a relatively new firm specialising in customer relationship management activities (TCS) and a number of the organisations it dealt with. Two locations were investigated in depth. At the multi-client call centre, employment policies varied significantly due to the influence of the client and the nature of the business contract, as well as due to relations between TCS and the agency that supplied it with labour. TCS had a partnership agreement with staff working at another large centre but those working at the call centre were not unionised although a staff forum was in place. At the other site, a long-term partnership deal operated between a local authority (Council X) and TCS for administering housing benefits, with employment policies for transferred workers reflecting local government traditions, including high levels of union membership amongst those transferred to TCS. Agency workers were less likely to be union members.

At the airport, a large number of organisations collaborated with each other to provide services, such as check-in and baggage handling, to the airlines. Very close co-ordination was required between the different organisations to ensure that, so far as reasonably practicable, planes took off on time. Prior to the government's anti-monopoly legislation, many of these tasks were undertaken by different sections of the airport's staff, but now staff and tasks are now routinely sub-contracted, raising problems for worker loyalty and commitment, as well as issues of how to manage and control the inter-organisational labour process to provide high levels of customer service. Levels of union membership were high across the board here, particularly covering staff who continued to work for the baggage handling company that was a wholly-owned subsidiary of the airport.

The teacher supply case examined relations between an agency that provided supply teachers (TeacherTemp) to schools in north west England. Although TeacherTemp is a relatively new organisation, it now has a sizeable share of a growing market. It operates through head offices in towns and cities throughout Britain, managing these with a small core of staff responsible for recruiting teachers onto their books, liaising with schools and local education authorities, and marketing the agency. Contact between the consultants at TeacherTemp and the senior teachers in schools tended to be frequent and regular, and business contracts were short-term in nature for the most part. Whilst teachers employed by the schools were highly unionised, membership was less attractive to agency workers particularly because the agency did not negotiate with unions. Nevertheless, agency teachers were still quite highly unionised.

The chemicals case investigated relations between a manufacturing plant (Scotchem) - itself part of a large multinational chemical firm – and organisations in chemicals, road transport and ancillary services sectors. The site has a large degree of autonomy in its arrangements for sub-contracting, and contracts varied in scope and size, as well as their importance to either party, but since reputation, health and safety and reliability are all important to Scotchem, close inter-organisational relationships were important to the company. In the case of the contract between Scotchem and Securiforce - the company that delivered security services at the site – we found that whilst levels of union membership remained high at Scotchem and a partnership agreement was in place, the security staff had no opportunities for voice.

Union identity and worker representation

In all cases union identity and the influence of worker representatives was affected by changing organisational forms. At the chemical firm, security duties used to be undertaken by Scotchem workers who were on the main salary grades for chemical workers, as well as being union members, but once this work was contracted-out pay levels reduced significantly. Moreover, Securiforce did not recognise a union nor did it have any mechanisms in place for worker voice, and the unions representing workers at Scotchem showed no interest in these workers. If anything, they resented their presence and were as willing as management to blame security staff if things went wrong. Agency workers showed a lower inclination to join unions, even though in the housing benefit and supply teacher cases they were entering workplaces with high levels of active unionism. Interviews revealed little interest in unions. Unions were not considered when the call centre was set up as a green-field site even though TCS had a partnership agreement and dealt with unions at other sites.
For a variety of reasons, it proved hard for workers who were employed by different organisations or on different business contracts to build up commitment and identity to each other. They lacked opportunities to talk about whether they shared similar grievances, and at the call centre the only thing that bound them together was a common canteen for staff. Even here there was little chance to mingle because the business contracts varied so much. The airport had once been a site with strong and cohesive union organisation but this became fragmented and disjointed as workers were put onto different contracts and in many cases actually worked for different firms. Tensions became very apparent not just between those employed at different firms but also between permanent and temporary staff, men and women, and those on separate pay bands. In all these workplaces the value of union membership appeared to be called into question.

Prospects for partnership

We have already mentioned that TCS and UNISON have a partnership agreement that potentially covers all staff working for the organisation. In reality however, this was restricted to one or two sites with a long history of unionisation and whose work was inherited by TCS when it was set up; newer contracts, such as at the non-union call centre or the housing benefits work – which was gained from the public sector – are not included in the agreement. Part of the problem is vastly differing traditions. For example, staff working in housing benefits have a professional background and local authority traditions, and they are located some distance away from most other TCS staff. Whilst TCS is prepared to accept a continuing union presence at this site, the company prefers to devolve HR management to separate business units so that it can be tailored to the specific circumstances of the contract. The UNISON officials working at this site when TCS took over the contract were sceptical about the value of partnership and preferred to retain their existing arrangements, hoping to maintain links with the rest of the local authority branch. Although many of those who transferred from the local authority still work at the site, they are being supplemented by a growing number of agency staff and workers who have been recruited by TCS since the contract was implemented. In short, a combination of management and union preferences, plus an increasing mix of workers from different backgrounds, has meant that partnership has not been extended to this site.

The situation at the call centre was rather different. Here, there was no question of unions being recognised when TCS opened the facility, as at that time the company was intent on developing a union-free environment at its new sites. Moreover, there was sensitivity to the wishes of clients, and it was felt any moves to recognise unions could prejudice business contracts – even though in at least one case the client had a partnership agreement with its own staff at a separate site. TCS tended to treat each contract separately, and it did not want to establish a company-wide approach to deal with specific HR decisions such as union recognition. UNISON was also aware that attempts to gain recognition at the call centre would be difficult and costly, and with limited resources union officials decided to concentrate their attentions elsewhere, both in terms of servicing existing members at other sites and in starting campaigns where it was felt there would be a better chance of success. Ultimately, however, despite partnership being espoused by senior managers and union officials in public, it had not been extended to many other sites in the company. This resulted in worker voice being disconnected within and beyond the organisation.

Unity and solidarity across the network

If workers are employed on the same business contract up and down the supply chain there could be some mileage in unions seeking to develop voice across organisational boundaries. Unfortunately, contracting relations often tend to exaggerate differences between workers, thus making cooperation more difficult to achieve. There was clear evidence from our cases that workers on different sides of a business contract found it hard to identify closely with their colleagues even if they had worked alongside one another in the past. Supply teachers were typically regarded in a poor light by the permanent staff at schools; it was felt they were not committed long-term to the students and also appeared lazy and unwilling to do additional work – such as attend parents’ evenings. It was also hard to establish close relations when placements may only be for a short period, in many cases no more than a day or two (Grimshaw et al, 2003).
Supply teachers were less likely to complain about problems or join with the permanent staff in taking forward a grievance, largely because they were fearful about being blacklisted by the school or the agency.

The situation at the airport had also changed substantially with the growth of inter-organisational relations, in particular between those working for the two baggage handling firms. Union representatives at one of the firms tried to persuade managers not to cooperate with the other firm, even though they knew this could have negative consequences for workers there. Whilst it might be expected that secondments to other organisations could lead to shared identities across firms, in reality this only tended to make workers keen to get a transfer to what they regarded as better work. At the housing benefits office, staff from the council and TCS worked closely together in processing claims, with the former being responsible for signing off forms for payment. Despite regular meetings between staff from the two organisations and frequent telephone contact, there was little evidence that workers were prepared to cooperate with one another across the business contract. Instead they tended to blame each other for problems. Relations between union representatives working at the council and at TCS were no longer close, even though housing benefits staff had been heavily involved in the branch prior to their transfer. Not only did it become difficult to get time off to attend, representatives from TCS also found there was little of direct relevance to them on the agenda.

Conclusion

It should be apparent from this short summary that opportunities for worker voice are limited in the context of inter-organisational contracting. Peripatetic workers faced major problems because they did not have a continuing base and those on uncertain contracts were cautious about raising grievances for fear of reprisal. Employers were sometimes elusive, especially when layers of sub-contracting were created through agency work and secondments. Unions themselves faced problems in choosing where to target recruitment drives due to weakened finances and limited resources. Whilst they have proved very valuable in renewing unions in single employer workplaces, we found neither the partnership nor the organising models had much relevance in multi-agency networks.

So, what options exist for unions seeking to establish and extend voice mechanisms in the context of the contracting culture? Drawing on a series of initiatives the following are worth considering further:

- Negotiating up and down the supply chain and trying to mobilise workers employed by different organisations, as well as seeking to influence the substance of business contracts so that profits are not made solely from exploiting those in a weaker labour market position;

- Getting members for life, by trying to encourage a long-term commitment to the union with less focus on inter-union competition and more on retaining members and recruiting the ‘never generation’;

- Enlarging the playing field, by focusing on ‘portable’ benefits that are not specific to one workplace but have meaning and relevance more generally – issues such as child care, community well-being or environmental safety – as well as collaborating with wider interest groups (Wever, 1995);

- Extending legislation to provide workers with more specific protections, by allowing comparisons in relevant cases across organisational boundaries in the areas of equal pay and discipline/dismissal, and in clarifying the position of agency workers (Earnshaw et al, 2002).

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References


