

An ESRC Future of Work Programme Seminar Series



The Future of Employment Relations

by Robert Taylor



Future of Work

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The Future of Employment Relations summarises key lessons from social science research in the areas of work patterns and practices.

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Foreword



THE CHANGING CHARACTER, PLACES AND PATTERNS OF WORK have been the subject of intense policy debate and speculation. Will there be sufficient paid jobs to support the wealth and health of the nation? Will the employment opportunities of the future assume a radically different character from the present, and are we, as some commentators contend, poised to experience a radical re-drawing of the boundaries between paid and unpaid work?

As a consequence of policymakers, 'think tanks' and other visionaries vying to impose their particular interpretations of the future, there is no shortage of responses to these complex questions. Commentators typically assert that the forces of globalisation, new technologies and business restructuring are challenging current patterns of working, but find little else on which to agree.

The more pessimistic accounts suggest that the new millennium will be blighted by diminishing job opportunities in the economy's traditional industries and occupations, rising levels of unemployment and widening social divisions. Others, however, point to developing shortages of suitably trained and skilled workers to support the growth of new production and service industries and signal new possibilities for more liberating forms of work and a better blend of leisure and working time.

The Future of Work Programme, launched by the Economic and Social Research Council in 1998, was designed to rectify the gaps in our understanding and improve the quality of information available to policymakers and other practitioners with a stake in the future of work.

The Programme is supporting twenty-seven projects and more than one hundred researchers at twenty-two UK universities. Topics under investigation include the nature of home-working, the future of unskilled work, business re-engineering

and performance, and the changing position of ethnic minorities and women in the labour market. Other projects are scrutinising the determinants and distribution of caring work, the future for trade unions and the changing nature of the employment relationship.

The dissemination of the initial results of this major research programme is occurring through a series of briefings, workshops and conferences, both nationally and internationally, and is having a major impact on the way that people are discussing and preparing for future changes in the world of work. As part of this dissemination process, I have commissioned Robert Taylor, the renowned international expert on work and employment issues, to produce reports on four key themes of research within the programme.

This first report '*The Future of Employee Relations*' draws on a number of research projects from within the programme and from a workshop held in March at the Department of Trade and Industry at which Professor William Brown, of Cambridge University, presented findings from his research on the future of collective employment relations.

Robert Taylor, reflecting these and other studies of the future of employment relations, sets out a compelling agenda that highlights both significant changes and continuities in employment relations and the challenges facing UK policymakers, employers, trade unions and employees.

Are we, as some commentators contend, poised to experience a radical re-drawing of the boundaries between paid and unpaid work?

Professor Peter Nolan Montague Burton Professor of Industrial Relations
Director, ESRC Future of Work Programme

Commentary

by **Rita Donaghy** Chairman of the Advisory, Conciliation and Arbitration Service (ACAS)



IN THIS NEW CENTURY SIGNIFICANT NEW ECONOMIC and employment trends are emerging, such as lower unemployment and an increasing awareness that good employment relations can give the competitive edge to an organisation. ACAS is helping shape the agenda by promoting good practice and by encouraging alternative methods of dispute resolution.

The last quarter of the twentieth century generally saw the decline of traditional industries and the enormous growth of the service sector and New Economy. Now some well-established modern industries are finding the going tough. Yet the hard messages of competitiveness remain - companies and their workforces must offer that little bit extra to survive and win in the global economy.

This is where good employment relations play a vital role. When employers, employees and trade unions or other employee representatives work together in a relationship of mutual trust the benefits are enormous. Difficulties can be discussed and sorted out before they become problems, productivity and profitability can be increased with greater rewards for the workforce. The key to this advantage is partnership.

Partnership is not an easy option. Nor is it a substitute for collective bargaining or the day-to-day problem solving that takes place in most workplaces. Partnership can be a positive force for generating ideas, reacting quickly and making optimum use of the skill and knowledge of workforce and management alike. To enhance the chance of success, handling change should be a joint enterprise.

Just as partnership will be a key theme over the next five to ten years so too will be flexibility. With more women entering or re-entering the labour market than ever before and a growing number of immigrants and ethnic minorities in the population, the aims and expectations of the British workforce are increasingly diverse. If organisations are to maintain and improve their competitive edge then they need to retain their skills base by attracting workers from all walks of life. Part of the answer lies in recognising that people must be able to balance the different pressures in their lives, and in ensuring that diversity issues are high on the employment relations agenda.

What of trade unions? The steep decline in union membership since the late 1970s now appears to have been halted but the decline in collective bargaining has seen their traditional influence in the workplace wane. Many unions are now paying as much attention to upholding and furthering the individual legal rights of their members as they are to progressing collectively bargained rights. Less talked about but just as significant is the relative decline in membership of the various employers' organisations.

One issue that I do think will have an increasing influence on employee relations in the coming years is alternative dispute resolution. The growing workload on employment tribunals and increasing complexity and legalism of cases has led not only the government but also many organisations to look at alternative methods for resolving workplace disputes. ACAS has already taken a lead with the introduction of its own arbitration scheme as an alternative to a tribunal claim in unfair dismissal cases and a number of organisations are also developing their own internal arrangements. New forms of dispute resolution in discrimination cases are also currently being piloted by the workplace mediation project and I fully expect to see more of these alternative methods of dispute resolution introduced over the next few years.

Analysing future trends in employment relations is a vital element in equipping ourselves to prepare for change. ACAS will continue to play its part in providing solutions to problems arising from these changes and in facilitating joint cooperation in the world of work.

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The Future of Employment Relations

by Robert Taylor



Introduction: Change and Continuity

BRITAIN IS GOING THROUGH A PROFOUND TRANSFORMATION in its employment relations for both collective and individual representation at work. Research carried out by Professor William Brown and colleagues at Cambridge University under the Economic and Social Research Council's Future of Work Programme provides significant empirical evidence of the nature and the extent of what is happening. Some observers are already characterising today's developments as Britain's quiet workplace revolution. Certainly it appears to involve a clear break with past practice. Of course, there may be considerable continuity but it would be wrong to underplay what is also turning into significant change.

The Future of Work Programme provides further graphic evidence of the extent and nature of this transformation. We are not going back to that once supposedly settled world of negotiated national or industry-wide collective bargaining agreements of thirty years ago in what was often wrongly characterised as the age of trade union power. A significant revival in trade union density back to the levels of the late 1970s when an estimated 58 per cent of workers were union members also looks most improbable. The underlying reasons for believing this are now well-known. De-industrialisation has denuded the former bastions of trade union strength in coal, textiles, iron and steel, shipbuilding and engineering. The public services sector - the main engine for dramatic trade union growth in the 1960s and early 1970s - is no longer expected to expand as it did in the past. The shift to more individualised forms of wage negotiation at enterprise level with the demise of wider bargaining arrangements has weakened the capacity of trade unions to perform their traditional role as collective negotiators. Moreover, trade unions no longer enjoy a role as partners in the management of the political economy. Their functions outside the workplace are less pronounced and more contested than they were in the first decades after the Second World War. The outlawing of the closed shop and the legal measures to restrict picketing and limit the ability to call and organise strikes have all weakened the power of trade unions in their capacity to recruit and mobilise their members in effective action. It is true that the decline in trade union power and influence has not been limited to Britain. It has occurred across most of the western industrialised world since the 1980s, except in the Nordic countries. But in Britain the contraction in trade unionism has been especially remorseless for over twenty years and existing occupational and economic conditions do not suggest it can hope to make a decisive revival in the foreseeable future.

De-industrialisation has denuded the former bastions of trade union strength.

On the other hand, this does not mean we are likely to experience the establishment of an employment relations system where employers are able to exercise unquestioned and unilateral power over those who work for them. Indeed, the research evidence suggests that there is a clear change taking place in employer attitudes with a greater willingness among many companies to at least tolerate the prospect of having to deal with trade unions. In part, this reflects a growing belief among a number of employers that trade unions are much more sensitive to the business needs of enterprises than they ever were in the past and are more willing to cooperate with management in developing and helping to enforce workplace reform. It is true this benevolent feeling is by no means universal among employers. However, the degree of active corporate hostility towards trade unions in Britain appears to be much less apparent than it was even five years ago.

In fact, the Future of Work Research Programme indicates we could be witnessing the appearance of a genuinely new kind of employment relations across a widening range of private sector companies based on principles of industrial partnership. Of course, it is not true that in the past most of Britain's industrial relations were characterised by endless and self-destructive conflict. The voluntary system of so-called free collective bargaining was concerned with negotiated agreements and deals that ensured compromise and conciliation. Genuine differences of interest between capital and labour were usually mediated through a process of accommodation, even if this was not described by that slippery and all-purpose word - partnership. In practice, many companies were able to improve their corporate performance and improve productivity through agreements that recognised the realities of the power relationship in industry and sought to create forms of negotiated peace. And yet the emergence of partnership does signify a new approach away from much of the British tradition. Trade Unions are far more willing than before to offer companies positive support in carrying through workplace innovation. They seem ready to rebrand themselves in the eyes of employers as allies and not resistors to the implementation of business-initiated agendas.

However, the research also indicates another development that more or less complements that partnership approach. Employment relations in Britain are being increasingly influenced by the implementation of a wide range of changes in the employment laws. These are providing both a minimum framework of positive rights for trade union recognition and representation as well as comprehensive

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individual employee rights covering all workplaces and not just those where trade unions are accepted as independent and autonomous organisations by employers. This new approach is being substantially shaped by the incremental implementation of European Union social regulation into the UK since the Labour government signed the social chapter of the EU's 1991 Maastricht treaty when coming to office in May 1997. Much of this may so far be of a minimalist character. It is also often difficult to interpret because of the opaque and needless complexity with which those social regulations have been transposed into our laws. But the very existence of such regulation - albeit unsatisfactorily implemented - does reflect the undoubtedly more sympathetic public policy climate in attitudes towards trade unions and employee rights that has taken place since the election of the Labour government over four years ago.

In any analysis of the transformation of Britain's employment relations we cannot neglect the changing nature of work. The influence of technological innovation, work restructuring and job redesign are all helping to reshape shopfloor attitudes among managers, unions and workers. The underlying shifts in labour markets with the modest but important relative growth in the number of those employed in part-time, temporary and contract work are also helping to determine the evolution of our employment relations in new ways.

The purpose of this short report - the first in a series to be published by the Economic and Social Research Council's Future of Work Programme - is to assess the research evidence it has accumulated on what is happening to employment relations in Britain. Too much of our contemporary public debate tends to neglect the recent past or erect mythological structures about what the country's employment relations used to be like. There is a widespread but mistaken assumption that those glory days in the 1960s and 1970s were mainly characterised by endless shopfloor conflict, stemming from an archaic and irrelevant class war in the workplace between capital and labour.

But what we are witnessing in the first decade of the new century is not a transition in industrial relations from an age of strife to one of cooperation and partnership. More accurately we are going through a transformation that involves a strategic move away from a system based mainly on voluntary accommodation and negotiated compromise with an acceptance of differing interests to one that seeks to balance the legal regulation of workplace rights for employees and trade

unions with a partnership model designed to develop a mutuality of agreed interests within companies.

However, this does not mean Britain is about to embrace without question a highly legalistic continental European-style system of employment relations based purely on notions of social citizenship and formalised and substantive rules and regulations. Much more likely is the return of a familiar tendency - as in the past - to continue to 'muddle through', to see the evolution of ad hoc, pragmatic responses by employers and employees alike to the forces of rapid change which will be difficult to characterise neatly in a rational and logical manner. The new employment relations laws will provide a minimum framework to condition workplace behaviour but it seems likely they will be used sparingly by companies as well as trade unions.

Indeed, we could very well be witnessing a revival of a traditional voluntary approach and an avoidance of excessive litigation as attempts are made to modernise workplace relations without any resort to what could be potentially divisive, expensive and time-consuming legal processes. In other words, it would be premature to suggest Britain is going to see a comprehensive juridification of its industrial relations system in the foreseeable future. The genuine underlying tensions between regulation and voluntarism that have characterised the way that capital and labour in Britain have sought to pursue their common as well as conflicting interests are not going to evaporate in the near future.

The Future of Trade Unions.

ONE OF THE MOST SIGNIFICANT FINDINGS in the research is the underlying weakness of trade unions as collective bargainers. Increasingly trade unions are becoming voluntary and autonomous institutions that are having to respond in a positive manner to individual employee grievances. The Future of Work research suggests that even when trade unions are able to secure legal recognition from companies this does not automatically ensure that they will be able to negotiate the wages and benefits of those they claim to represent. Only an estimated third of all Britain's employees have their pay and conditions determined any longer through collective bargaining agreements. This contrasts with as many as 70 per cent who did so back in 1984. In the manufacturing sector 72 per cent of workplaces employing 25 or more workers have wages unilaterally determined by

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management while in services the figure is 75 per cent. The growth of performance-related pay and forms of individualised reward such as profit sharing and stock options have undermined workplace negotiations between companies and trade unions.

The research evidence also reveals that the bargaining agenda of trade unions has shrunk dramatically since the late 1980s as employers have gained the bargaining initiative and extended their unilateral control over the organisation of the workplace. Today less than 3 per cent of workplaces employing more than 25 workers have recruitment and selection issues negotiated between employers and employee representatives. Even more surprisingly, as many as 36 per cent of workplaces employing 10 or more workers not only experience no negotiation on pay and conditions but do not even bother to consult or inform their employees. On training, the handling of grievances, equal opportunity policies and performance appraisals the majority of workplaces lack negotiating arrangements. Admittedly, these figures are derived from the perceptions made by trade union representatives but they point to an undeniable truth that trade unions ignore at their peril. Over the past twenty years an alarming number of workplaces have seen not merely a decline but the eradication of any trade union presence.

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Such developments are bound to raise serious doubts about the ability of trade unions to recoup their lost position as collective bargaining institutions. If this is the case, trade unions will need to justify their existence in the eyes of employers by offering to adopt distinctively different roles. To some extent this means trade unions will have to provide evidence they can bring an added value to the enterprise, that if a company wants to improve its competitiveness and overall financial performance it can do so by gaining the active support of trade unions in the pursuit of corporate objectives. It is clear from the 1998 government-commissioned Workplace Relations Survey that employers who work closely with recognised trade unions can expect to achieve positive results.

It is in this development that the concept of partnership at work may have a role to play. So far, the research evidence seems somewhat divided about the success of partnership but these are early days in assessing the significance in the growth of such agreements. Forthcoming research from the Future of Work Programme's second phase should help to clarify that issue. However, there can be no doubt that almost all trade unions now play more than lip-service to the concept of

workplace partnerships and take them seriously. Some have gone a long way to formalise such arrangements with companies, keen to reach mutual gains deals that seek to guarantee union recognition and workplace stability in return for accepted job flexibility and a commitment to learning and training. Of course, there is a wide variety of partnership agreements and some face perhaps justifiable criticism where it is suggested trade unions have abandoned too much bargaining ground in the pursuit of recognition rights. What is clear is that the more formalised the partnership deal, the more constrained the trade union influence. The most promising approach seems to be where an employer and a trade union can work through informal relations and cooperation in developing a genuine partnership strategy.

But there is a serious obstacle to the painless growth of partnership as a way of ensuring trade unions acquire a promising future. Outside the workplace their legitimacy as so-called social partners is still not fully accepted either by the British state or employers. It looks unlikely therefore for the time being that our trade unions will be able to transform themselves into social partners with an accepted role in the management of the wider political economy. In no other country in western Europe are trade unions so absent from economic policy coordination as they are in today's Britain. The social pacts, dialogues and accords that remain central to the economic and social governance of countries as diverse as Germany, Ireland and Sweden are not even on the British government's public policy agenda. Our trade unions still lack any recognition as agents of change they would like to have in the eyes of the state. With few national institutions in existence to provide them with the opportunity for a sustained life beyond the workplace, they may have to settle for a limited and peripheral role in helping to tackle the country's wider social and economic ills. It is true current work by the Treasury into the country's productivity problems and the activities of the Learning and Skills Councils has given trade unions a potentially important advisory role in relations with the government and employers. But this development remains heavily circumscribed and falls far short of the kind of positive function trade unions were invited to enjoy more than twenty-five years ago during the age of the social contract in wrestling with policy issues in the political economy.

However, this does not mean that Britain's unions are going to remain content simply to offer added value to a company's balance sheet. On the contrary, they

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Many trade unions are making conscious efforts to restructure themselves.

can be expected to develop new roles as service providers, mutual aid societies and learning organisations to replace their traditional activities in bargaining collectively on wages and conditions for their members. In some respects, this would represent a return to practices of the nineteenth century when the mainly craft trade unions sought to seek and retain workers as members by offering them a diverse range of assistance to survive and prosper in what were usually insecure and turbulent labour markets.

One of the ultimate tests for the future relevance of trade unions will be the extent to which they can come to terms in an active way to what many regard as the new, more individualised world of work. Most unions originated as a collective response to the evils of industrialisation. Their structures still often reflect those times. Whether they can develop the organisational flexibility to attract private service workers, workers in small enterprises, the self-employed, part-time and temporary staff still remains a matter of debate. Research carried out on the Future of Work Programme by Professor Ed Heery and colleagues examines the role that trade unions might play in the representation of contingent workers. Their carefully worded findings indicate many trade unions are making conscious efforts to restructure themselves to attract those new kinds of employees into their ranks. But it is clearly not turning out to be an easy task. Some trade unions are developing labour market services for such workers but this places an added pressure on what are a limited number of full-time officials. Historically the focus of British trade unions has been on the workplace and the so-called enterprise-based model of industrial relations remains paramount. Professor Brown has used the colourful imagery of the bare-foot doctors to describe the itinerant trade union cadres that will be necessary to equip and service the new kinds of employee.

A crucial factor in assessing what kind of a future trade unions can expect will be the attitude of employers towards them. The research evidence from the Cambridge study has found perhaps half the companies it surveyed said they intended to examine strategies designed to resist any advance by trade unions through the recognition procedures laid down by the 1999 Employment Relations Act. In addition, a further quarter were looking at ways to lessen any threat from recognition by seeking to manipulate the choice of trade union and the nature of the bargaining unit covered by any acceptable recognition agreement. However, it is also apparent from the research evidence, as well as in the 2001 annual report

of the independent Central Arbitration Committee, that employers are keen to avoid any resort to the use of the law if they can. Like the trade unions they would prefer voluntary arrangements, as the Advisory, Conciliation and Arbitration Service has indicated, with a significant increase in the number of conciliation cases over recognition is being asked to deal with.

However, trade union hopes of a massive advance in membership density as a result of the new recognition laws look misplaced. It has been estimated that the legal route to recognition is only likely to result in a net growth of 50,000 members annually into the trade unions. Such an increase would be lower than the estimated expansion in overall numbers in employment. What is also apparent is that as many as 3 million employees work in establishments where trade unions are recognised but do not belong to trade unions themselves. That free-rider problem is of particular concern to those who believe trade unions need to take the offensive if they hope to grow again. The research evidence really suggests that the obstacles facing trade union growth look much more deep-rooted than many accept and they will not be easily spirited away as a result of a more favourable legal climate.

The most vivid and intractable difficulty may be one of the movement in generations. Trade unions are finding it increasingly hard to attract young workers into their ranks. The latest figures for 2000 reveal a mere 18 per cent of employees aged 18 to 29 were union members, compared with 44 per cent of that age in the early 1980s. In the private sector that trade union density figure is now only 11 per cent. It is true the picture looks much better in the public sector, where 48 per cent of the 18 to 29 year olds are trade union members. But as 83 per cent of that age group are now employed in the private sector this is no grounds for optimism. Union officers speak despairingly nowadays of Mrs Thatcher's generation, the young who grew up in a more individualistic and self-centred culture of contentment that sees no virtue in forms of collective association and solidarity. To them, trade unions are regarded mainly as backward-looking, middle aged and male-dominated organisations, hankering for a long lost past. In three words they look "pale, male and stale." New research evidence does suggest a growing number of trade unions are responding to the challenge of survival. Forthcoming research findings from Dr Harriet Bradley at Bristol University promises to throw fresh light on the trade union representation of Bangla Deshi women. But most trade unions

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still have a long way to go in attracting women and ethnic minority workers into their ranks and providing them with opportunities to advance to leadership positions.

However, it is also clear that trade unions are displaying an ability to become more professional service associations. The average trade union member is now likely to have higher educational qualifications, an above average salary and relative employment security. But the public sector predominance of trade unionism is not necessarily a sign of future promise. What we need to see is a more concerted effort to extend trade unionism in the private services sector where most jobs are now being created. The future of trade unionism will depend on just how successful this will be.

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Employment Relations without Trade Unions.

INCREASINGLY BRITAIN'S WORKPLACES ARE BECOMING UNION-FREE ZONES. In growing sectors such as business services, retail and hotels and catering, the levels of trade union density are down to less than 10 per cent of the workforce. It may be hard to grasp the realities of the new world of work for many of those reared on the relevance of trade unions but the truth is that trade unions in the private sector are becoming an endangered species.

Most private sector workplaces no longer have recognised trade unions operating in them. Nor are all those employed in such establishments usually covered by negotiated wage rates and common benefits, let alone a set of common rules and procedures. Even trade union recognised workplaces often lack any strong employment relationship. To a surprising extent employers retain a clear strategic advantage over their workforces despite the existence of tight labour markets which might have been expected to strengthen trade unions in their role as negotiators.

But this does not mean that employment relations without trade unions are either stable or satisfactory. Research evidence in the 1998 Workplace Industrial Relations Survey suggests no institutional alternatives to trade unions in non-union companies are likely to develop effectively for the foreseeable future. However, it remains possible that company-based information and consultation arrangements could emerge as a result of the enforcement of the draft European

Union directive on the subject over the next few years. But the extent to which this might lead eventually to the emergence of fully-fledged works or employees councils remains unclear. There is little sign that employees in general are clamouring for such a workplace innovation while many trade unions remain unsure and worried that they lack the resources which would be essential for them if they hope to make a success of works councils. Many companies are likely to try and put off the creation of such consultative mechanisms as long as possible, seeing them as a threat to their right to manage and a threat to their business competitiveness.

But this does not mean we can expect to see Britain's workplaces dominated in the future unquestioningly by employers at the expense of employees. Research led by Dr Michael White at the Policy Studies Institute and Professor Stephen Hill at the London School of Economics on what workers really want at work fails to reveal a contented and secure world. On the contrary, there is widespread insecurity and concern among many employees at all levels with a particular anxiety about having to work longer hours. The findings indicate the biggest single aspiration among workers is to have an interesting job, followed by employment security, feelings that they have accomplished something positive at work and having a say on how their work gets done. These aspirations may or may not be furthered by more effective workplace institutions in non-union workplaces. What does seem likely is that an increasing number of informed and articulate employees will seek and even demand more assurances from their employers on such vital matters than they did in the past.

In this way they could be helped by a recent development that is reshaping our employment relations. This is the cumulative impact of a wide range of legally-enforceable legal rights at work, mostly coming from the agenda of the European Union's social market model as revealed in the research by Professor Brown and his colleagues. From the regulation of working time to equal rights for part-time, sub-contracted and temporary workers as much as full-time, permanent employees, from the rights of migrant workers to those of women and the disabled, the world of work in the new century is witnessing an uncertain but inexorable growth in the juridification of the employment relationship. The enormous growth of litigation, the tendency of workers to resort to employment tribunals in search of justice or financial compensation for employer wrongdoings, has begun to reshape workplace attitudes. It is possible to gauge the

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extent of this development in the growing volume of complaints being notified to citizens advice bureaux and local offices of the Advisory Conciliation and Arbitration Service. Neither employers nor trade unions are comfortable with these important developments. Many would prefer to establish new forms of voluntary dispute resolution procedures that can avoid the cost and time consuming consequences of a resort to law.

Indeed, there are growing signs of an attempt to revive voluntary ways of dealing with issues in the workplace, to explore alternatives to the enforcement of regulation in the resolving of individual or collective disagreements. An important part of the 1999 Employment Relations Act is already being used with some effect. The right of any employee - whether a trade union member or not - to be accompanied when having to face their employer over an offence should provide a growing opportunity for trade unions to establish a foothold in many non-union workplaces.

However, it is also apparent from the research that an increasing number of companies are introducing various forms of employee consultation in their establishments. The use of a range of mechanisms was initially motivated by a desire among many employers to manage necessary workplace change through cooperation and agreement. The establishment of consultation forums and the like is seen by a growing number of companies as a sensible way of carrying through reforms designed to improve business performance. It is likely this trend will increase over the next few years as the European Union information and consultation directive is transposed into British employment law. The final shape of that regulation is still unclear and employers can be expected to lobby hard for a system that works to their benefit. Indeed the fear of some companies that this might lead inexorably to a sudden resurgence of trade unionism in non-union workplaces may turn out to be misplaced. The statutory right to consultation and information is yet a further challenge to the trade unions who already face enormous problems in taking advantage of the raft of legislation which provides them with an opportunity to grow again.

We need to see much more research into the operations of non-union workplaces and the employment relations strategies of companies. But there are enough pointers to the future. The non-unionised private sector workplace is likely to become even more the norm than the exception despite more

propitious circumstances for trade unions to grow again. But this may not mean that such workplaces are completely dominated by unilateral and autocratic employer authority. What we are more likely to see is a wide variety of different forms of employee relationship which reflect the realities of increasingly bifurcated labour markets. For those with skills in demand, qualifications and employability the outlook is promising with the development of individualised employment packages by companies either in full-time jobs or on sub-contracts. But for those on the margins of employment who experience a life of moving in and out of work the times may prove to be much more difficult. In other words, the decline of workplace collectivism is likely to bring about contradictory trends pulling in different directions. The outcome will be greater instability, fragmentation and division, perhaps more conflict. In the workplaces of the future no overwhelming trend is likely to predominate. In this uncertain but contested terrain, however, new forms of employment relations might be expected to mediate or refract the ever-changing but always-constant tensions between the demands of capital and the needs of labour.

What Future for Collectivism?

IN CONTEMPORARY DEBATE OVER THE FUTURE of Britain's employment relations not enough attention is focused any longer in research on the nature of the power relationship in the workplace. This is a strategic mistake. The role of trade unions as voluntary and autonomous institutions committed to social justice in the workplace is being underplayed. By contrast their function as partners of companies in assisting to bring about improvements in productivity, competitiveness and profitability are perhaps being over-stressed. In the nineteenth century many craft trade unions sought to justify their existence in a hostile political economy that questioned their right to exist by emphasising their role as stabilising and respectable forces in the maintenance of order and authority in the workplace. In the search for legitimacy they argued there was a harmonious common interest uniting capital with labour that transcended any underlying division of purpose. The strike weapon and the threat of its use was kept well out of sight most of the time and yet even the most peacefully-minded unions argued the case for their independence and autonomy from employers and the state. They did so because they recognised the needs and demands of workers and companies were not only not always identical but often based on an unequal relationship in the distribution of power.

The non-unionised private sector workplace is likely to become even more the norm.

Employees are much more concerned to have an effective and professional servicing of their individual concerns than in the past.

There is no reason to doubt today's workplaces are also based on a realistic perception by employers, employees and unions about the nature of that power. The implicit assumption that lies behind the onward march of individual employee rights is a tacit acknowledgement of the urgent need for workers to enjoy a much stronger representative voice. But a number of difficulties arise as a result of this that few trade unions have yet to grapple with.

The most serious problem remains the often neglected but entrenched nature of trade union structures. Historically our trade unions have found it difficult to establish rational forms of organisation that were able to limit competition between them in the endless struggle to gain new members. By international standards as varied as collectivist Sweden and the free market United States, Britain's employees have always tended to have trade unionism on the cheap with relatively low subscription rates and limited services on offer. There are few signs of any improvement. But the demands made by today's workers now facing the trade unions makes them vulnerable to accusations of under-achievement. Employees are much more concerned to have an effective and professional servicing of their individual concerns than in the past. They expect a greater degree of competence from trade union officials and shop stewards. But the numbers of qualified people holding positions of authority in the trade unions to service those demands are far less than they were thirty years ago. There are now only an estimated 5,000 full-time trade union officers. In the past trade unions were able to make themselves more effective by the mobilisation of their collective strength. Now this is no longer possible and we are unlikely to see any improvement in the degree of leverage trade unions may expect to wield in the years ahead.

One way forward might be to encourage more mergers between trade unions. However, the formation of mega-unions covering large numbers of workers in a disparate range of sectors and companies is not always a sensible response to the problems of growth. Indeed, in recent years too many of such mergers have looked more like belated attempts to manage financial decline than a strategic shift in direction to maximise trade union strength in the new workplaces. There is something to be said for encouraging smaller trade unions in niche labour markets and sectors which are better suited to extend and articulate the needs of employees in specific workplaces. Trade unions for doctors, nurses,

railway drivers, teachers and other professional occupational groups are better able to act as both bargaining and servicing organisations.

The research evidence in the Future of Work Programme does point to an undoubted fact - we are going through an uncertain time for employees and trade unions. It would be wrong, however, to embrace a deterministic pessimism. The new workplaces and unstable labour markets make it clear in Britain as elsewhere that we cannot expect to witness a return to the relatively settled and all-embracing industrial relations system that existed in the so-called golden age that followed the Second World War. Underlying social and occupational changes, with the steady but irreversible growth of a post-industrial society, suggest we are experiencing a profound transformation. What this means for workers and trade unions is not yet entirely clear.

It may be possible to argue that we are likely to see as much continuity as we do change in employment relations. This is, however, unconvincing. Since May 1997 a Labour government has certainly made a tangible difference to the nature of those relations and that undoubted fact should not be neglected. Without Labour, Britain would never have signed the social chapter of the Maastricht treaty, passed trade union recognition laws or introduced a national minimum wage. It is true such changes have not so far transformed Britain into a social market economy based on the models of mainland Europe. But nor is it correct to suggest our employment relations are similar in spirit and character to those of the United States. The dialectical struggle between regulation and voluntary action remains at the heart of our approach to workplace reform. The Future of Work Programme research so far suggests this may be leading to a new synthesis in employment relations. If this is true, however, it promises to be a no more settled or agreed one than in the past.

We are going through an uncertain time for employees and trade unions.

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Details about specific projects on the Future of Employment Relations can be obtained from the following investigators:

Basis and Characteristics of Mutually Beneficial Employer/Trade Union Relationships

The Future of Collectivism in the Regulation of the Employment Relationship and Pay in Britain

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Changing Employment Relationships, Employment Contracts and the Future of Work

Employer's Workplace Policies in an Environment of Change

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Handling Double Disadvantage: Minority Ethnic Women and Trade Unions

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Patterns and Prospects for Partnership at Work in the UK

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Labour Market Prospects for Pakistani and Bangladeshi Women

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Trade Unions and The Representation of Non-Standard Workers

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The Future of Work: Flexible Employment, Part-Time Work and Career Development in Britain

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Workplace Reorganisation, HRM, and Corporate Performance

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Changing Organisational Forms and the Re-shaping of Work

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Future of Work

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