

***Understanding management strategies
towards trade unions in China: from
avoidance to accommodation***

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CRIMT-2012 International Conference

Union Futures

HEC-Montréal 27-10-2012

Employee representation issues in China

Rising issue of employee representation in China

- Market transition: competition, industrial structure change
- Labor legislation: 1994, 2001, 2008 law
- Structural change of labor workforce: migrant worker; young, educated generation

Research questions

- What is management strategy towards workplace trade unions in China within MNCs?
- What accounts for management strategies?

Debate about management strategy in China

Trade unions in China

- ❑ Declining trade union density (Lui, 2010) and lost of legitimacy (Cooke, 2008)
- ❑ Increasing labor dispute and protest (Chan 2009 Lee, 2007)
- ❑ Trade union experimentation (Chan, 2005, 2009; Chen, 2009; Howell, 2006; Metcalf & Li, 2007; Wang, 2008)

Labor relations within MNCs: contrasting narratives

- ❑ Commodification process ((Cao, 2005; Chan, 2001; 2010; Freidman and Lee 2010; Harney, 2008; Kurvilla *et al.*, 2011; Lee, 2007)
- ❑ Empowerment process (Akhtar et al 2008; Björkman et al 2008; Gutrie, 2006; Sun et al 2007).

Theoretical approach

- Workers power: Structural and “locational” (Chan 2010)
- Country of Origin (Gamble, 2010; Björkman *et al*, 2008)
- Structure and allocation of power within the MNC (Ferner *et al* 2012)
- Micro-politics (Fenton O’Creevy *et al*, 2011; Bouquet and Birkinshaw , 2008; Meyer *et al*, 2011)

Research Method

Case studies

- **Sample:** 6 cases (2 NA, 2 JAP, 2 EU)
- **Interviewees:** *plant and HR managers, Regional HQ in 2 companies and trade unions in 2 sites*
- **Duration:** *2004-2012, all company visited at least twice most three times*

Capturing management strategy towards workplace trade unions

Dimensions:

- Presence of trade union
- Function of the union: social activities, promoting mutual interest between management and workers, and representing workers interest through collective bargaining
- Status of union chairman's.
- Selection process for union representatives.

Management strategies

- Avoidance or repression : one case EU
 - No representative structure
- Formalisation/ legalistic strategy: 2 cases one Japanese and one NA
 - Presence of union, no CB, social function, manager appointed
- Cooptation: 2 cases JAP and EU
 - Presence of union, CB, representative function, manager but elected
- Accommodation/Autonomisation: one case NA
 - CB, representative function, workers elected directly from rank and file

	Avoidance	Formalisation	Cooptation	Accommo
Workers Power	Weak	Weak	Mixte (strong & Weak)	Strong
Country of origin	EU	JPN & NA	JPN & EU	NA
Structure and allocation of power within MNC	Centralized & strong culture	JV	Centralized & strong culture	Decentralized with much benchmarking
Capabilities and local embeddness	Boy Scout	Weak and isolated (subversive)	Framing and integration on local inst.	Framing & role in the local community

Conclusion

- Plurality of strategies
- There is space for union representation even in a tightly constrain environment
- In specific circumstance managers may even favour the establishment of independent union to increase their own position within the MNC