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

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Employee representation issues in China

Rising issue of employee representation in China

- Market transition: competition, industrial structure change
- 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
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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