The Paradox of Employer Collective Action in the United Kingdom

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Introduction

• Paper examines all contemporary British employers’ organisations (EOs)
  – EOs active in the areas of employment, labour and HRM
  – Collective activities and individual services

• Empirical approach
  – Identify and profile all UK EOs, creating a database, qualitative research

• Aims of the paper
  1. Empirical task: Tackling the empirical gap. What type of EOs exist? What do they do?
  2. Analytical task: Assessing and interpreting the role of EOs. How do EOs shape and influence employment? What is the significance of EOs?
The Paradox of Employer Collective Action

• Gap in literature
  – few articles on EOs in Britain in last 20 years (Barry and Wilkinson 2011)
  – Purcell (1994) declared ‘end of collective industrial relations’. Following research seemed to accept this conclusion.
  – Focus of IR literature on labour unions

• Literature explains the lack of employer collective action
  – Varieties of capitalism.
  – Collective action problem
  – Decline of collective bargaining

• Paradox
  – No significant literature on EOs and literature explains why there should be significant collective action; however, a great variety of EOs can be observed
  – How can we explain this paradox?
Findings: Geographical Focus

• 84% cover the UK as a whole.
  – 5% Scotland
  – 2% Northern Ireland
  – 1% Wales
  – 6% English regions
  – 3% England, or England and Wales
Findings: Governance

No set governance structure, but:

1. 86% evidence for a chair and governing body
2. 81% evidence for some elections.
3. 47% reserve board places for member categories

<table>
<thead>
<tr>
<th>No. of members</th>
<th>No. of EOs with a governing body per sizeband</th>
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<tbody>
<tr>
<td>1 to 10</td>
<td>96</td>
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<tr>
<td>11 to 20</td>
<td>176</td>
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<tr>
<td>21 to 30</td>
<td>24</td>
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<td>31 to 40</td>
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Number of members in governing bodies
Findings: Membership

• Six have more than 10,000 members.
  1. Federation of Small Businesses (195,000)
  2. Confederation of Business Industry (190,000)
  3. Nation Farmers’ Union (55,000)
  4. National Federation of Retail Newsagents (15,500)
  5. Freight Transport Association (14,000)
  6. Ulster Farmer’s Union (11,500)

• Generally private sector (92%), but public sector EOs often have large employee bases.
Findings: Membership Numbers

- Median of 170, long tail of small EOs.
Findings: Activities (1)

• Overlapping services to members across:
  – IR
    • Collective Bargaining, dispute resolution etc.
  – HR
    • Advice on employment law, training provision, recruitment etc.
    • Codes of conduct, use of logo, awards
  – Business Development
    • Networking, marketing, case studies etc.
Findings: Activities (2)

- Collective bargaining
- Health and Safety
- Recruitment and selection
- Use of logo
- Employment Law
- Code of conduct
- Training

Percentage of all EOs surveyed providing named services
Findings: Relationships and Lobbying

• Links with Unions – 23%.
• Larger EOs tend to be members of European Federations
• 58% have a stated focus on lobbying
  – 31% have appeared before committees of parliament
  – Wide range of subjects, e.g. law
    • evidence of effectiveness
Different types

• Collective bargaining-focussed EOs

• Employer forums

• Service-oriented EOs
Conclusion

• Significance of Eos
  – in numbers, range of activities (CB less of a focus
  – shaping work and employment through hard and soft regulation
  – relationship to law: prevention, self-regulation, influencing, compliance

• Explaining employer collective action
  – special incentives motivate collective action
  – collective interest representation
  – But less of a threat of trade union power

• Explaining the paradox
  – focus on collective bargaining and labour unions prevents seeing EOs
  – actual research necessary instead of assuming insignificance