Employee Relations and Wellbeing

Lecture Title:

Trade Unions and Representative Structure

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Masters in
Human Resources Management

Learning Objectives

- Explain the functions and roles of trade unions in employee relations
- Compare representative frameworks across different labor systems
- Assess how union presence affects ER policy and communication

Group Discussion

-What words or concepts come to mind when you hear ‘trade union’?

Core Concepts of Trade Unions

Category	Concept / Function
Representation	Worker Advocacy
Collective Bargaining	Negotiation Power
Voice	Employee Participation
Conflict Resolution	Mediation & Arbitration
Professional Development	Training & Upskilling
Workplace Democracy	Participation in Decision-Making
Socio-Political Influence	Policy & Advocacy
Solidarity & Support	Mutual Aid

Historical Emergence of Trade Unions

Period	Event / Milestone	Significance
Medieval Era	Formation of craft guilds in Europe	Early forms of worker associations providing mutual aid, skill protection, and collective bargaining for craftsmen.
Late 18th – Early 19th Century	Industrial Revolution begins	Rapid industrialization creates large factories; workers face long hours, unsafe conditions, and low wages. Creates conditions for organized labor movements.
1799–1825 (UK)	Combination Acts passed (1799) and repealed (1824–25)	Initially banned workers from forming unions; repeal legally recognized the right to combine for collective action.
1830s–1850s	Early unions emerge in UK and US	Weavers, miners, and dockworkers begin forming local unions to protect wages and conditions.
1864	First International (International Workingmen's Association) founded	Coordinated labor efforts internationally; promoted solidarity and labor rights across countries.

Historical Emergence of Trade Unions

Period	Event / Milestone	Significance
Late 19th Century	Legal recognition of unions expands	UK, Germany, and US pass laws recognizing unions; collective bargaining becomes more formalized.
1900–1930s	Growth of industrial unions	Focus shifts from craft-based to industry-wide unions; more inclusive of unskilled workers.
Post-WWII Era (1945–1970s)	Peak union membership in many industrialized countries	Strong influence on labor law, wages, social policies, and workplace democracy.
1980s–2000s	Decline in membership in some countries	Deindustrialization, globalization, and labor market reforms reduce union density in US, UK, and other regions.
21st Century	Resurgence & new forms	Unions adapt to gig economy, service sector, and global supply chains; focus on inclusivity, social justice, and political advocacy.

Group Exercise

"Are trade unions primarily protectors of workers' rights, or do they also serve organizational and societal interests?"

Follow up questions –

- Can unions contribute to productivity, stability, or social justice?
- What happens when unions are weak or absent?

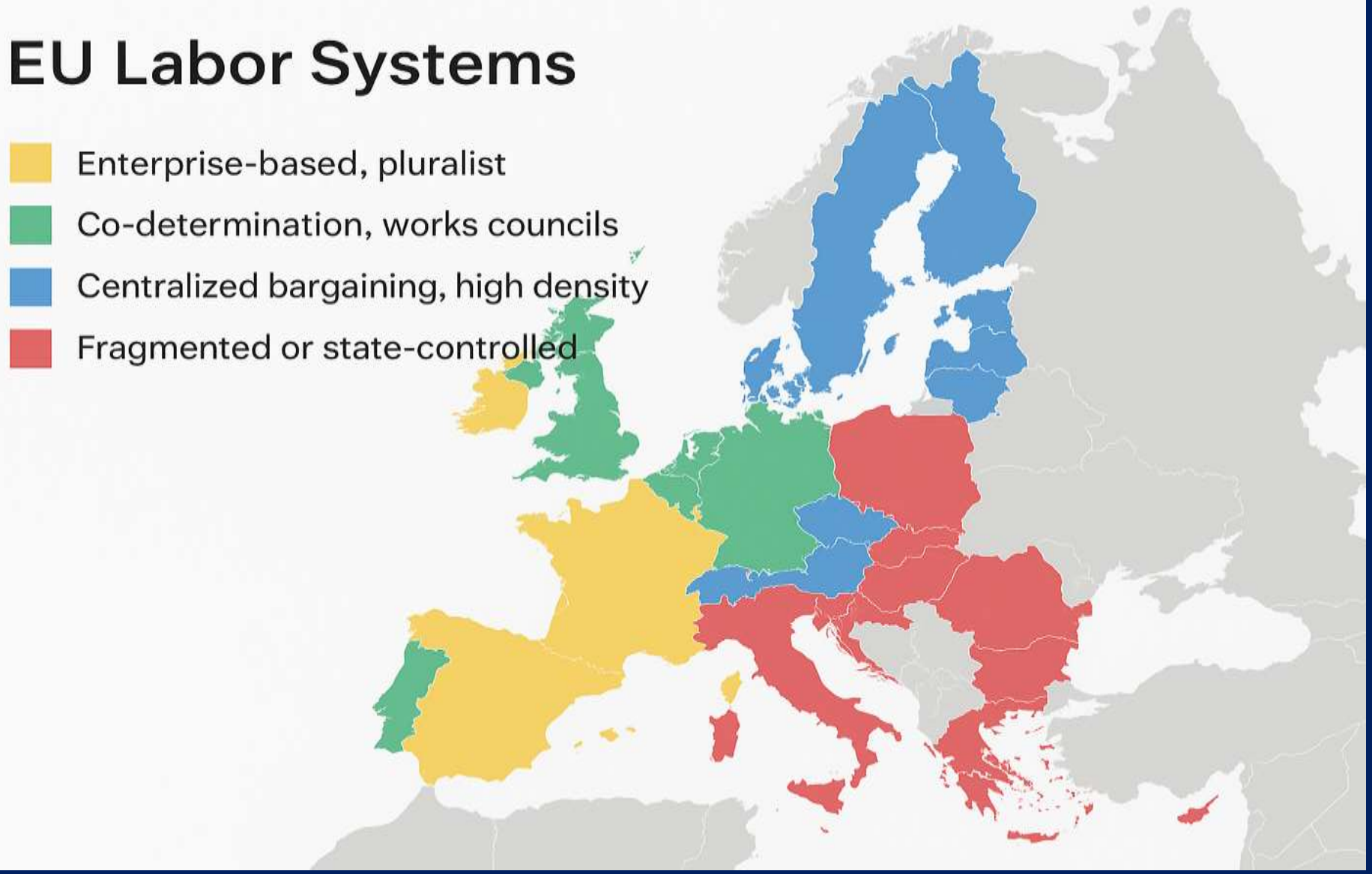
Comparative Labor Systems

System	Definition & Features	Examples	Strengths	Weaknesses
Enterprise-Based, Pluralist	Representation mainly at company/enterprise level. Collective bargaining decentralized. Adversarial but sometimes cooperative.	UK, US, Australia	Flexible; tailored to enterprise needs; can innovate quickly.	Fragmented coverage; declining union density; inconsistent worker protections.
Co-Determination & Works Councils	Legally mandated employee participation. Works councils at plant level; employee reps on supervisory boards.	Germany, Austria, Netherlands	Strong workplace democracy; promotes stability, trust, and long-term planning.	Can slow decision-making; complex governance; high institutional requirements.

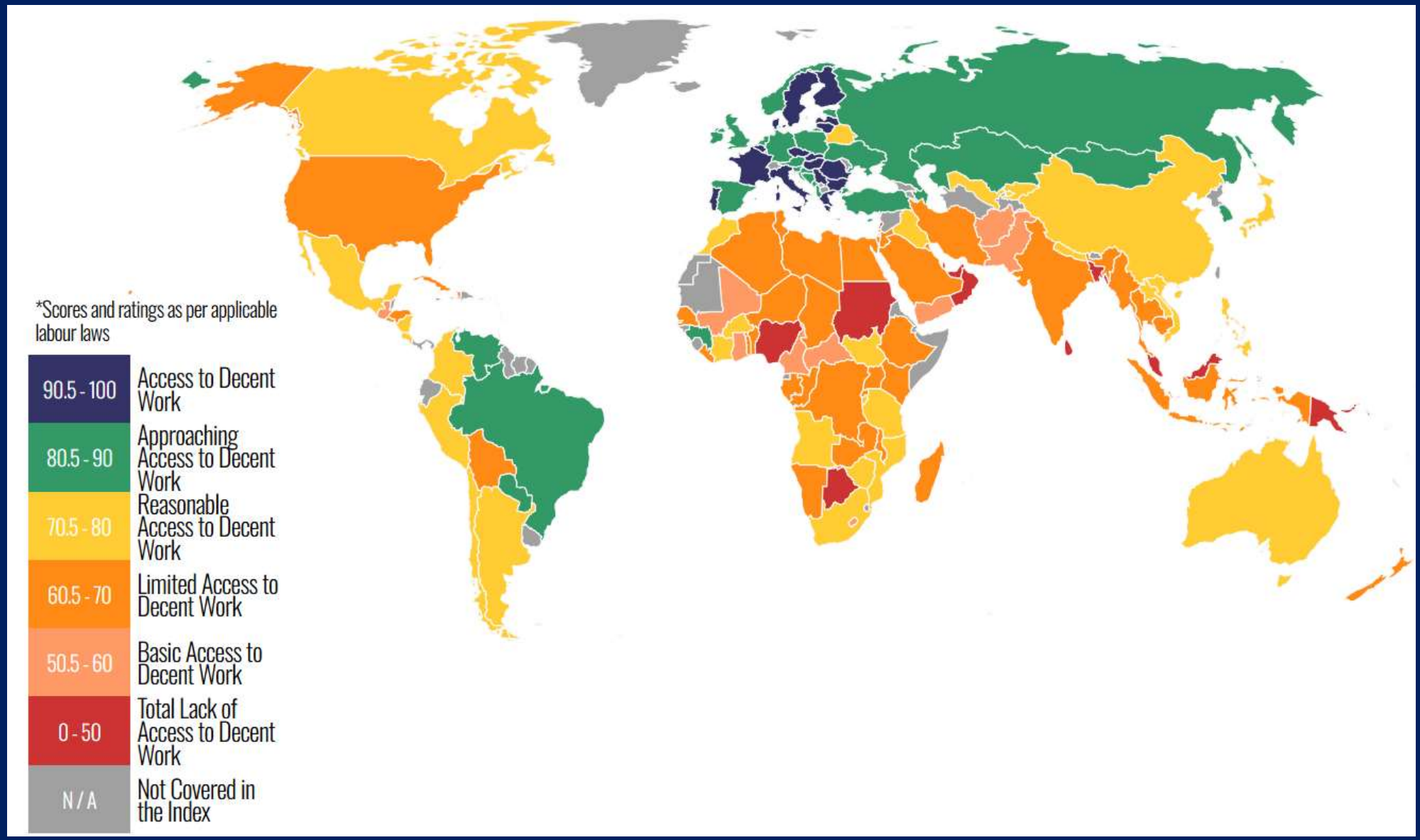
Comparative Labor Systems

System	Definition & Features	Examples	Strengths	Weaknesses
Centralized, High-Density Bargaining (Nordic)	High union density, centralized bargaining across industries. Tripartite cooperation between unions, employers, and state.	Sweden, Denmark, Norway, Finland	Wage equality, low inequality, social trust, minimal conflict.	High reliance on consensus culture; expensive welfare models; less flexible.
Fragmented / State-Controlled	Weak or state-dominated unions. Often fragmented or politically tied. Large informal labor markets.	China, India, parts of Africa/Latin America	Adaptable in fast-changing economies; sometimes supports national development goals.	Weak worker protections; limited autonomy; unions may serve state or party interests over workers.

EU Labor Systems



Access to Decent Work



Comparative Labor Systems

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Strengths	Flexibility, tailored to enterprise needs innovation quick innovation	Strong workplace democracy Promoles of stability, trust, and long-term planning	Wage equality, low inequality Social trust minimal comflict	Weak worker protections Limited autonomy Unions can serve vo state or party inter-ests over workers
	Fragmented coverage Declining union density	Complex governance High institutional requirements	High reliance on consensus culture	Weak worker protec-tions, limited autono-

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The Role of Law, State & Culture

Law: defines union rights (recognition, bargaining, strike legality).

State: supportive vs. restrictive stance (e.g., Nordic consensus vs. US deregulation).

Culture: trust, collectivism vs. individualism, historical traditions of labor relations

Union Presence and ER Policy / Communication

Impact of Unionization on HR/ER Policies

- **Grievance handling**
  - Formalized procedures for complaints, discipline, and appeals.
  - Unions provide representation, ensuring fairness and due process.
  - Can reduce litigation risk but may lengthen resolution time.
- **Consultation & negotiation**
  - Unions act as collective voice, requiring management to engage before implementing major changes (e.g., restructuring, layoffs).
  - Policies often co-created or at least discussed with unions.
  - Encourages transparency but reduces managerial unilateral control.
- **Policy development**
  - Issues like pay, working time, health & safety, and diversity policies often shaped by union input.
  - EU/Germany: legally mandated consultation on many policy issues.
  - US/UK: more contingent on union strength at enterprise level.

Communication Dynamics

- **Adversarial model**
  - "Us vs. them" relationship.
  - Collective bargaining viewed as a power struggle.
  - More likely in fragmented/enterprise-based systems (e.g., US).
- **Cooperative model**
  - Partnership approach, with unions as stakeholders in organizational success.
  - Builds trust and reduces strikes.
  - More common in co-determination systems (e.g., Germany) or Nordic consensus cultures.
- **Hybrid realities**
  - Same company may have adversarial relations in one country, cooperative in another. (e.g., Amazon US vs. Amazon Germany).

Implications of Declining Union Membership

- **Trends**
  - Global decline in union density, especially in advanced economies.
  - Nordic countries are exceptions, maintaining strong membership.

- **Implications for ER policy**
  - More individualized HR practices (e.g., direct engagement, surveys, HR hotlines).
  - Rise of “non-union voice” mechanisms: employee engagement initiatives, staff forums, digital platforms.
  - Risk of weaker worker protection, pay inequality, and erosion of collective trust.

Group Debate

"Union presence enhances organizational communication and trust".

Divide in 2 groups and debate in favour of unions and against unions.

Group Discussion

"How might the role of unions in employee relations evolve in the next decade?"

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