

Union strategies in representing 'new' workers: The comparative case of UK and Australian retail unions

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INTRODUCTION

This paper is a comparative exploratory study of the changing nature of employee voice through trade union representation in the retail industry in the UK and Australia. In both countries, the retail industry is a major employer and is one of the few private sector service industries with significant union membership (Griffin et al 2003). The relevant unions, the Distributive and Allied Workers Union (USDAW) and the Shop, Distributive and Allied Union (SDA), are the fourth largest and largest unions in the UK and Australia respectively. However, despite this seeming numerical strength in membership, the characteristics of the industry provide unique challenges for employee voice and representation.

The significance of the study is that any extension of representation and organisation by unions in the retail sector is valuable socially and politically, given that retail workers are often categorised as vulnerable, due to their low pay, the predominance of disadvantaged labour market groups such as women and young people, workers' atypical employment arrangements and, in the case of the UK, variable levels of union recognition which inhibit representation (Broadbridge 2002; Henley 2006; Lynch 2005; Roan & Diamond 2003; Reynolds *et al* 2005). In addition, specifically comparative projects have value in that they allow some variables relating to the 'industry' to be held constant, thus reducing the range of potential explanations of differences in union strategy. They also have value in that the research partners may be more likely to notice and problematise taken-for-granted aspects of practices in another country, thus bringing to the fore key features and potentially leading to theoretical innovation. Finally, such projects may assist in transnational diffusion of union strategy.

Five related research questions underpin our research:

- What are the differences and similarities in industry context, and union history and structure, in the UK and Australia?
- What strategies are currently being pursued by retail unions in the two countries to recruit, organise and represent members? How similar and/or different are these approaches?
- What are the reasons for the similarities and differences?
- To what extent have union strategies in the retail industry in the two countries resulted in membership gains?
- To what extent have union strategies in the retail industry in the two countries improved working conditions and outcomes for members?

The paper firstly reviews the literature on union revitalisation and renewal, then considers the industry and political context in each country before moving on to a survey of union history, structure and strategy in the two countries. The paper then describes the methodology of the proposed study, and concludes with a discussion of what this comparative study will add to our knowledge of union strategy.

UNION REVITALISATION AND RENEWAL

Trade unions in most advanced market economies face increasingly challenging conditions in representing and mobilising their members, and a related crisis in membership, density

and the effectiveness of representation structures (Frege & Kelly 2003). The UK and Australia are no exception. However, while unions face an ongoing crisis throughout the industrialised world, they retain important functions for capitalist economies, as well as for political democracy. Trade union strategy and the need for unions to revitalise, in the face of increasingly challenging conditions such as globalisation, neo-liberal politics and increased capital mobility, have become seminal issues in Britain (McIlroy 2008) and Australia (Barton *et al* 2008). Trade union revitalisation is however a contested concept (McIlroy 2008; Frege & Kelly 2003). Various competing and contradictory renewal strategies have been identified, such as the servicing, organising and partnership approaches (Heery 2002), while other scholars view these strategies as compatible and/or complementary (McIlroy 2008) depending upon the political opportunity structure and what might be termed 'the employer opportunity structure'; that is, the broader economic, political and institutional context. As Lucas (2009) notes, scholars (e.g. Oxenbridge 1997; Heery 2002) have suggested that unions need to broaden their constituency, targeting new or previously neglected categories of workers and extending organisation and representation downwards to low wage workers. Such strategic imperatives have been reflected in the aspirations of peak union bodies in both countries (the Trades Union Congress in the UK and the Australian Council of Trade Unions) which both identify a need to target un- or weakly-organised groups of employees (Lucas 2009; Barton *et al* 2008).

There is a large gap in the academic literature with respect to qualitative comparative studies of trade unions in any industry (much less the retail industry). In Australia, there are only a few studies of retail union operation (Mortimer 2001a, 2001b), and none within a theoretical model that highlights union action and agency. Similarly, there are few such studies in the UK (for a rare example, see Upchurch & Donnelly 1992) or indeed any other country (for an exception, see Dribbusch 2005). Further, there are few international comparative studies of union strategy in any industry (Hyman 2001; Frege & Kelly 2003). Where there is comparative research, it is primarily at the level of national union movements, with a particular focus on union structure and types, or as a by-product of broader international comparisons of institutions and national business systems (Frege & Kelly 2003), rather than on individual unions in the same industry. Frege and Kelly (2003) further argue that the focus of union-strategy research is limited to comparisons of quantitative variables, such as union density or bargaining coverage. Little is known about how union strategies compare across countries and industrial relations contexts, and across the same industry in two or more countries.

There are several possible models that could be used for this research. Frege and Kelly's (2003) model of union revitalisation is one such model. The strategies which can be used by unions are: organising (acquisition of membership), organizational restructuring (mergers/internal reorganisation), coalition building (with other social movements), partnerships (with employers), political action (lobbying with a focus on legislation and labour market regulation policies) and international links (exchange of information). Frege and Kelly (2003) develop an encompassing and comprehensive model of union strategic choice embedded in social movement theory, which holds that the institutional context is not sufficient to explain union strategy. Social and economic change (labour market trends), state and employer strategies, and union structures (horizontal and hierarchical organisation of the union movement, networks, union leadership, relationships), are all important factors that shape union identities and repertoires of contention, in addition to the institutional context (collective bargaining structures, legal and arbitration procedures and the political system). 'Partnership' with employers is an organising approach often used to characterise employment relationships at least in larger retail employers (Haynes & Allen 2001). The literature on partnership is mixed. The approach is frequently characterised as having significant limitations in particular, by reducing the power base of unions and their members (Fichter & Greer 2004). 'Partnership' however is a contested term and can be defined in various ways, with some literature suggesting the need for 'strategic adaptability' by unions

(de Turberville 2007) and that it is not an either/or scenario; organising and partnership approaches may be combined sequentially by unions (Heery 2002). While the social movement model of strategic choice is currently dominant in the academic literature, there are alternative theoretical approaches including, from organisational theory, the resource-based view of the firm and contingency theory which, although they have had limited application in IR (for exceptions see Frost 2000; Katz, Batt & Keefe 2003; and Pecarek 2008), may be more useful in particular contexts than social movement theory. It is possible that elements of sociological and organisational theory may be combined to develop a more encompassing conceptualisation of union strategy than is currently available. Finally, there are approaches that focus on the micro-adaptations of workers themselves to work institutions, including unions (see for example Mrozowicki & Van Hootegem 2008). The purpose of the research is to therefore to explore the strategic choices of unions in representing and organising members in the retail industry in the UK and Australia and, by means of a grounded theory approach, use and if necessary adapt existing theoretical approaches to understanding the similarities and differences in strategy. The following section examines the general characteristics of the retail industry in the two countries.

RETAIL INDUSTRY IN THE UK AND AUSTRALIA

Retailing is one of the largest sectors in the UK and Australian economies, both in terms of financial size and employment. Retailing covers both the retailing of goods and services, but the focus of this research is on the former. Within European retailing, the UK is the most advanced country in terms of concentration, segmentation, capitalisation and integration. Its market leaders are among the UK's largest companies in both financial and employment terms. The same applies in Australia, where the market is heavily concentrated and dominated by a handful of large retailers, especially in food retailing (Mead 2003). The degree of concentration varies according to the product category. Despite being described as a "dynamic" industry, retailing is very often viewed as a mature industry, as are the multiples that dominate it. It is an industry characterised by increasing price competition, falling gross margins and returns, the closure of independent and medium-sized outlets and acquisitions and mergers (Burt & Sparks 2003; Mead 2003).

Labour is a major cost component to retailers and retailers' labour use strategies centre on enhancing the flexibility of their labour usage and on reducing labour costs. The retail industry is a major employer, providing jobs for around three million people in the UK and around 1.2 million people in Australia – although many of these are in part time positions, which means the full-time equivalent level is substantially less (Burt & Sparks 2003; ABS 2009). The list of major employers in Britain and Australia is dominated by retailers, and the sector is a significant employer of the youth and female segments of the labour force. Employment is concentrated in a few large businesses, such that in the UK multiple retailers represent less than one per cent of businesses, yet account for 46 per cent of retail employment and over half of retail turnover (Burt & Sparks 2003). A similar situation exists in Australia, where multiple retailers comprise 0.4 per cent of all retail businesses, yet employ 46 per cent of the workforce and generate 45 per cent of retail income (ABS 2007).

Retailing is primarily a feminised industry, with differences in the degree of feminisation within subcategories of retailing. Across the industry women comprise over 65 per cent of the retail labour force in the UK, and 51 per cent in Australia (Burt & Sparks 2003; ABS 2003). Part-time employment accounts for 58 per cent of all employment in UK retailing, of whom 79 per cent are female part-timers (Burt & Sparks 2003). In Australia, part-time employment accounts for 46 per cent of all retail employment, of whom 69 per cent are female part-timers (ABS 2003). In both countries, the retail industry is also essentially youthful, although over the past two decades young school leavers have been replaced in the retail labour force by full-time students working as part-time employees. One major difference between employment practices across the two countries is in the use of temporary

employment contracts. While zero hours contracts have been introduced in the food retail category in the UK, most part-time employment is permanent. In Australia, however, the longstanding use of casual contracts – employment on an hourly basis with no guarantee of on-going employment – is widespread. Although difficult to quantify for definitional reasons, in 2003, 26 per cent of Australian employees were on casual contracts (ABS 2005) but within retailing, 44 per cent of the workforce were on casual contracts. This is particularly pertinent for Australian unions as permanent employees are far more likely to be trade union members than casual employees (37 per cent compared with 13 per cent) (ABS 1997). Since work within the industry is generally low paid and part-time, staff turnover levels within the industry are high – estimated at around 62 per cent in the UK (USDAW) and 15 per cent in Australia (DEWR 2002).

In the UK retail industry, defined as wholesale, retail and motor trade, 26.5 per cent of employees have their wages set under a collective agreement (Mercer & Notley 2008). The majority of the retail workforce is paid under individual contracts, but a proportion is reliant on the National Minimum Wage. Labour force survey data gives retail average weekly earnings at £340 in 2008, the second lowest paid sector behind agriculture and fishing (£310). Average weekly earnings for all sectors in 2008 were £436, hence retail workers earn 78 per cent of UK average earnings. In Australia, retail workers' wages are set by a variety of payment methods: awards, registered and unregistered collective agreements and registered and unregistered individual contracts. In 2006, awards covered 30.8 per cent of retail workers; registered and unregistered collective agreements 37.4 per cent; and registered and unregistered individual agreements 31.8 per cent (Peetz & Price 2007). Regardless of wage setting method, retail is the lowest paid industry in the country. In Australia, average hourly earnings in the industry in May 2006 were around \$18 per hour, whereas the next lowest paid industry averaged \$23 per hour and the all-industry average was around \$25 per hour. Retail trade hourly earnings average only 71 per cent of Australian average hourly earnings. This reflects, amongst other things, the low bargaining power of employees in the industry, as a result of low union density and high rates of casualisation.

TRADE UNION ACTIVITY AND MEMBERSHIP IN THE UK AND AUSTRALIA

Trade unions in both the UK and Australia face an ongoing crisis in membership, density and representation. In the UK, between 1995 and 2007, union density declined from 32.4 per cent to 28 per cent (Mercer & Notley 2008). In Australia, union density over the same period declined from 33 per cent to 18.8 per cent (ABS 1997; 2008). In both countries, important variations in union membership can be seen in relation to sector, region, work characteristics and personal characteristics. In the UK in 2007, the North East region has the highest union density at 37.5 per cent, whilst the South East has the lowest density at 21 per cent (Mercer & Notley 2008). In Australia, in 1996, Tasmania had the highest union density at 39 per cent, with the Northern Territory the lowest at 23 per cent (ABS 1997). Union density also differs across sectors in both countries, with private sector density in 2007 standing at 16.1 per cent in the UK, and 14 per cent in Australia, while public sector union density in 2007 stood at 59 per cent in the UK (Mercer & Notley 2008), and 41 per cent in Australia (ABS 2008). Across both countries, similar patterns of differences in density exist with full-time employees more likely to be union members than part-time employees (UK 30 per cent vs 22 per cent; Australia 21 per cent vs 14 per cent). Within the retail industry, UK trade union density was 11.3 per cent in 2007 and 16 per cent in Australia in 2006 (Mercer & Notley 2008; SDA 2006). Union density relative to gender reflects the structure of employment within the industry. In Australia, retail union density is 17 per cent for females, compared to 14 per cent for males (Peetz & Price 2007), whilst in the UK, 12.1 per cent of females and 10.3 per cent of males are union members (Mercer & Notley 2008).

In the UK, the main retail trade union is the Union of Shop, Distributive and Allied Workers (USDAW) with 356,046 members in 2007. In Australia, the Shop, Distributive and Allied

Employees' Association (SDA) is the main retail trade union with 217,000 members in 2008. Both unions represent shop assistants, department and store managers as well as clerical and administrative employees working for retailers. USDAW is viewed as a campaigning union, for example, its Sunday trading campaign; and renowned for its partnership agreement with Tesco, which was signed in 1998. The SDA is known for its moderate 'business unionism' approach (McCann 1994; Game & Pringle 1983) and for advocacy of statutory compulsory unionism and, when that was abolished, by encouraging union membership agreements with employers that involved deduction of union fees from employees' pay (Balnave 1997; Balnave & Mortimer 2005), an arrangement known as 'the check off'. The SDA's primary strategy has been in making moderate collective agreements with major retailers in exchange for various forms of 'union encouragement' to sustain membership levels (Mortimer 2001a). The political dimension should not be ignored: the SDA is the main union in a bloc of unions on the right wing of the Australian Labor Party, active from the mid-1940s onwards in combating Communist influence in politics via the ALP's 'Industrial Groups', with recruits drawn from the Catholic Church's Social Studies Movement. This political influence has at times assisted it to lobby for legislative change such as compulsory unionism in the 1950s (Balnave & Mortimer 2005) although conflict between the Groupers and the rest of the ALP led to a split in Labor ranks which was largely responsible for keeping the ALP out of power federally and in most states for nearly two decades (Reynolds 1974). The SDA continues to be a powerful factional force in national and state Labor politics around Australia.

One of the main problems for both unions is the high rate of staff turnover in the retail industry, which means that recruitment activity must be constant to simply maintain membership levels. This is in addition to the difficulties associated with the large proportion of small businesses in the retail industry as well as opposition from some large employers and the difficulties associated with organising a part-time, and in Australia also casual, labour market. As a result both retail unions' leadership face a situation of "limited recognition, low density and consequently poorly perceived effectiveness" (Upchurch & Donnelly 1992: 68). This increases the pressure associated with the unions' strategic choices.

RESEARCH METHODS

This study will explore the strategies used by USDAW and the SDA to respond to the aforementioned challenges and to represent 'new workers' in the retail industry. The research design is qualitative, in order to develop a rich body of data using multiple data-gathering methods. A qualitative research design is also used to address the weaknesses of the existing literature on comparisons of union strategy, which as Frege and Kelly (2003) note, are limited to quantitative analyses. The in-depth case study will be based upon semi-structured interviews with union officers and branch representatives. The primary research will be triangulated with members' focus groups and secondary data sources, including union, government and industry sources. Semi-structured interviews will be conducted with officials at the central national office and at regional offices across the UK and Australia. This data gathering process is important given the known differences in membership levels across regions in the UK, and unknown regional differences in Australia.

DISCUSSION

Union revitalisation can be conceptualised as an ongoing and incomplete process, in which unions may reshape their identities and goals, and redefine their role in society, politics and the marketplace (Behrens, Hamann & Hurd 2004:24, citing Hyman 2001). Union revitalisation has membership, economic, political and institutional dimensions. At the same time, a union's position is context-dependent. For unions such as USDAW and the SDA with an overall growth in absolute numbers if not in density, and reasonably high membership in

some of the large employers, the membership dimension may not be as important as, for example the political and economic dimensions. Hence there may be less focus on 'organising' than in other unions. One outcome of the research will be that this issue is tested empirically. Another outcome is that by comparing and contrasting the existence of partnership arrangements in the industry in the two countries – and the integration of partnership arrangements with other strategies – the research will explore the nature of 'partnership' (a contested and sometimes derided strategy) in different national contexts. The research will also explore similarities and differences between the political stance and strategies of the two unions, and changes over time in political strategies. And by integrating considerations of economic success by systematically appraising outcomes for union members in wages and other conditions of employment, the research will ensure that analysis of the two unions' 'success' will be integrated with analysis of their strategies. Finally, exploring the relative contributions of the various dimensions to union success and effectiveness in two countries, and possibly extending the project beyond those two countries, will enable a more nuanced understanding of the process of union revitalisation in an industry that, despite its large share of employment, has received little academic attention.

In sum, the project will address a lacuna in the literature by enhancing our current understanding of union strategy, unions' strategic choices and cross-country similarities and differences in unions' representational strategies. Second, in a broader theoretical and practical context, an analysis of the unions' current strategies will allow the development of a theoretical model, which will provide unions with practical suggestions and innovative insights to develop new, more effective, value-added strategies for representing members. There is a compelling need to understand how the changing composition of the workplace affects social and political dimensions of work at the macro level, and at the micro level, how it affects union strategies. This understanding is particularly pertinent in the retail sector, to determine how unions can effectively and successfully represent a new breed of atypical workers, which could subsequently be applied to retail unions in other countries, and to comparable industries in other growing sectors of the economy such as hospitality, catering and call centres;. The larger issue of union strategy and renewal is significant for economic and social policy in both countries, in facilitating productive employment relationships, high performance work systems, and efficiency, equality and fairness for employees, irrespective of their nature and location of employment.

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