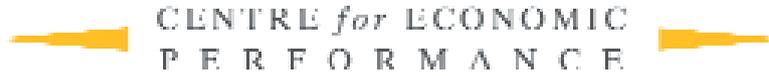




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ABSTRACT: Union membership has declined precipitously in the US over the past 40 years. Can anything be done to stem this decline? This paper argues that union voice is an attribute (among others) of union membership that is experiential in nature and that unlike the costs of unionisation, can be discerned only after joining a union. This makes the act of 'selling' unionism to workers (and to some extent firms as well) rather difficult. Supportive social trends and social customs are required in order to make union membership's many hard-to-observe benefits easier to discern. Most membership based institutions face the same dilemma. However, recent social networking organizations such as Facebook and other on-line communities have been rather successful in attracting millions of members in a relatively short period of time. The question of whether the union movement can appropriate some of these lessons is discussed with reference to historical and contemporary examples.

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1 Introduction

What is meant by the oft used expression “the two faces of unionism”? Borrowing heavily from Kaufman (2004) and Freeman and Medoff (1984), the two faces refer quite simply to union rent seeking behaviour and union voice. The union wage premium and its correlates --in the form of improved working conditions and benefits -- constitute the pecuniary advantages of union membership for workers. These same benefits, however, also correspond to the costs of unionisation to the firm.¹ The counterpoint to this rent seeking face is employee voice. The provision of an institutionalised mechanism by which labour and management can communicate and bargain without fear of major repercussions, is the second (not so) visible face of unionism. Voice -- defined here as formal two way communication between employees and employers (Willman et al., 2007) -- can offer a number of benefits to a workplace. In the presence of voice, employees are less likely to quit when work related problems arise; and managers are more likely to learn things about their own workplace that they may otherwise not have known or, crucially, ever thought of asking. Voice can, in this instance, be of benefit to both parties, which is why it is typically viewed as the positive face of unionism (Kaufman and Levine, 2000).²

It is our contention that American unions need to do a better job of invoking and selling these hard-to-observe aspects of worker voice to both employers and employees if they are to achieve union membership rates comparable to their 1960s peak.³ We argue that unions can learn about marketing these hard-to-observe benefits by studying and appropriating techniques from contemporary membership based institutions such as Facebook and other

¹ As with any theoretical characterization that aims at simplifying a complex reality, this is not quite the case. For employees, real benefits are net of subscriptions. For employers the real costs are net of voice benefits plus the potential cost of voice.

² For more on voice see Kaufman and Levine (2000), who spell out a full list of ‘voice benefits’ in detail and also highlight why private sector firms may under-supply voice.

³ This is especially important if their traditional advantage as guarantors of the union wage premium may be disappearing. Thus, to the extent that this is an easy to observe characteristic for potential members, unions may be losing the one lure into membership that is search-based rather than having to be experienced.

successful networking communities around the globe. The paper derives certain insights from similar historical social trends and examines their link with union ascendancy and subsequent decline.

2 The Many Faces of Unionism

To understand why unions -- in particular those in the US which are the focus of our analysis here -- have had such a hard time adding sufficient numbers to their membership rolls, one must first recognize that there are other faces to unionism beyond those listed in our introduction. These are aspects of unionism that in the parlance of consumer theory would normally constitute product 'attributes' only fully observed after 'purchase.' The notion of union membership as a multi-attribute good with a mix of 'search' and 'experience' characteristics (Bryson et al., 2003; Gomez and Gunderson, 2004) captures this reality. Our characterization of union membership as an experience good occurs in a context where the bulk of benefits that accrue to both workers and firms (such as greater tenure, more family friendly policies, and a safer workplace in the presence of unions) are only accurately revealed *after* a union is in place (Knoke, 1990).⁴ The fact that the costs of unionisation in the form of dues and wage premium are fully known up-front makes union membership appear more like a search good. And indeed, if this were all that unionism had to offer then any of the additional complexities brought on by experiential learning would disappear. However, these easy-to-observe attributes do not represent the full extent of union benefits, which are mostly hidden from simple search. This in turn creates risks for both parties prior to adoption. Risky or unknown benefits prior to adoption create delay on the part of employees and opposition on the part of employers (which over the scale of

⁴ Knoke's (1990) book on the political economy of associations explicitly compares unions with other forms of collective association. Although the idea of unions as 'experience good' is never explicitly invoked, the comparison embraces the experience of membership as well as the structure of organisation and processes.

a normal lifetime can appear perpetual in many cases).⁵ There is also a well-established literature in cognitive psychology which details how the anticipation of regret – brought about by uncertainty over an outcome-- is often the source of procrastination and delayed action (Knowles and Lynn 2004). In the context of union growth and rejuvenization, these insights explain why even willing employees may never join a union (or actively organize) for reasons owing ultimately to the obstacles created by these ‘hard-to-observe’ benefits. Once deflated by these up-front risks, the experiential benefits of unionisation are often outweighed by the benefits of worker delay, costs of organizing effort or opposition from management.

Historical example 1: 1940s Hollywood and the mainstream portrayal of unions

If the discussion above sounds a bit too abstract, perhaps a historical example can establish the point more concretely. We need to cast our gaze back 60 years or so to a time when unionism was actually viewed as an important and relevant institution within the mainstream of American society. This was a time when the full assortment of both easy and hard-to-observe benefits of union voice seemed to be recognized by a large portion of American workers, and even, it seems, by many firms. This attitude is reflected in a number of the popular films of the day. One such film, in particular, highlights the positive tone and multi-dimensional rationale for unionism. The film in question is the *Devil and Ms. Jones* which premiered in 1941. *The Devil and Miss Jones* was a social comedy with quite radical undertones by today’s standards.

The film’s plot is deceptively simple. A cantankerous (and highly reclusive) tycoon named John P. Merrick (Charles Coburn) learns that agitators are

⁵ This is only true in the absence of an external rule, as exists when a government imposes a legislative ‘standard’ of some kind. For example, the recent High Definition DVD standard war between Toshiba and Sony has prolonged the adoption and purchase of HD DVDs by consumers. It is expected now that Sony has won with its Blu-Ray technology that faster diffusion will ensue.

trying to unionize the major department store that he owns. To thwart this blatant act of democracy, Merrick (whom no one but a handful of attendants has ever seen) goes undercover and takes a menial job as a shoe clerk at his own New York department store. What better way to catch the union activists without detection! In the course of going undercover, however, he unexpectedly befriends fellow clerk Mary Jones (played by Jean Arthur) and her recently fired friend Joe O'Brien (played by Robert Cummings), a labour union organizer. Once Merrick himself is subjected to the humiliating treatment afforded his employees by his very own managers, he starts to understand the origins of workplace unease. As things develop, it is Merrick who ends up spearheading the union drive and establishing a labour-management agreement that promotes the interests of his workers as much as those of himself as owner.

What is remarkable about the film from today's standpoint, however, is its depiction of working life. In particular, the film highlights how common experiences, both inside and outside the workplace, bind department store workers together and help to foster the preconditions for a successful organizing drive. One scene in particular highlights this reality. It begins when the workers meet on the department store's rooftop to discuss what they can do to improve working conditions and also the strategies and tactics needed to set up the union. At this meeting, worried that they may be discovered, they hatch a plan to meet on weekends on Coney Island beach to solidify their plans. We shall come back to this scene again, as it proves especially relevant when we describe the social trends that seem to be working against unions in the US today, but which at the time of the film, the 1940s, were in harmony with labour organizing and unionism.

That the movie's theme, of a successful union organizing drive helping both labour and management, was not considered so radical in its day is true for several reasons. America was about to enter a war for one, and the home front demanded labour-management cooperation. It was also a film that appeared after that decade long slump – the Great Depression – that had shaken the foundations of unfettered market capitalism in the US. The film

also clearly followed on from the precepts of the New Deal. For these reasons and others like it, the film was actually quite universal in its appeal. But this is exactly the question for North American labour: what happened to that mainstream appeal, where did it go?

We do not need to be reminded of the perilous state of private sector trade union strength in 21st century America. If a picture can tell a thousand words, this one needs very little comment. Notwithstanding the individual successes of many unions and victorious unionisation campaigns such as Justice for Janitors (Erikson et al, 2002) in California and the organizing of nearly all the construction service/hospitality sector in Las Vegas by the Service Employees International Union (SEIU), the American union movement has been unable to reverse a trend that began more than 40 years ago now. There are now fewer than ten workers out of 100 who are organized in the United States, down from 30 during unionisation's peak in the early-to-mid 1960s.

There are many reasons for this decline, well known to many reading this article, but we prefer to cast light on a somewhat less quantifiable cause. If we consider another picture, this time of one that is embossed on our collective conscious, we may come to a better understanding of the social forces at work that may have shaped the fall. The picture in question is of a beach scene with what seems like thousands if not hundreds of thousands of bathers literally occupying every inch of sand. The picture was taken by Weegee in the late 1940s on Coney Island. There is an insight in that picture of relevance to unions, and it is the idea that more people did the same things back in 1947 than they do in 2007. Many more people live in New York today than they did 50 years, yet fewer of them end up going to the beach on a summer weekend. Why is this so?

Historical example 2: The rise and fall of public swimming pools in the U.S.

A similar social trend has been discerned in a recent book that examines the life and times of -- of all things -- the Public Pool in America. In the book, *Contested Waters: A Social History of Swimming Pools in America*, Wiltse (2007) traces the evolution of municipal pools in America from the late 1860s to today. Focusing on northern cities like Chicago, Milwaukee, and St. Louis, Wiltse finds that pools gradually became hotbeds of social interaction and social change. In his words: "Municipal swimming pools were extraordinarily popular during the 1920s, 1930s, and 1940s....Cities throughout the country built thousands of pools—many of them larger than football fields—and adorned them with sand beaches, concrete decks, and grassy lawns. Tens of millions of Americans flocked to these public resorts to swim, sunbathe, and socialize... In 1933 an extensive survey of Americans' leisure-time activities conducted by the National Recreation Association found that as many people swam frequently as went to the movies frequently" (Wiltse, 2007:25).

In other words, public swimming was as much a part of America as was going to the movies. From the 1920s to the 1950s, municipal pools served as centers for the community and arenas for public discourse. Hundreds and sometimes thousands of people gathered at these public spaces where the contact was sustained and interactive. In short, community life was fostered at municipal pools. The history of swimming pools reveals changes in the quality of social life and the extent of civic engagement in modern America.

So why did this principal social activity in America largely disappear? The proliferation of private swimming pools after the mid-1950s, according to Wiltse (2007), caused a retreat from public life. Millions of Americans abandoned public pools perhaps because they, in actuality, preferred to pursue their recreational activities within smaller and more socially selective communities. Instead of swimming and interacting with a diverse group of

people at municipal pools, private-pool owners secluded themselves into their own backyards. “The consequences have been”, according Wiltse (2007), “atomized recreation and diminished public discourse”.⁶

3 Unionism and the Facebook Society

A couple of related questions arise from this discussion. First, did rising incomes simply reveal the true private preferences of Americans? Or rather, did public pools offer people an opportunity for social and community interactions, which if reconsidered from a contemporary perspective, would see different results today versus 1960s when the switch to the private realm occurred? In other words, were the communal activities fostered by the public pool system in American up to the early 1950s simply the result of being less materially well off, or did they in fact reveal a sense of community that Americans regret having lost?

Whatever the answer, it is no mere coincidence that the period of union ascendancy in America coincided with these other mass social trends. Indeed even the advent of Television offers a similar example. For example, one out of two Americans watched the first episode of the Honeymooners in 1955. A show, it should be noted, that depicted the life and times of a lower middle-class (and unionised) New York bus driver portrayed by that every-man actor Jackie Gleason. Today half of all Americans cannot be counted on to vote let alone watch a single television program en masse – not even the Superbowl commands a fifty percent share of the viewing audience today. Yet, there are more television viewers in 2008 than ever before, but fewer viewers watching any single program. Much like Weegee’s Coney Island picture of weekend bathers, Americans have splintered and fragmented into multiple demographic groupings and “social tribes”. Has anything replaced these ‘common’ activities and if so what is it?

⁶ These arguments are of course nothing new, in particular see “The Goldthorpe Affluent Worker” studies of the 1960s < www.bola.biz/motivation/affluent.html>.

It may sound axiomatic, but consumer choice for one is partly to blame for the loss of common cultural activities. Many social historians (Cross, 2006) argue that private (household) consumption and commercialism became the dominant cultural ethos in late twentieth-century America, effectively wiping out all competing public cultures. These critics characterize Americans as passive receivers of this consumer culture created and popularized by marketers, movie producers, merchants, and entrepreneurs.

Another argument with a strong family resemblance to this line of reasoning is the idea popularised more than a decade ago by Putnam (2000) in his book *Bowling Alone The Collapse and Revival of American Community*. But whereas Putnam identifies Television as the principal source of decline in shared common experiences and social capital, we have just noted that even at the level of Television program viewing – America is doing less in common today than in the 1950s.

So these same questions persist: How accurate are these latter-day characterizations of American society? Can they really account for the decline in US union membership decline, much as they explain the fall off in other mass consumer behaviours such as public swimming and recreational bowling?

This is where the second part of our title contains a potential and partial answer to these questions. Facebook (of the Facebook society referred to in the title) is a social networking website that initially allowed people to communicate with their friends and exchange information. Once you become a member of Facebook, you can select to join one or more participating networks, such as an old high school, place of employment, or geographic region. It was launched in 2004 and founded by Mark Zuckerberg, a former member of the Harvard Class of 2006. Initially the membership was restricted to Harvard students. It was subsequently expanded to other Boston area schools and the Ivy League schools within two months. Many individual universities were added in rapid succession over the next year. Eventually,

people with any email from across the globe were eligible to join. Networks were then initiated for some large companies. As of October 2007, the website had the largest number of registered users amongst the college-aged, with over 42 million active members worldwide expected to pass 60 million users by the end of the year (most now coming from non-collegiate networks). In 2007 it increased its ranking from the 60th to the 7th most visited web site. Moreover, it was the number one site for photos in the United States, ahead of public sites such as *Flickr*, with over 8.5 million photos uploaded daily. All this sounds rather impressive and it is.

But it is not unprecedented. America has seen similar instances of millions of people joining social networks in a relatively short period of time. Indeed, there is one clear historical precedent. If one ventures back to mid-1930s America, it is clearly the growth in union membership between 1936 and 1946 which had a similar diffusion curve. What is it about facebook that today – in an era of competing claims on time and interest –grows and disperses itself within a population purported to do nothing in ‘unison’ anymore?

For one thing, contrary to generic criticisms of consumer society, Facebook and other social networking sites are not a passive form of consumption. In fact, they are active in demanding production and attention from its members. This is in part why *Time Magazine* recently chose its Person of the Year as being “YOU”, namely the users of the internet. This stands in marked contrast to its 25th anniversary cover in 1982 where the Computer was chosen as Man of the Year and seated next to the computer on the cover of the magazine was an anonymous form representing a person.

The world of information technology has quickly moved from the passive to the active. Facebook, is the 21st century equivalent of the public pool or 1940s Coney Island. Union membership during the high-water mark of its ascendancy in the 1940s and 1950s, benefited from having these contemporaneous forms of common experience upon which to piggy back. So

what is preventing modern unionism from doing the same with Facebook's 60 million members?⁷

The problem is that we don't have a labour market equivalent yet to the facebook society– as we did when the union movement was closely aligned with the social trends of the day and each reinforced each other (e.g., union sponsored bowling leagues).⁸ The day at the beach spent by the retail workers in the movie *The Devil and Miss Jones* reinforced their solidarity at the workplace. Can a similar model be adopted by North American labour? Something which facilitates the drive for voice and better working conditions at work?

However, it needs to be emphasised that this is not the same as arguing that unions have to set up facebook pages for workers. Rather it is about appropriating the same attributes of the 'facebook phenomenon' and applying them to the 'proposition' unions offer both workers and (crucially) to firms as well.

What are these attributes then? There are five:

1. Facebook is simple to use and cheap to acquire without being simplistic. Google is much like this as well. That is, you can go back to Google or facebook and receive different benefits each time;
2. There is a common platform that allows for constant evolution but also for tailoring by individuals or groups;
3. Low (to non-existent) entry costs for facebook members. There is no real pecuniary penalty to leaving Facebook either, which means you are more likely to try it for the first time;

⁷ The legitimacy of unions' argument may also be at play here. This argument is central to the Hannan and Freeman (1988) thesis on the ecology of unionism whereby selection rather than adaptation drives overall trends in organizational success. In the US, for example, the number of unions peaked before the number of members.

⁸ The natural union parallel here is the Kerr and Siegal (1954) model of strike activity in tight 'occupational communities'. It is well known in the sociology of work that for the development of an occupational sub-culture to occur, there needs to be intense interaction among workers both on and off the job. An excellent example of this can be found in Zimmer's (1986) work on female prison guards in the US.

4. Pay-as-you go systems, like those adopted by Facebook, are quite appealing to new users, unsure of the potential benefits and with fears of lock-in.
5. Strong network externalities (so-called bandwagon effects) whereby the more users on Facebook, the greater are the individual benefits to existing users and new adopters looking to join the site.

This list of Facebook society attributes has, we believe, some transfer to the problem of acquiring more new trade union members than are lost (mostly to attrition). It has been found in work on British union membership decline (Bryson and Gomez, 2005) that 'loss of membership' has remained constant for close to 30 years in Britain. During that time union density reached a plateau and began its steady decline. How can this be?

The overall cause of decline was the growth in 'never membership'. That is, persons who entered the labour market post 1980 and who increasingly never had a unionised job. Essentially, this is a self-reinforcing trend due to many of the reasons alluded to earlier in our depiction of union membership; in particular, the notion of unionism as "experience good". Unionism imparts a number of benefits that are often hard to observe from the outside and the way into membership often has to be learned. Hence, whatever the impulse (the poor labour market conditions of the early 1980s, the anti-union sentiment of workplaces set-up after 1960s) for the initial rise in never membership, once the trend started, the social propagation mechanisms began to work against union membership growth.

4 Concluding Observations

There are major challenges facing Wagner style unionism. This is true not only in the US, but anywhere that unions have to organize a workplace and convince workers and firms of unionism's benefits. It becomes difficult to add new members under traditional approaches especially when there is a less

supportive social environment that does not readily highlight the positive attributes of having union voice, especially those attributes that are otherwise hard to observe in the absence of experience with a union. Though we have offered a characterization of a modern social phenomenon that may give unions some hope of attracting millions of new members, unfortunately, we do not know what a new model of unionism, which borrows from the success of Facebook-type social networks, would look like. There is also a “chicken and egg” type problem at work here. Common choices made by a mass of workers require common experiences, which in turn, create common expectations and tastes. Increased consumer choice and product differentiation strategies by firms tend to balkanize consumer markets. Balkanized consumer markets mean that we are increasingly segmented in our activities outside the workplace. Discussions around the water cooler become increasingly more difficult.

Fragmented consumer choices have a more profound effect than merely raising the cost of explaining what you do outside of work to your colleagues, they also change the nature of work as well. The more segmented we become as consumers and citizens outside of work, the more our work loses commonality. There were once armies of typists and ditch diggers doing basically the same thing. Today, however, it becomes increasingly hard to find two people doing the same thing inside the workplace, even amongst workers with the same job titles. Work processes have become as specialised as the products and services employees are obliged to provide. So segmented leisure, consumption and working experiences no longer lend themselves to the ‘communal solutions’ provided by Wagner Style collective bargaining models. And indeed if one looks at the professions/occupations in the US that actually held their own and even added union members over the past 20 years (e.g., such as pilots; flight attendants; machinists; teachers; actors; screenwriters; journalists; and nurses); these have been professions in which ‘output’ has not changed as much as say for an IT worker, computer engineer or a business consultant.

In this paper we do not end with an answer or with a ready made solution to the problems faced by US trade unions, but merely indicate a direction where unions need to look in order to find a supportive social phenomenon upon which to latch onto and also learn from. If Facebook is the equivalent of the Coney Island weekend retreat, then unions need to learn about what brings potential members out to the 21st century beachfront.

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