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Unions and Job Quality

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7.1. INTRODUCTION

Since the start of the 1980s there has been a transformation in the system of employment relations in Britain. The dominant model in the post-war period, which had been based ‘on the shared values of the legitimacy of representation by independent trade unions and of joint regulation’ (Millward et al., 2000, 234), was substituted by an emerging system in which management communicates directly with employees via team briefings, town hall meetings, and email, where employees look to their individual statutory rights for protection, and where an employer-driven discourse on productivity growth via human resource management is the dominant paradigm (Dickens and Hall, 2009; Van Wanrooy et al., 2013; Willman et al., 2009; Wood and Bryson, 2009).

In this chapter we ask: what are the implications of this transformation for the level and distribution of job quality? Unions have typically been regarded as a force for equality and fairness at work. A decline in the relative size of the union sector means a decline in union ‘reach’, and perhaps also of the extent to which unions can make a difference within that reach. It may also entail a reduction in any impact unions might have on the non-union sector.

The restructuring of employment relations is indeed reflected in falling union density: between 1986 and 2012 across the economy the proportion of employees who were union members declined by over one third from 45.6 per cent to 29.0 per cent (Skills Employment Surveys (SES)). The percentage of employees in the unionized sector also declined, albeit less dramatically, whether one defines the sector in terms of the workplace presence of unions or of workplace recognition for pay bargaining (see Figure 7.1). Both the levels of unionization and the pattern of decline shown in the SES broadly confirm what is known from other sources: a substantial de-unionization in the 1980s and 1990s followed by a somewhat slower rate of decline in the 2000s (Blanchflower and Bryson, 2009; Brown et al., 2009; Bryson and Forth, 2011;

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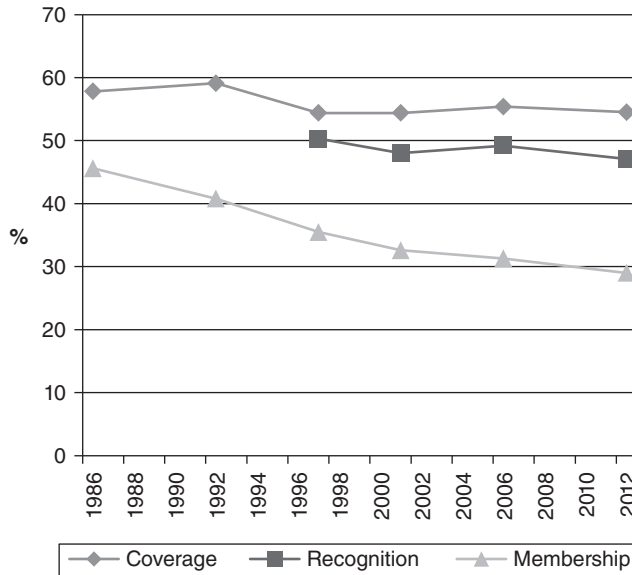


Figure 7.1. Union Coverage, Recognition, and Membership, 1986–2012

Source: SES

van Wanrooy et al., 2013). Schnabel (2013) shows that Britain is by no means unusual in this respect: there has also been falling union density in much of the advanced industrialized world over the last three decades.

It would be wrong, however, to imagine that unions have become a spent force in the British economy. Even after this sustained period of union decline, nearly half of all employees are working in a workplace where at least one union is recognized for pay bargaining, while close to one third of all employees are union members. Furthermore, where unions remain in situ the trend for union influence is theoretically open: it is likely to depend on the degree of bargaining power unions wield in negotiations with employers. Only if there is a reduction in bargaining power will there be a predicted reduction in influence; according to some theories such a reduction is predicted by increasing market competition, and by the loss of legal protections. Evidence from workplace surveys point to a bifurcation in union strength in workplaces where they still have a presence (Millward et al., 2000, chapter 5). In many instances, where unions remain they are quite weak: negotiations with employers are less common than they once were and, where they do occur, the number of issues over which negotiation occurs has been falling (van Wanrooy et al., 2013, 80–5). Yet many unions have maintained their organizational strength on the ground. Union representation appears to have been remarkably resilient in the face of recession (van Wanrooy et al., 2013, 65–7).

Against this backdrop, the aim of this chapter is to study the changing association of unions with job quality, thereby to improve understanding of the implications of union decline for inequality in the workplace. We draw on a literature that has been primarily focused on unions' effects on wages. A broad aim of our analysis, beyond that of previous studies, is to examine the changing associations between unions and several core domains of intrinsic job quality, as well as the association with job security. Given unions' traditional effects on pay, we also contribute new analyses of unions' effects on wages, using the SES: we address the question of whether, as expected following the posited reduction in bargaining power, the union wage premium has declined over time; we also ask whether, along with union decline, there has been a reduction in the extent to which trade unions reduce wage inequality.

We begin the chapter by reflecting on the changing nature of unionized employment in Britain: we show that unionized employees are increasingly likely to be found in the public service industries and that a growing proportion are engaged in professional occupations. Taking note of, and controlling for, these changes is important for the union/non-union comparisons to follow. In section 7.3 we begin with the standard measure of union influence, namely the union wage premium, and extend our analysis with a measure of union influence over wage dispersion. Building up towards our broader analysis of job quality other than pay, we then examine how employee perceptions of unions' influence on work organization have been changing. Finding that, where they remain, ~~the~~ unions' perceived influence on work organization may even have increased since the early 1990s, we turn in section 7.5 to the core part of the chapter: the associations of union coverage with work intensity, task discretion, opportunities for skill use, job insecurity, and job learning requirements. Our findings enable us to draw some general conclusions about how the changing employment relations system has been associated with changing workplace inequalities.

7.2. WHO ARE UNION MEMBERS?

Not only has the union sector shrunk in the last quarter century, its composition has changed considerably, as is shown in Table 7.1. As earlier studies have testified (e.g. Department for Business, Innovation and Skills, 2013; Machin, 2000), union members have aged relative to their non-member counterparts because unions have found it increasingly difficult to organize young workers. Whereas in 1986 less than half (48.5 per cent) of union members were over forty, this proportion had risen to 62.9 per cent by 2012. What was once a male-dominated movement, with 64.4 per cent male in 1986, evolved into one with a male minority (47.0 per cent). The latter is partly

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Table 7.1. Trends in the Characteristics of Union Members (Percentage of All Union Members)

	Aged forty or more	Male	Public service industries**	Professional*
1986	48.5	64.4	32.1	25.6
1992	50.4	58.2	43.6	29.6
1997	53.2	54.2	43.8	34.8
2001	58.6	52.5	49.4	37.9
2006	61.4	48.4	57.8	41.8
2012	62.9	47.0	58.7	47.9

Notes: *professional or associate professional occupation; ** health, education, and public administration.

Source: SES

associated with the increased concentration of union members in the public service industries (health, education, and public administration) (from 32.3 per cent in 1986 to 59.3 per cent in 2012). These changes may be especially salient when studying relationships between unionization and a range of economic and social outcomes.

But perhaps most significant for the study of job quality is the fact that the type of occupations that are unionized has changed radically. The trade union movement in Britain, like elsewhere, had its origins in manual labour jobs, such as coal mining and machine operatives, and in craft workers such as shoemakers and typesetters. Already by the mid-1980s this had begun to change: by 1986, one quarter (25.6 per cent) of union members were in professional or associate professional occupations (this compared with less than one in six non-members). Economic forces, most notably skills-biased technological change and the shift to services which has characterized most advanced Western economies, has led to increased demand for professional occupations. This is apparent in the increased proportion of all employees in professional or associate professional occupations. However, the penetration of professional occupations is much more apparent in the union sector than it is in the non-union sector. In 2012, whereas under a quarter of union non-members were drawn from the ranks of the professions, this was the case for nearly one half (47.9 per cent) of union members. What is more, this professionalization of unionized employees occurred in both the public and the private sectors: it is not solely due to the increased concentration of members in the public sector.

7.3. THE UNIONS AND WAGES

With the prevalence of unions in long-term decline over the last quarter century, and the character of their membership changing, what has been

happening to their association with job quality? Before examining unions' associations with broader, non-pay aspects of job quality, we look first at the links with wages.

7.3.1. The Union Wage Premium

Unions' ability to procure a wage premium for covered employees is often regarded as the touchstone for union influence among economists and scholars of industrial relations, primarily because it is a chief objective of union bargaining. The empirical literature addressing this issue is considerable (for a review, see Bryson, 2014), and one of the issues in comparing studies has been that heterogeneous findings can be attributed either to differences in specifications or to data differences. To examine whether the union wage premium has been changing over time, therefore, it is useful to be able to use consistent data and adopt the same methodology with successive cross-sectional waves of data. The SES series is one that affords a further opportunity for such an analysis.

Table 7.2 presents union wage effects for the quarter century ending in 2012, first for the whole economy and then for the public service and 'private' (i.e. other) industries separately. In each case the first column presents the raw wage gap between covered and uncovered employees (columns 1, 3, and 5). The next column (columns 2, 4, and 6) presents the union wage premium, which is the wage gap adjusting for observable differences in the demographic and job attributes of covered and uncovered employees.

Table 7.2. The Union Coverage Wage Premium

	All		Public service industries		Other industries	
	(1)	(2)	(3)	(4)	(5)	(6)
	Raw wage gap	With controls	Raw wage gap	With controls	Raw wage gap	With controls
1986	0.204***	0.084***	0.398***	0.144***	0.168***	0.052***
1992	0.214***	0.104***	0.334***	0.154***	0.179***	0.078***
1997	0.226***	0.093***	0.441***	0.112***	0.180***	0.079***
2001	0.117***	0.039***	0.321***	0.116***	0.046**	0.007
2006	0.143***	0.026**	0.301***	0.093***	0.079***	-0.006
2012	0.166***	0.040**	0.238***	0.094***	0.119***	0.022

Notes: the dependent variable is the log of the hourly wage; controls in columns (2), (4), and (6) are for the highest education level, a quadratic in work experience, gender, white/non-white, size (four categories), one-digit occupation, region, and one-digit industry; asterisks give the significance of union/non-union gap, at * = 10 per cent, ** = 5 per cent, *** = 1 per cent.

Source: SES

Back in 1986 the raw union wage gap was 0.204 log points (that is, 22.6 per cent) in the whole economy (row 1, column 1), but the premium is only two fifths of this (0.084 log points) having adjusted for the wage-enhancing attributes of covered employees relative to uncovered employees. By 2012 the raw wage gap had fallen a little to 0.166 log points, but the regression-adjusted premium had fallen more sharply to 0.04 log points, a gap which is only statistically significant at a 10 per cent confidence interval.¹ Similar patterns of decline are apparent in both the private and public industries, indicating that the trend is not simply due to the changing composition of jobs. However, the premium tends to be larger in the public service industries than elsewhere. Furthermore, whereas the public services union wage premium remained statistically significant throughout the period, the union wage premium elsewhere in the economy disappeared in the late 1990s and has never resurfaced.

These findings are consistent with other studies for Britain showing a substantial decline in the union wage premium in recent decades (e.g. Blanchflower and Bryson, 2007, 2009, 2010; Bryson and Forth, 2011; Forth and Millward, 2002; Hildreth, 1999). However, many of these studies focus on the premium attached to union membership, as opposed to union coverage, and a number find that a significant, if reduced, premium persists.²

7.3.2. Unions and Wage Dispersion

The union wage premium is one channel through which unions might impinge on wage inequalities between jobs. In addition, unions' wage policies may be directly aimed at reducing inequalities in the workplaces where they have bargaining influence. Their wage policies are often guided by the principle of a 'fair day's pay for a fair day's work', such that wages are attached to jobs rather than individuals' attributes. This wage standardization policy, coupled with concerns to tackle wage discrimination on grounds of race, gender, and disability, can compress wage differentials. Yet, with unions' prevalence falling, the wage premium lower, and, potentially, unions' reduced power to impose solidarity-preserving settlements on employers, it could be expected that unions' overall effect on wage inequality has declined.

¹ The uptick in the premium between 2006 and 2012 is consistent with counter-cyclical movement in the wage premium, as discussed by Blanchflower and Bryson (2007).

² We obtained results that are similar to those presented in Table 7.2 by replacing the union coverage measure—which is based on whether a union or staff association is present at the workplace—with a measure of union recognition identifying whether a union or staff association is recognized by management for negotiating pay and/or conditions of employment. The union recognition measure is not available prior to 1997.

Examining the practical force of unions' solidarity policies is, however, by no means straightforward. It is difficult to disentangle the causal effect of unions on wage compression from the fact that unions may be more likely to organize homogeneous workers, and these may be drawn from the middle of the wage distribution. Whether unions actually compress wage differentials depends on the position of unionized workers in the pay distribution, the union wage premium attached to different types of worker, and the degree of centralization and coordination in collective bargaining. Notwithstanding these methodological issues, there is evidence that unions have contributed substantially to wage compression, both in the UK and elsewhere, and that they continue to do so (Bryson and Forth, 2011; Card et al., 2004; Gosling and Machin, 1995). Moreover, the decline in unionization is found to have contributed substantially to the growth in wage inequality in the United States (Frandsen, 2012) and in Germany (Dustmann et al., 2009), and there is some evidence that union decline in Britain was a factor (in addition to rising relative demand for highly educated labour) behind the rapidly increased wage inequality that occurred in Britain from the early 1980s onwards (Leslie and Pu, 1995; Lindley and Machin, 2013; Machin, 1997).

To establish the effect of union coverage on the changes in wage dispersion over time in Britain we compare the dispersion of wages in the covered and uncovered sectors at the start and end of the SES series. Having combined the datasets for 1986 and 1992 for the early period, and the 2006–2012 data for the end period, we use the reweighting estimator originally deployed by DiNardo et al. (1996) to construct counterfactual wage distributions for uncovered employees which proxy the wage distribution that would have obtained in the absence of unions in the economy. This is achieved by reweighting uncovered employees such that their observable characteristics closely resemble those of their covered counterparts.³ One can then recover the 'effect' of union coverage at different parts of the wage distribution by comparing the actual distribution of wages to the counterfactual distribution which would have obtained if uncovered employees were observationally equivalent to those who are covered. Comparisons of the actual wage distribution and the counterfactual wage distribution allow us to identify that part of the wage gap between covered and uncovered employees that is attributable to union coverage, as opposed to differences in their observable characteristics.

The results from this exercise are presented in Table 7.3. The top half of Table 7.3 presents results for the 90/50 percentile wage ratio, a measure of wage dispersion at the top end of the distribution. The first row in Table 7.3 indicates that, back in 1986–1992 the 90/50 percentile ratio was considerably

³ This is achieved by running a probit estimate for the probability of being covered by a union and then using the predicted probabilities to reweight the uncovered employees in such a way as to give additional weight to those with high estimated probabilities of being covered.

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Table 7.3. Union Coverage and Wage Dispersion, 1986–2012 (Ratios of Hourly Wages)

Percentile ratio	Waves	(1)	(2)	(3)	(4)
		Covered	Not covered	Not covered, counterfactual	Non-union/union dispersion gap (3)–(1)
90th/50th	1986/92	1.798	2.007	2.017	0.220
	2006/12	1.860	2.379	2.162	0.303
50th/10th	1986/92	1.626	1.640	1.754	0.129
	2006/12	1.720	1.601	1.830	0.103
50th/5th	1986/92	1.848	1.922	2.189	0.342
	2006/12	1.896	1.684	1.964	0.067

Notes: the probit to construct the weights for the ‘not covered/counterfactual’ sample uses for covariates the same controls as in Table 7.2. All estimates are based on a sample with non-missing values for wages and all controls (n = 7,205 for 1986/1992; n = 9,031 for 2006/2012).

Source: SES

higher among uncovered employees than it was among covered employees (2.01 vs. 1.80). The final column of the row shows the ratio in the uncovered sector falls once uncovered employees are reweighted such that they resemble covered employees on their observable attributes. Following reweighting the 90/50 ratio among uncovered employees falls from 0.706 to 0.665. Thus, around two thirds of the difference in the 90/50 percentile ratio between covered and uncovered employees in the late 1980s and early 1990s was attributable to differences in the observable characteristics between the two sets of employees; the remaining one third may be attributable to the role of trade unions in compressing differentials in the top half of the earnings distribution.

The second row indicates that wages had become more unequal in the top half of the wage distribution by 2006–2012 in both the covered and uncovered sectors: the 90/50 ratios are 1.86 and 2.38 respectively. The growth in wage dispersion was more pronounced among uncovered employees, but much of this was driven by the characteristics of employees in the uncovered sector. Once uncovered employees are reweighted so that they are observationally equivalent to covered employees, the 90/50 ratio is 2.16. Comparing the 90/50 ratio in the covered sector with the counterfactual distribution among uncovered employees (see column (4)), it is apparent that the non-union/union dispersion gap had risen from twenty-two to thirty percentage points over the period. Thus, in the upper half of the distribution, union presence seems to have been a break upon the rising dispersion of wages.

A contrasting story is shown in the second panel of Table 7.3, where the bottom half of the wage distribution is captured by the 50/10 percentile ratio. Back in the late 1980s/early 1990s the distribution of wages in the bottom half of the distribution was very similar in the covered and uncovered sectors (with

50/10 percentile ratios of 1.63 and 1.64, respectively). However, the counterfactual 50/10 distribution for uncovered employees was more dispersed (1.75), indicating that uncovered employees possessed observable traits which led to lower wage dispersion than the characteristics possessed by covered employees in that part of the wage distribution. Consequently, having reweighted uncovered employees so that they shared the characteristics of covered employees, the 50/10 percentile ratio was around thirteen percentage points greater among uncovered employees compared with that for covered employees. By 2006/12, however, this non-union/union dispersion gap had fallen a little to ten percentage points over the period.

One potential reason for this relative closing of the non-union/union dispersion gap as indicated by the 50/10 ratio could be the differential impact the national minimum wage had on lower earners, particularly those in the uncovered sector. To test this explanation, we also examined the 50/5 percentile ratio, since the minimum wage is directly relevant at the 5th percentile, but only applies at the 10th percentile in so far as its effects are extended to those earning above the minimum. As expected, the non-union/union dispersion gap for the 50/5 ratio fell by a much greater extent, from thirty-four to just seven percentage points over the period.

7.4. DO UNIONS STILL INFLUENCE THE WAY WORK IS ORGANIZED?

While unions' influence over pay has declined, it remains possible that they have retained or even increased their influence on other aspects of job quality, by changing the emphasis of their activities, for example by increasing their involvement through representing and supporting their members directly in forms of workplace participation, or in their personal development through training, or in grievance procedures.

Unions' influence over work organization is of course by no means new. For a number of years lower labour productivity in the unionized sector relative to the non-unionized sector was attributed by many to unions' 'restrictive practices', union-negotiated rules which limited managers' ambit for reorganizing work. Some of these practices were intended to protect craft skills while others maintained what appeared to be fairly arbitrary distinctions between occupational classes at the workplace. Such negative effects were set against possible productivity-enhancing effects of efficient union communication—the consequence of 'union voice'. Many studies of unions' productivity effects have ensued, with heterogeneous findings across countries, though the balance of evidence from past British studies appears to support a negative effect (Doucouliagos and Laroche, 2003).

Arguably, however, these effects have been changing. In the mid-1980s there were signs that unions were finding it increasingly difficult to maintain restrictive practices (Metcalf, 1989). More recently, it has been commonly maintained that the closure of the labour productivity gap between the union and non-union sectors is attributable, at least in part, to the reassertion of management's 'right-to-manage' in the union sector (Blanchflower and Bryson, 2009). Throughout the 2000s unions have devoted resources—with the help of government subsidies—to supporting and facilitating training via their union learning representatives. In short, with the declining prevalence and bargaining power of unions, and with the evolution of unions' policies, it is of interest to ask how unions' influence over matters of work organization has been changing, as a preliminary to investigating unions' relationship to broader, non-wage aspects of job quality that are associated with work organization.

The SES series provides some direct evidence of employees' perceptions about trade union influence which, though it may be coloured by employees' limited awareness of what unions may be achieving, is nonetheless informative. Respondents in union-covered workplaces were asked (in 1992 and from 2001): 'How much influence do the trade unions in your establishment have over the way work is organized?' In 1992 a quarter responded that unions had 'a great deal' or 'a fair amount' of influence. By 2001 this proportion had risen to 36.1 per cent, and thereafter reported influence changed rather little. In short it seems that, where they have remained present, many unions have continued to make their presence felt. The rise in perceived influence between 1992 and the 2000s occurred largely within industries and was not associated in any way with changes in industrial structure.

There were also plenty of employees in covered workplaces at the other end of the scale who perceived that unions had no influence at all—32.2 per cent in 1992, falling to 27.0 per cent in 2012.⁴ This evidence of heterogeneity in perceived union influence on work organization is consistent with the evidence from the Workplace Employment Relations Study (WERS) surveys (Millward et al., 2000). We investigated whether the pattern of heterogeneity varied much between industries, finding some notable variation. Taking the 2001–2012 period as a whole, the proportion reporting no trade union influence over work organization, which averaged 26.1 per cent over the decade, was high in the hotels industry (44.9 per cent) and low in transport and communications (16.6 per cent). Among occupations, the groups with the most reporting no trade union influence were sales (30.6 per cent) and personal services (32.6 per cent).

⁴ These proportions at the low end of the scale include those answering 'don't know'. From 2001 onwards, while the item and scale were identical to those of 1992, the item was part of a smaller batch of items than in 1992.

What might account for the rise in the 1990s and subsequent resilience of perceived union influence over work organization? One possibility is that many unions have learned to compensate for a possible decline in their bargaining power by becoming more efficient—perhaps learning to do more with less. Unions' policies may also be evolving to cope with and compensate for their declining bargaining power. Whatever the reason, evidence from elsewhere confirms that unions remain capable of having a substantial influence in the workplace. For example, the WERS indicate that around half of employees agree that the unions at their workplace are 'taken seriously by management', a figure that has not changed significantly since the late 1990s (Bryson and Forth, forthcoming). The British Social Attitudes Survey indicates that the percentage of employees saying the workplace union is doing its job well has been rising since 1997 and stood at seven in ten by 2008 (Bryson and Forth, 2011, 264).

7.5. THE NON-WAGE QUALITY OF UNION AND NON-UNION JOBS

If unions persist in their effects on work organization, it seems worth asking whether there are significant differences between unionized and non-unionized jobs in respect of important aspects of job quality other than pay, and if so whether this link has been decreasing alongside unions' diminishing influence on pay, or conversely rising in partial compensation.

A priori it is unclear whether one might expect union jobs to be of higher or lower non-wage quality than the jobs undertaken by those in the uncovered sector. On the one hand, it is known that poor job quality and bad management are strongly linked with the desire for union representation in the United States and Britain (Bryson and Freeman, 2013). Although poor non-wage job quality can be addressed by unions through their influence over work organization, their determination and power to do so may be weak. In the case of job security, unions start off at a disadvantage in that jobs growth is traditionally slower among unionized workplaces compared with non-unionized workplaces (Bryson, 2004); in such circumstances attempts by unions to obtain job security guarantee clauses are no more than a rearguard action to ameliorate an already weak situation. Traditionally, unions sought instead to obtain compensating financial rewards for poor working conditions through the wage–effort bargain. Even if unions were concerned about aspects of job quality, one could anticipate that their reduced bargaining power has diminished their ability to engineer improvements in all aspects of job quality, not just wages. Thus one might expect unionized employees to be subject to

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poorer job quality than non-unionized employees, and that this difference would increase as their bargaining power declines.

On the other hand, a contrasting hypothesis is that unions have shifted their attention away from pay bargaining (van Wanrooy et al., 2013, 86–7, 91–4), and started to focus more on improving other aspects of job quality, such as access to training or safe working conditions. Employers might also welcome union interest in non-pay job quality if it leads to higher productivity, either directly through ‘smarter’ working or indirectly via higher employee well-being.⁵ There is evidence, also, that unions did indeed start to help managers innovate through the adoption of productivity-enhancing high involvement management practices—practices, such as autonomous team working, which aim to engage workers more fully in the tasks they are performing (Wood and Bryson, 2009). Opportunities for union influence were still apparent in 2011 since employers were significantly more likely to negotiate or consult over labour-related organizational changes where employee representatives were present at the workplace (van Wanrooy et al., 2013, 72–3). To the extent that this influence has been effective, one might expect that unionized workers would enjoy higher non-wage job quality than their non-union counterparts.

The association between unionization and non-wage job quality is, then, theoretically ambivalent. Yet the relationship has attracted much less attention in empirical studies than the links between unions and pay. For example, in a recent broad-ranging follow-up to Freeman and Medoff’s (1984) seminal *What Do Unions Do?* (Bennett and Kaufman, 2007), references to non-wage job quality are rare. Instead, a large part of the volume is devoted to the relationship between unionization and job satisfaction. Job satisfaction is often treated as a proxy for overall job quality in the union literature and elsewhere (for a discussion see Brown et al., 2007). This can be problematic because employee responses to job satisfaction questions are informed not just by the quality of their jobs but by other considerations such as their expectations (Brown et al., 2012; Green, 2006). Furthermore, any relationship between unionization and job satisfaction is hard to interpret as a job quality effect because, by offering employees an opportunity to address poor job quality via bargaining and worker voice, dissatisfied union employees are less likely to quit than dissatisfied non-union employees (Freeman and Medoff, 1984). Consequently, the stock of dissatisfied employees is likely to be higher in a unionized environment than a non-unionized environment, even if underlying job quality is similar. This is not to say we learn nothing about union effects on job quality from the job satisfaction literature. Recent studies for

⁵ There is evidence that organizational changes are associated with increased job-related anxiety and lower job satisfaction, but that these effects are ameliorated when employees work in a unionized workplace and are involved in the introduction of the changes (Bryson et al., 2013).

Britain which account for fixed unobservable differences between union and non-union employees indicate that union-covered employees are more satisfied with their pay and hours of work than 'like' uncovered employees, although they appear less satisfied with their job security and there are some indications of adaptation to coverage over time (Bryson and White, 2013; Powdthavee, 2011).

Another strand of the literature finds that unions are associated with better fringe benefits such as holiday entitlements, pension provision, and extra-statutory sick pay (Bryson and Forth, forthcoming; Forth and Millward, 2000; Green and Potepan, 1988). Fringe benefits were often subject to union bargaining, but the scope of bargaining on such issues has declined in the private sector since the early 2000s (Van Wanrooy et al., 2013, 80–2), which may be another indicator of diminishing union influence at the workplace.

Much less is known about differences in the intrinsic job quality of unionized and non-unionized jobs. Often union status may appear in an analysis of job quality as a background control variable occasioning little comment. Nevertheless, there is a growing realization that unions can play an important role in affecting job quality via both their voice and bargaining roles at the workplace. For example, using linked employer–employee data from WERS 2004 Green and Whitfield (2009) find that, other things equal, employees in workplaces with recognized unions are more likely to say they have no time to complete tasks and are less likely to agree that they have influence over the pace of work and how tasks are done. They concur with C. Wright Mills' observation that unions are often 'managers of discontent' (Green and Whitfield, 2009, 228).

The focus of the evidence presented in Table 7.4, derived from the SES data, is on four core aspects of intrinsic job quality: the effort required to undertake the job, the degree of control the employee has over when and how the job tasks are performed, and the degree to which the employee can use or develop his or her skills in the job. We also examine the association with job security.

The indicators for the five facets of job quality are defined in the notes below Table 7.4. The levels of job quality in the union-covered and uncovered sectors are provided in columns 1 and 2, respectively, with the raw gap between the two sectors presented in column 3. The regression-adjusted gap in job quality between covered and uncovered employees is presented in the final column, which conditions on the same control variables that were used to estimate the union wage premium. We take each of the five facets of job quality in turn.

Effort: the effort–reward trade-off is, arguably, at the core of collective bargaining. Unions traditionally sought to limit work intensification on the part of employers to improve their members' health and safety and to counter 'ratchet effects' whereby employers paying piece rates continually cut piece rates for a given level of output (Carmichael and MacLeod, 2000). The top panel of Table 7.4 shows the proportion of union- and non-union-covered

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Table 7.4. Unions and Non-Wage Job Quality

	(1)	(2)	(3)	(4)
	Non-union	Union	Raw gap ((2)–(1))	With controls
<i>Effort^a</i>				
1992	0.307	0.290	–0.017	–0.038*
1997	0.379	0.404	0.025	–0.013
2001	0.368	0.384	0.016	–0.007
2006	0.388	0.432	0.043***	0.018
2012	0.396	0.505	0.110***	0.093***
<i>Task discretion^b</i>				
1992	2.48	2.43	–0.057***	–0.077***
1997	2.32	2.23	–0.089***	–0.152***
2001	2.25	2.14	–0.109***	–0.086***
2006	2.22	2.16	–0.069***	–0.055**
2012	2.25	2.18	–0.074**	–0.053*
<i>Opportunity for skill use^c</i>				
2001	0.338	0.330	–0.0089	–0.0475***
2006	0.399	0.405	0.0066	–0.0387**
2012	0.392	0.455	0.0629	0.0212
<i>Insecurity^d</i>				
1986	0.212	0.209	–0.0026	0.0118
1997	0.224	0.238	0.0141	0.0232
2001	0.160	0.181	0.0213	0.0287**
2006	0.172	0.187	0.0153	0.0272**
2012	0.220	0.271	0.0514***	0.0278
<i>Learning requirement^e</i>				
1992	0.239	0.270	0.0310*	–0.0204
2001	0.259	0.334	0.0741***	0.0258
2006	0.305	0.379	0.0746***	0.0174
2012	0.278	0.424	0.1458***	0.0597**

Notes: for column (4), each job quality indicator was regressed against union coverage and the control variables from Table 7.2. Asterisks give significance of union/non-union gap, at * = 10 per cent, ** = 5 per cent, *** = 1 per cent. The job quality indicators are defined as follows:

- The proportion who strongly agree that ‘my job requires that I work very hard’.
- The task discretion index combines the responses to four items capturing worker influence over tasks performed. The index ranges from 0 to 3.
- Opportunity for skills use: proportion who strongly agree that ‘In my current job I have enough opportunity to use the knowledge and skills that I have’.
- The proportion who report that there is ‘any chance at all’ of losing their job and becoming unemployed in the next twelve months.
- The proportion who strongly agree that ‘my job requires that I keep learning new things’.

Source: SES

employees who strongly agreed that ‘My job requires that I work very hard’. This proportion has been rising over time among both union-covered and uncovered employees, a trend that can be attributed to effort-biased technological change and to closer monitoring of work effort (Green, 2006). However, intensification has been more rapid among covered employees such that,

by the early 2000s, unionized jobs were statistically significantly more demanding of hard work than non-unionized jobs. This difference is accounted for by other observable differences between union and non-union employees. However, by 2012 unionized jobs had become even more hard-working, and the difference could no more be attributed to differences in individual and job characteristics.⁶ This increased intensity of unionized labour relative to non-unionized labour does not seem to have been compensated for by a higher union wage premium (see section 7.3), and is consistent with declining union power within the effort–wage bargain.

Task discretion: the second panel in Table 7.4 records the degree to which employees have task discretion, as measured by their personal influence over how hard they work, which tasks they perform, the order they perform them in and the quality standards to which the employee works (see Technical Appendix). Task discretion declined in the 1990s in both union and non-union jobs, a fall noted in earlier work (Gallie et al., 2004) and attributable to multiple factors, including the evolving culture of management through tight targets. Over and above the theoretical ambivalence surrounding unions' association with non-wage job quality, an additional consideration is that employers may feel a greater need to monitor and control employees when they are unionized and are thus less likely to cede discretion to them relative to 'like' non-unionized employees. In the event, throughout the period task discretion has been lower in unionized jobs than it was in non-unionized jobs. The size of this gap in column 3 moves around from year to year but follows no clear pattern. The same is true when controls are added, and the controls make little difference to the size of the gap.

Opportunities for skills use: opportunities for employees to use their knowledge and skills have been rising since 2001 in both union and non-union jobs (third panel in Table 7.4). In the early 2000s there was virtually no difference in the raw skills use gap between union and non-union employees. However, controlling for demographic and job traits union jobs offered significantly fewer opportunities to use skills than non-union jobs in both 2001 and 2006. This had changed by 2012: opportunities to use skills continued to grow after 2006 in unionized jobs whereas they remained static in non-union jobs. The regression-adjusted gap favours union jobs but it is not statistically significant.

Job insecurity: as can be seen from the fourth panel in Table 7.4, employee perceptions of job insecurity tend to move counter-cyclically reflecting the reality that job loss is more likely in recession, though 1997 is an exception with rather high insecurity (Green et al., 2000). In the two decades through to 2006 there is no significant difference in perceived job insecurity between

⁶ The same story of unionized jobs getting harder in the 2000s is also found when using a broader index of effort. However, this index is not available before 2001, so to get a longer historical sweep, we use the single catch-all item.

union-covered and uncovered employees; however, after having controlling for differences in the demographic and work characteristics of unionized and non-unionized employees, those in the covered sector experienced greater insecurity than their uncovered counterparts in 2001 and 2006. Thereafter, there emerged a substantive union–non-union gap in job insecurity which, however, is much lower and insignificant after controls (including for public sector employment) are added. The squeeze on public spending, which led to big rises in job insecurity in the public sector (van Wanrooy et al., 2013; Gallie et al., 2013) may account for this pattern.

Job learning requirements: the final panel in Table 7.4 shows that the proportion of jobs with high learning requirements increased between 1992 and 2006, a trend consistent with skill-biased technological change and with theories of the knowledge economy (Felstead et al., 2007, 2014a). It has sometimes been suggested that ‘unions, through narrow job classifications and restrictive work rules, limit union workers’ full use of their skills and abilities, and offer few opportunities for challenge, achievement, autonomy and promotions’ (Hammer and Avgar, 2007, 349). Yet Table 7.4 also shows that union jobs tend to be more stretching than non-union jobs in terms of the need to keep learning new things. The growth in learning requirements has been faster in unionized workplaces, implying that the raw gap in the learning requirement has been growing; this might have helped spawn the growth of union learning reps (Wallis et al., 2005). Nevertheless, the changing character of the union sector accounts for the gap until 2006, since the regression-adjusted gap remained insignificant. Thereafter, the regression-adjusted difference becomes statistically significant for the first time in 2012.

7.6. CONCLUSION

In this chapter we have examined the changing relationship of trade unions with several core aspects of job quality, including wages, in order to add to understanding about how workplace inequalities have been evolving over the last quarter century.

There are two main limitations to our analyses and the conclusions that can be drawn. First, the associations, even after controlling for many observed differences between union and non-union workplaces, cannot be claimed as unbiased measures of the causal influence of unions; in the case of some aspects of non-wage job quality there are good reasons to expect that unionization is partly a reflection of poor conditions rather than the other way round.

Second, our analysis has been focused on individual effects, and therefore captures neither the spill-over effect of unions on non-union workplaces, nor

the indirect political influence of unions on the formation of employment rights legislation. Since the latter was an important part of the changing regulatory environment during the period of the Labour government following 1997, the (contested) influence of unions on Labour party policy in this period would need to be taken into account in a broader analysis of unions' influence on job quality. Even though unions' political influence is undoubtedly much reduced from its earlier high points, the significance for job quality of the 1998 minimum wages regulation, and of the subsequent legislation for fair treatment of part-time, fixed-term, and agency workers (whose formulation will have been influenced to some extent by trade union pressures) would form part of such a comprehensive account.

Despite these caveats, the evidence is consistent with the view that the declining bargaining power and reach of unions has reduced but by no means eliminated the extent to which they can have an impact on job quality and on workplace inequality. Summarizing our findings, unionized jobs began the period with a significant advantage over non-unionized jobs in wages, somewhat lower effort, and no disadvantage in security. Matters deteriorated for union-covered workers during the 1990s. Effort has greatly intensified in union jobs since 1992, and these jobs were also beginning by the end of our period to look relatively less secure than in the non-union sector. Unionized jobs were subject to lower task discretion, perhaps reflecting the fact that management had asserted greater control, where once they had been weak. There is, however, some evidence of compensatory relative improvement in their position in respect of skill use and increased exposure to a learning requirement. By the end of the period the wage premium had also been substantially eroded, averaging at around 4 per cent and becoming vanishingly small outside the public service industries.

Nevertheless, throughout the period wage dispersion was lower among covered employees than it was among similar uncovered employees. In the upper half of the distribution, union coverage acted as a break on increasing wage dispersion, in that the rise in pay inequality was greater where unions were absent. In the lower half of the wage distribution the wage-compressing effect of union coverage diminished. This reduction in wage compression is most apparent in respect of the 50th/5th percentile of the wage distribution, and hence seems likely to have been associated with the introduction of the union-supported national minimum wage.