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Citation for final published version:

Goberman, Leon , Hauptmeier, Marco and Heery, Edmund 2020. A typology of employers' organisations in the United Kingdom. *Economic and Industrial Democracy* 41 (1) , pp. 229-248.
10.1177/0143831X17704499

Publishers page: <https://doi.org/10.1177/0143831X17704499>

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A typology of employers' organisations in the United Kingdom

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Abstract

This article examines employers' organisations in the United Kingdom, drawing upon 70 interviews and a new dataset encompassing 447 employers' organisations. The article's contribution is to develop a new typology of employers' organisations capturing their organisational change in the wake of the decline of collective bargaining. It does this by drawing on a conceptualisation of employers' organisations as intermediary organisations before identifying four organisational types: lobbying; service; negotiating, and; standard-setting employers' organizations. The article also identifies and discusses factors that underlie this pattern of differentiation.

Introduction

Employers throughout the United Kingdom (UK) engage in collective action to co-ordinate their activities, represent their interests and provide a range of services. They primarily do this by joining employers' organisations (EOs). EOs focus on the role of businesses as employers and are concerned with issues linked to work, employment relations and human resource management (HRM). Over recent decades, employment relations in the UK have undergone profound change. While collective approaches to managing such relationships remain in some areas of the economy, their overall incidence has declined (Purcell, 1995; Brown et al., 2009; Gooberman et al., 2017c). At the same time, the employment relations landscape is fragmenting and a number of new actors have become active, while others have ceased to exist (Marchington et al., 2005; Vidal and Hauptmeier, 2014). Collective EOs have inevitably been impacted by such trends (Barry and Wilkinson, 2011), but they have been a neglected institution within the employment relations research literature.

A number of research issues related to UK EOs are well established in the literature: EOs took part in the governance of Industrial Training Boards and in the implementation of income policies alongside government and unions in the 1960s and 1970s (Crouch, 1979). And at the same time EOs and unions negotiated multi-employer collective bargaining agreements that covered the majority of the British workforce (Armstrong, 1984; Sisson, 1987). Thus, a primary function of EOs was to coordinate and regulate employment relations beyond the workplace, in most cases at the sectoral level. However, multi-employer collective bargaining steeply declined in the period after 1980. This transition raises an important question: why did employers continue to organize collectively despite the fading of the main purpose of their collective organizations? Given the lack of longitudinal data, we seek to address this question

by analysing the current population of EOs – the end point of EO development in the UK. We argue that employer collective action has become more differentiated over time, moving beyond a primary focus on collective bargaining to a more diverse pattern of employer interest representation and organisation. Our sample consists of 447 EOs active within employment relations, labour, work and HRM, and while some overlap exists, we identify four main types of EOs that are respectively characterized by a distinct primary function. *Negotiating EOs* engage with unions through collective bargaining; *lobbying EOs* represent employer interest in the political process and prioritise influencing government; *standard-setting EOs* develop codes of conduct and best practice, working with civil society actors to embed good practice in member firms and; *service EOs* focus on the cost-effective delivery of business services, including those linked to HRM and employment relations.

The typology makes a number of contributions to the employment relations literature: it helps to understand the current variety and landscape of EOs in the UK; it assists with understanding changing EO functions and activities; it captures the differentiation of UK employer organisation following the decline of collective bargaining; and it provides insights into the various ways in which EOs influence and shape employment relations. The typology can also have broader applicability outside of the UK, given its potential to analyse and examine changes to collective employer organisation in other countries.

The remainder of this article is structured as follows. The next section examines previous typologies and classifications of employers' organisations, on which we draw for developing our typology in the following section. We then outline our methods and data, amongst others defining the sample of this study, while the subsequent empirical sections elaborate and substantiate the characteristics and dimensions of each EO type. The article then explores

potential factors behind the varied pattern of organisation, before concluding and discussing why EOs have survived in the UK despite the decline of collective bargaining.

Typologies and classifications of employers' organisations

While some analytical classifications exist and provide valuable insights into collective employer organisation (e.g. Delorme, Fortin and Gosselin, 1994), a full typology of EOs in the UK has yet to be developed. A challenge in defining such a typology is to overcome the fact that the 'vast variety of motives involved in business associative action confounds attempts at theoretical elegance or simplicity' (Schmitter and Streeck, 1999: 19). The literature on employer bodies generally distinguishes between EOs that are active within formal collective bargaining structures and those that are not. Traxler (2004) defined two groups: 'pure' EOs that are 'associations aimed at representing labour market interests' through collective bargaining; and; trade associations that focused on 'interests which business has in other markets'. The trend for 'pure' EOs to provide an increasing range of services to their membership was reflected in Traxler's creation of a third category of 'mixed' associations, specializing in both labour market and other business interests. However, Lanza (2008: 295) queried such distinctions, noting that the breadth and complexity of activities carried out meant that they did 'not necessarily give rise to distinct organisations'. In some countries, the same body acts both as an EO and a trade association, while organisations have more distinct roles in others. For example, a typology of 570 organisations in Quebec (Delorme, Fortin and Gosselin, 1994) identified four types based on their degree of involvement within collective bargaining, although 'grey areas surrounding the boundaries of each category' were noted. Types ranged from 'employer unions' fully involved in collective bargaining to 'business associations' that focused on providing their employer members with product market services.

The purpose of employer and business organisation typologies is to differentiate between functionally distinct organisations, whereby the dimensions and elements of a typology depend on the analytical focus. A more specific purpose is implicit in the above discussed typology of Quebec EOs and relates to the evolution of organisations. Comparing contemporary types of EOs with previous types of EOs can reveal how employer organisation has evolved. This might reveal a change in focus and activity of EOs but also the emergence of new types. Both indicate a progressing specialization and division of labour between different types of EOs as well as an adaptation of EOs to a changing socio-economic context (Sheldon et al., 2016).

As the literature on EO typology is somewhat sparse, the wider literature on EOs and employer interest representation provides a range of analytical categories that might be helpful for developing a typology of UK EOs. A key concept is Schmitter and Streeck's (1999: 19-24) 'four logics' model of representative organisations, which aids in understanding how EOs have to balance the tensions various organisational functions and properties. The 'logic of goal formation' refers to how members are involved in the governance of the organisation and articulation of policies, which might be decided democratically from below or alternatively top-down by the leadership. When pursuing the decided goals or policies, EOs follow the 'logic of efficient implementation' aiming to save organisational resources and competently putting them into practice. At the same, EOs have to organise themselves to be attractive for existing and new members, enabling EOs to extract membership fees and other commitments from member firms, which is described as the 'logic of membership'. Being able to speak on behalf of their member allows EOs to influence public authorities and government and refers to the 'logic of influence'. Streeck (1987: 283) pointed out that EOs' act as collective intermediaries (see also: Ahrne and Brunsson, 2005, 2008), noting that 'to speak on behalf of their employer members, employers' associations seem to need the support of strong interlocutors, notably

trade unions and government'. Further interlocutors of EOs are NGOs in the area of corporate social responsibility and equality and diversity with whom EOs strategically collaborate to gain specialized knowledge as well as additional resources (Bowkett et al., 2017; Demougin et al., 2017). In addition, professional service firms have become another interlocutor for EOs, aiding them in their pursuit of the 'logic of effective implementation'.

A further, classic distinction is between the provision of public or collective goods and selective goods (Olson, 1965). EOs provide collective goods for all employers within the realm of the EO, e.g. an economic sector, while selective goods refer to services that are only provided to members (Gooberman et al., 2017 forthcoming-a). Collective goods are non-exclusive and thus their benefits can be equally accessed by EO members and non-members, allowing the latter to free-ride as they do not contribute to the collective good and organisation. As a consequence, Olson suggests that rational actors will not join collective organisations, which he describes as the collective action problem. One way to overcome it though is through the provision of selective incentives, i.e. services that make membership attractive for new members.

In addition, the literature examines the various motives that lead employers to join EOs. The countervailing power argument suggests that employers form collective organisations to counter the power of labour unions and to deal with conflict (Barry and Wilkinson, 2011; Zhu and Nylan, 2016), which became more acute when workers founded labour unions and strikes threatened the profits of capitalists as well as their right to manage the workplace (Tolliday and Zeitlin, 1991). Other accounts emphasize the motive of employers to set or define standards, not just in labour markets, but also the product market with the aim of controlling competition between employers and preventing unwanted pressure on profits (Windmuller and Gladstone, 1984). More recently, EOs have set labour standards through codes of conduct to avoid legal

risks as well as to manage the reputation of member firms (Bowkett et al., 2017; Demougin et al., 2017). The importance of the state in regulating (or deregulating) employment relations means that representing employers in the political process and influencing government became a further important purpose of EOs (Schmitter and Streeck, 1999). Finally, employers have realized that through joining EOs in numbers their purchasing power increased, allowing EOs to negotiate cheaper prices for services and goods. In the same vein, the collective organisation of services allows the sharing of expenses, thereby reducing costs for individual employers (Behrens, 2004, Sheldon et al., 2016).

EOs pursue their motives through a range of activities and instruments, which also define EOs' role in employment relations. Collective bargaining is often regarded as the quintessential activity of EOs. EOs negotiate collective agreements with trade unions, locking in wages and working conditions for the duration of the agreements, and thereby protecting individual employers from workplace militancy and union whipsawing (Sisson, 1987). This logic applied particularly in the context of growing national markets in the post-war decades: the subsequent exposure of national economies to global competition has diminished its force in later decades (Hauptmeier, 2011; Greer and Hauptmeier, 2015, 2016). In the political arena, EOs can influence politicians through a variety of channels (Paster, 2015). In the UK, for example, EOs represent employer interests through House of Commons' Select Committees, All-Party Parliamentary Groups and informal lobbying. Through these channels EOs target governments as the creator of laws, aiming to prevent or repeal legislation, to shape ongoing legislative processes but also to push for new laws that favour employers (Gooberman et al., 2017b). Beyond this focus, some EOs develop codes of conduct defining positive working standards that go beyond the legally required minimum. They support individual employers implementing these standards, often through regular benchmarking. Adherence to such standards is voluntary

but they can nevertheless have a tangible impact on working conditions in firms that choose to adopt them (Bowkett et al., 2017; Demougin et al., 2017). Finally, an example of cost-efficient service provision can be seen in the supply of legal services to EO member companies that help them in dealing with a range of HR issues, such as dismissals, grievances and recruitment (Sheldon et al., 2016).

Methods and Data

Previous literature in employment relations focused almost exclusively on employers' associations, whose primary function was collective bargaining. However, given the evolution of employer bodies beyond collective bargaining and the foundation of new employer bodies such as standard-setting EOs, our sample focusses on the wider population of EOs with the aim of capturing all employer bodies active within the areas of HRM, employment relations, labour and work. This includes a wide range of activities such as arbitration services, legal advice, support with health and safety standards, support for recruitment and selection, training, codes of conduct, lobbying on labour and employment law, arbitration, dismissals, equality and diversity and collective bargaining. In addition, to be included in the sample, the membership of each EO had to consist primarily of employers or of individuals acting as employers, thereby excluding organisations representing individual managers such as the Chartered Institute of Personnel and Development. In addition, it was necessary for members to pay subscription charges; a provision that excludes loose networks of employers and bodies that depend on other sources of funding. The two main data sources for identifying EOs for inclusion in the sample were the UK Government's Certification Office (which has a register of organisations conducting collective bargaining) and the web-based directory of the Trade Association Forum (2015). Further EOs were identified through practitioner journals, newspapers, the internet and

qualitative interviews. Using all of these methods it was possible to identify a total of 447 EOs currently operating in the UK which satisfied all of the inclusion criteria.

A *pro forma* was then developed comprising more than 60 questions about the structure, governance and activities of each EO. The primary source for gathering data on each organisation were EOs' own websites. Further information was gathered from the Certification Office records, the House of Commons website and the Financial Analysis Made Easy (FAME) Database. We also used qualitative data gathered from our interview programme with EO representatives and with actors that dealt with EOs (i.e. representatives of government, unions and industry experts). In total, we carried out 70 interviews. In the first stage of the interview programme, we relied on 'snowball sampling', whereby initial interviewees recommended further EO representatives for interviews. The interviews served different purposes, including developing the categories included in the *pro forma*, gaining a more in-depth understanding of the survey results and using direct quotes for empirical illustration. For example, we include a short account of the activity carried out by a representative example of each type in the empirical sections, namely: the Electrical Contractors' Association (negotiating EO), the National Farmers Union (lobbying EO), the Business Disability Forum (standard-setting EO), and the Contract Flooring Association (member service EO).

The typology presented below was developed iteratively, comparing the analytical categories found within the conceptual literature on employer organization discussed above and our own empirical data. This process allowed analytical categories to be identified that could illuminate the diverse types of employer organisation in the UK. We coded all EOs in our database against our typology in a qualitative manner, assessing each EO individually. In the first instance we focussed on the main function of each type (i.e. negotiating collective bargaining agreements,

lobbying and political representation, setting labour standards and providing HRM services). As the different types are not completely discriminatory, we qualitatively assessed borderline cases, which also included a consideration of the other dimensions of the typology.

Following the empirical examination of the four types below, we discuss factors that may have contributed to the varied pattern of organisation. Our exploratory analysis examined two quantifiable indicators (year of organisational origin and sectoral foci). These data were sourced from our database as well as the FAME Database.

Developing the typology

[Table 1 about here]

A first approximation of the distinct patterns of employer organisation can be reached by considering two analytical dimensions in a two-by-two table, differentiating between the provision of collective goods and selective goods as well as between the direct and indirect impact of EOs on employment relations. EOs that directly impact and regulate employment relations include those that conduct collective bargaining and those that set codes of conduct. In contrast, other EO activities only indirectly impact on employment relations, such as the provision of HRM and legal services to member companies and the lobbying of government to shape the framework of employment law. A further distinction can be drawn between the provision of selective and collective goods. Lobbying EOs engage in the provision of public goods by influencing legal standards that might be beneficial to all firms; while negotiating EOs provide public goods through the setting of labour standards in an economic sector. This process applies to multi-employer or sectoral collective bargaining, but not to company level

bargaining. However, other EOs only provide selective goods to members. This applies to EOs specializing on the provision of services as well as to those EOs that promote codes of conduct. In the latter case, EO members voluntarily adhere to the code and there is no discernible impact beyond those employers who choose to follow the regulation.

[Table 2 about here]

This initial shape of the four types can be further enriched by considering a number of characteristic and dimensions (see Table 2). The primary defining feature for each type is their main organisational function respectively: negotiating; lobbying; standard-setting, and; service provision. This primary function directly leads to a key interlocutor for each type, which are: labour unions for negotiating EOs; government and other public bodies for lobbying EOs; NGOs for standard-setting EOs, and; professional firms for service EOs. Furthermore, as already indicated above, the various EOs play a varying role in the regulation of employment relations, ranging from a direct impact through collective bargaining and codes of conduct to an indirect impact through lobbying and the provision of legal and HR services. A final differentiating factor identifies the motives as to why association takes place: negotiating EOs aim to counter trade union power; lobbying aim to influence law and the employment relations framework; standard-setting EOs aim to improve the productivity of particular groups of workers and to increase the reputation of members firms with consumers and own employees, and; service EOs aim for the cost-effective and efficient provision of services. Table 2 summarises the four differentiating factors, which result in the following types:

Negotiating EOs are those that seek to regulate aspects of the employment relationship through collective bargaining with trade unions. In the UK, action of this kind ranges from involvement

in traditional industry wide collective bargaining to the submission of evidence to statutory pay review bodies, which recommend rates of pay for professional occupations in the public sector (White, 2000). Negotiating EOs are formed by employers partly to counter employee power as expressed through unions and partly to secure economies of scale through the creation of industry-wide pay rates and conditions of employment.

Lobbying EOs represent employers who are not seeking to offset organised labour power, but who are keen to persuade central and devolved governments, as well as their agencies, to adopt policies more in line with the collective interests of their employer members. Such interests can cover a broad range of issues apart from employment such as sectoral or general business concerns, but the role of the state in regulating the employment relationship means that employment issues are often paramount. As well as seeking to influence government, lobbying EOs also provide a range of member services providing advice and support on topics linked to the legal regulation of the employment relationship.

Standard-setting EOs are concerned with the implications of social issues such as disability or equality in relation to their members' interests as employers. They cultivate a broad range of relationships that cut across civil society to further their interests within their designated topic-areas. They are notable for their provision of standards in relation to employment practices that members may choose to adhere to, with these acting as a form of voluntary regulation. Standard-setting EOs help member employers avoid risks posed by new legislation and improve the firms' reputation with consumers and their own employees (Bowkett et al., 2017; Demougin et al., 2017).

Finally, *service EOs* are those that encompass employers who wish to access services that can remove risk from individual employment relationships, while also offering business development opportunities. These EOs have no involvement in the collective regulation of employment relationships and do not generally seek to influence government. Service EOs regularly collaborate with commercial service firms in areas that go beyond the core competencies of the EO, e.g. the provision of a legal helpline and legal assistance through a law firm or access to proprietary job evaluation, pay data and advice on the development of payment systems. Crucial purposes of service EOs include the provision of HR services in a cost efficient manner and the supply of legal advice that allows member employers to design employment systems that comply with legal requirements and to resolve employment disputes.

Chart 1 shows the results of the empirical coding of the activities of the 447 EOs included in our data set, which allowed their allocation to one of the four types.

[Chart 1 here]

Negotiating Employers' Organisations

Of the 447 EOs in our database, 59 (13 per cent) are identified as negotiating EOs, based on their activity within collective bargaining. Their median size in terms of number of employer members is 167, often including include large employers such as those within the public sector. They are formed by employers seeking to counter employee power as expressed through unions, with whom they have their strongest relationships covering issues across the employment relationship. As examples, the Electrical Contractors Association (ECA) plays a key role in sectoral collective bargaining with unions, but also notes that unions are 'happy to work with us in a true collegiate way on skills matters' (Interview, ECA representative,

London, 2.3.15). Colleges Northern Ireland also negotiates collectively with unions while also chairing a taskforce, membership of which includes seven unions, that is exploring how employment relations can be modernised (Interview, Colleges Northern Ireland representative, Belfast, 1.6.15).

Collective bargaining coverage in the UK had declined from 44% in 2004 to just 23 per cent of the workforce by 2011 (Van Wanrooy et al., 2013). However, this figure hides large disparities between the private and public sector. About 44 per cent of the public sector workforce are covered by any type of collective agreements, but only 16% in the private sector (ibid). One reason for the differences is the varying survival of multi-employer collective bargaining in the public and private sector. 43 per cent of the public sector workplaces are covered by multi-employer bargaining, which barely survives in the private sector and stood at 2 per cent in 2004 (Brown et al., 2009).

The extent of negotiating EOs' current involvement within collective bargaining structures varies widely. Within our sample, 43 EOs are signatories to some type of joint agreement regulating pay and working conditions. Most of these draw their employer members from the private sector, though the coverage of these private sector agreements is generally rather low. Examples of such joint agreements include the UK Theatre Association's agreements with entertainment unions including Equity, BECTU, the Writers' Guild and the Musicians' Union (UK Theatre Association, 2016). These cover the rates of pay and employment conditions for those working within performing arts, and the UK Theatre Association's employer members are obliged to apply the agreements' provisions when employing staff. The coverage is more encompassing in the public sector, which contains only a minority of negotiating EOs but which has major industry-wide agreements in health, universities and education. There has

been change within the public sector, however, and a switch towards both less detailed and non-binding framework agreements at industry level (Interview, Association of Colleges representative, 7.10.2015). Other negotiating EOs are involved in collective bargaining primarily in an advisory role; regionally based local government organisations, for example, do not negotiate collective agreements with unions but rather feed into decisions taken by the Local Government Association.

The primary causes of association for negotiating EOs are to counter trade union power and defuse employment related conflicts, through embedding employer and employee representatives within an agreed framework for dealing with such issues. Not only do such collective agreements set out pay and conditions to be applied by employer members, they also provide frameworks for resolving conflict via arbitration procedures. For example, the agreement covering the fashion and textile industry includes a clause allowing representatives of either employers (the UK Fashion and Textile Association) or employees (the GMB union) to refer disputes to an arbitration board, comprised of three representatives of each side, for settlement. If settlement cannot be reached, independent arbitration may be used. During the period of arbitration, no industrial action or lock-outs may take place (UK Fashion and Textile Association, 2012).

As an example of a negotiating EO, the Electrical Contractors' Association (ECA) represents the interests of contractors who design, install and maintain electrical and electronic equipment. The majority of its 2,700 employer members are small companies, with some ninety-five per cent having less than 50 employees (Interview, ECA representative, 2.3.2015). Its primary activity is participation within the construction industry Joint Industry Board that negotiates collective standards across employment, health and safety, welfare and some commercial

issues such as tendering processes, as well as providing arbitration services to resolve disputes between unions and employers. Nationally set wage levels and associated terms and conditions (including health insurance) apply as part of the Joint Industry Board's provisions, although exceptions are in place for London.

As a result, its primary interlocutors are unions representing the construction workforce, with some 500,000 workers being wholly or partially covered by such collective standards (UCATT, 2016). According to the ECA (Interview, ECA representative, 2.3.2015) coverage is:

Still very high [...] they tend to be the large companies. I mean all the majors, the major companies, are members of the Joint Industry Board and they have to be because there is a greater representation and higher union membership in these larger companies and a stronger trade unionism in the general sense.

However, the evolving nature of collective employer relations is reflected by participation in the Joint Industry Board no longer being mandatory. Despite this change, the Joint Industry Board remains 'a national agreement and [...] one of the things that again the major companies particularly value. Rather than sitting down with a trade union once a year or however often it is to negotiate terms in that way, it actually makes sense [...] to do it nationally' (Interview, ECA representative, 2.3.2015). While participation within industry wide collective bargaining structures remains the ECA's primary role, it provides other employment relations services, including accredited training such as apprenticeships and member access to employment law manuals although these are of secondary importance.

Lobbying Employers' Organisations

The largest group are the 250 lobbying EOs, which comprise 56 per cent of the total. Their median number of employer members for this group is 240, the highest of any type. These EOs feature employers who are not necessarily seeking to offset organised labour power, but who are keen to persuade central and devolved governments, as well as their agencies, to adopt policies more in line with their collective interests. As examples, the British Hospitality Association (BHA) argued that 'we're essentially a lobbying organisation [covering] any topic that's [...] relevant to members' (Interview, BHA representative, London, 6.2.2015) while the British Chambers of Commerce (BCC) suggested that 'generally what the BCC does is represent businesses across the spectrum' (Interview, BCC representative, London, 3.3.15).

The primary mode of interaction identified for lobbying EOs is representing employers in the political process via formal and informal influencing activities. All such organisations have this activity as a stated priority. However, the methods by which this is done vary hugely. They include: issuing policy statements and proposals for changing laws and regulations; responding to government consultation; informal lobbying activities, which often involves nurturing relationship with key politicians and their aides; acting as a representative on government commissions or other bodies and appearing before subject Committees of the House of Commons, House of Lords or devolved parliaments or assemblies. Almost half (44 per cent) of lobbying EOs have submitted evidence, and been questioned, by House of Commons subject committees. Some large organisations, such as the Confederation of British Industry or the Federation of Small Businesses (FSB) have sufficient resources to carry out all types of lobbying activities. For example, the FSB has recently lobbied in relation to minimum wages, holiday back pay, the working time directive and skills, with the FSB noting in relation to the

latter that 'We've been very actively involved in the Government's apprenticeship reforms, particularly around apprenticeship funding reform.' (Interview, FSB representative, 2.3.2015). However, the smaller scale of resources available to other bodies, such as the Anaerobic Digestion and Biogas Association, means that these tend to focus on less costly activities, such as responding to government-initiated consultation.

In relation to the regulation of work and employment relations, lobbying EOs provide reactive HRM services and legal advice to their employer members with the general aim of reducing the levels of risk inherent in all employment relationships. A typical suite of these services is provided by the British Printing Industries Federation. It offers contract templates for use with new employees, access to a number of regionally based HRM specialists, as well as legal advice through its own wholly-owned legal subsidiary.

The primary causes of association for lobbying EOs are to influence state behaviour. The types of issues addressed by EOs vary widely, both across and within sectors, given the vast range of contemporary business interests across the economy. For example, the Engineering Employers' Federation (EEF) has an active focus across a broad range of issues such as: employment regulations including parental leave, skills provision and the minimum/living wage (Interview EEF representative, London, 5.5.2015). In contrast, the Chemical Industry Association (CIA) has tended to focus on a smaller number of issues, most notably fracking (Interview CIA representative, London, 6.2.2015).

As an example of a lobbying EO, the National Farmers' Union's (NFU) is, according to its President, 'first and foremost a lobbying organisation' (NFU, 2015), reflecting the extent to which it focuses on government regulation. Its fee-paying membership comprises some 55,000

farmers and growers, estimated at 70 per cent of all full-time farmers. The 2013 abolition of the Agricultural Wages Board in England ended the NFU's major involvement in collective wage agreements although it may have some involvement in ongoing arrangements in Wales, Scotland and Northern Ireland. The extent to which lobbying is prioritised is symbolised by its maintenance of large lobbying teams in Westminster (Interview, NFU NI representative, 4.6.15), with its activity captured by its listing of 45 lobbying areas (NFU, 2015). The depth of the NFU's focus on government is reflected in the activity of its Westminster based policy team in 2014. It produced 100 parliamentary briefs, submitted evidence to 17 select committee inquiries, attended 30 all-party parliamentary group events as well as the party conference of each mainstream political party (NFU, 2014). In relation to other services offered within employment relations, a call centre offers advice on health and safety, employment law and taxation. An 'employment service' also exists, offering to ensure that farmers are 'protected from the risks of being an employer' (NFU, 2016). Despite the provision of these employment relations services, its organisational focus remains on lobbying.

Standard-setting Employers' Organisations

Only 3 per cent of all EOs are standard-setting bodies. Their median number of employer members is 129 although, as is the case for negotiating EOs, membership contains many large employers from across the private and public sectors. Standard-setting EOs are concerned with the implications of social issues their member businesses' interests and their primary purpose is to develop voluntary codes of conduct and to assist members implementing it. EOs also cultivate a broad range of relationships that cut across civil society. For example, Employers for Carers, an employers' organization that focuses on the issue of work-life integration, makes extensive use of local groups as ambassadors to provide outreach services to carers and works

with a broad range of charities and NGOs with the aim of enhancing the reach and impact of the organization.

Standard-setting EOs formulate norms of good HR practice linked to the specific topic with which they deal and seek to have these adopted by their employer members. These norms can be reinforced through consultancy, training, codes of conduct, accreditation and award schemes. The business case argument is prominent within these organizations and typically they seek to persuade member-employers that good ethical practice with regard to disability, equality, work-life balance and the like, can also generate business benefits. The latter are believed to work through two distinct channels. On the one hand, the standard-setting EO helps member-employers introduce better working standards for particular groups of worker such as disabled people, employees with caring responsibility or older workers. Addressing the needs and specific requirements of these groups of employees, it is believed, can help raise commitment, engagement and satisfaction and thereby improve worker performance. On the other hand, better CSR and equality and diversity standards can enhance the reputation of an enterprise more broadly with its own employees, with investors and with customers (Bowkett et al., 2017; Demougin et al., 2017).

The primary causes of association for standard-setting EOs are to address the social concerns of employer-members as well as the business and reputational risks that poor handling of such issues pose. Incentives to associate have been increased in recent years by the volume of legislative activity in the areas covered by this type of EO, with many employers seeking assistance to ensure their conformity with prevailing law. In many cases, the private voluntary regulation developed by standard-setting EOs goes beyond regulatory requirements, but these

bodies often use the existence of such regulation as a platform from which to embed new working practices within their employer members.

An example of a standard-setting EO is the Business Disability Forum (BDF), which states that its aim is to ‘make it easier and more rewarding to do business with and employ disabled people’ (BDF, 2016). In pursuit of this goal, BDF collaborates with a range of civil society actors, including maintaining close links with the main disability organisations in the UK. Its role is threefold; first, persuading employers to visualise disability as an area deserving of their attention as it encompasses investment in human potential and customer relations; second, assisting employers to change their approach to the management of disability issues, and third; encouraging governments to work closely with employers to secure regulation that is seen as reasonable and effective in delivering improvements (Interview, BDF representative, London, 7.7.15). Its employer-members are drawn from a range of sectors and industries and include many large and prominent UK businesses: collectively the membership of BDF employs almost 20 per cent of the UK’s workforce (BDF, 2016).

A key service provided by BDF to its employer-members is its Business Disability Standard (Interview, BDF representative, London, 7.7.15). This standard includes an annual survey measuring progress in disability management within participating organisations. Results are not published, but are used instead to provide a ‘challenging but safe space’ for members to measure their progress. BDF staff meet with managers from the participating organisation to review their scores and agree objectives for the next reporting period, with the BDF stating that:

Often they don't like their scores. They're deeply disappointed by their scores and so we have to help them to move from the disappointment that would cause them to throw in the towel and walk [...] most of them that do it want to learn how to do better. It's the only reason to do it. We certainly don't publish the winners or anything like that. (Interview, BDF representative, London, 7.7.15)

The standard is not a formal code of conduct for its members, but a limited number have been excluded, or withdrawn, from membership, in part because they failed to demonstrate the commitment to improving management practice that is generally expected of members (Interview, BDF representative, London, 7.7.15). As well as promoting employment relations best practice in relation to disability within its member-employers, the BDF also works to influence government policy and practice in this area, with activities ranging from informal lobbying and participating in government working groups to formal submissions to select committees. The BDF was active in the process that led to the landmark Disability Discrimination Act of 1995. Overall, the organizations acts as a promoter of the private voluntary regulation of the labour market.

Service Employers' Organisations

Some 28 per cent (127) of organisations within our population are defined as member service EOs. Their median number of employer members is 101, the fewest of any type. These EOs encompass employers who wish to access business development and HRM services. Service EOs provide services and advice across a wider range of HRM issues, including recruitment and selection, dismissals, pension, pay, health and safety standards and social benefits. Service EOs generally do not interact with government, labour unions and civil society; however, they

frequently collaborate with commercial service firms. Most frequently, the latter are law firms which have legal competence beyond the core focus of the EO and legal advice on employment law and associated regulations; for example the Association of Nanny Agencies has outsourced its legal helpline to a commercial provider.

Service EOs focus on the delivery of services to their employer members. These organisations do not have a stated focus on lobbying, do not participate in collective bargaining structures and have little or no interest in the direct regulation of work or employment relations. Instead, they concentrate on providing services to their membership, including those relating to such members in their role as employers. All member service EOs offer some services linked to employment issues such as employment law helplines, but these are reactive in nature, with such EOs conceptualising HRM around procedural issues and the minimising of risk. Overall, while servicing EOs share some of the characteristics of other types, they are differentiated by their primary focus on business-related service provision, not seeking to represent member views within the political system or institutional employment relations. All offer services related to HRM, with most also offering a range of business development services, ranging from assistance with marketing to networking sessions aimed at creating business to business networks. Their primary cause of association is the delivery of services to their employer members in a cost-efficient manner.

As an example of a service EO, the Contract Flooring Association (CFA) promotes standards and business performance through advisory and information services. Its approach is symbolised by its offer to prospective employer-members; ‘becoming a CFA member helps you to get work, get paid and reduce administration’ (CFA, 2015). It is a relatively small EO with a membership of some 450 employers. It has no involvement in collective bargaining, and

it does not usually carry out lobbying itself. Instead, it is a member of two umbrella organisations, the National Specialist Contractors Council and the Construction Products Association, both of which lobby on behalf of their member EOs. The CFA's primary role is as a business support organisation, including the provision of services within employment relations. It offers a range of outsourced helplines covering issues such as employment law, HRM, health and safety, insurance, taxation and pensions. While its employment services cover a broad range of issues linked to the employment relationship, these are reactive and procedural, aimed at minimising the legal and commercial risks associated with the employment of individuals by its member firms. They are not conceived in terms of raising employment standards beyond those that are legally compliant or with promoting sophisticated forms of HRM.

Pattern of organisation

While a full explanatory account is beyond the scope of the article, we sought to identify factors that contribute to accounting for the different types? We examined two quantifiable indicators, year of organisational origin and sectoral foci, as the specific context in which EOs emerged as well as the sectoral requirements and characteristics might have contributed to the varied pattern of specialisation.

Year of organisational origin data are available for 350 EOs. By the late 1960s, some 500 industry-wide negotiating arrangements (such as National Joint Industrial Councils) were in place for manual workers alone, with each generally requiring employer representation (HMSO, 1968: 13). This representation was supplied by EOs, with the government's Certification Office recording the existence of 512 such organisations in 1976, the first full

year of the Office's operation (Certification Office, 1976). EOs existing prior to the mid-1970s were likely to be involved in collective bargaining, reflecting the extent to which this was entrenched throughout the economy during the post-war era. Some sectors remain covered by such agreements, and associated EOs are often still in place. As a result, negotiating EOs comprise the oldest type, with the median foundation year dating back to 1963.

However, as discussed above, the scale of collective employment relations settlement declined steeply after 1979, with significant falls in the proportions of the workforce covered by such agreements. This meant that any new bodies, including those formed from mergers of existing EOs, were far less likely to be involved in collective bargaining. These were therefore more likely to operate as lobbying or service EOs, with median date of origin for the former being 1981, and the latter being 1979. Finally, the increasing volume of legislation governing individual employment relationships combined with the rise to greater prominence of topics such as equality and those linked to corporate social responsibility to open up space which could be occupied by standard-setting EOs. As a result, this type has the most recent median date of origin, at 2003.

The legacy of the past is also apparent when examining the sectoral composition of EOs within each type, based on an identification of EOs whose membership is drawn predominantly from one of seven groupings: agriculture; forestry and fishing; manufacturing; construction and utilities; private sector services; public sector services, and; cross-sectoral.

[Table 3 about here]

Negotiating EOs feature a relatively broad spread of activity across the sectoral groupings, although they are more likely than other types to focus on public sector services (36 percent) and construction (27 per cent), in part as collective approaches to employment relations retain a relatively strong presence in these sectors. Lobbying EOs are more likely to focus on private sector service sectors where collective approaches to employment relations are less common, with 61 per cent active in these sectors. A similar trend is apparent within service EOs, with 52 per cent active in private sector services. Finally, standard-setting EOs are predominately cross-sectoral. This reflects their focus on representing a single issue within the employment relationship across all sectors of employment, as opposed to issues of relevance to a particular sector.

Conclusion

Countering trade union power and multi-employer bargaining were the main purposes of EOs in the post-war decades in the UK. Both trade unions and collective bargaining declined from the 1970s onwards (Purcell, 1995), and thus these drivers behind employer organisation weakened (Sisson, 1987). Little is known about the subsequent development of EOs in the UK (Barry and Wilkinson, 2011). Our study addresses this research gap by analysing the current population of EOs, which provides insight into how employer organisation and interest representation have changed over time with four types of EOs emerging.

Lobbying EOs (56 per cent of all EOs) have a central focus on representing employers in the political process, which entails representation to Parliament in Westminster and in the devolved nations of the UK as well as informal lobbying, aiming to build up relationships with key decision makers. These EOs aim to influence the institutional framework in which firms

operate by preventing or shaping legislation, including labour and social laws, but they also lobby for new legislation that is favourable to employers. Instead *Service EOs* (28 per cent of all EOs) focus on providing a range of management and HRM services. Regularly these EOs collaborate with commercial service providers such as law firms and business service firms that offer legal helplines or provide HR services to member companies. Service EOs aim through the pooling of financial contributions (i.e. membership fees) to minimise costs for services and to have some level of protection and support structure in place when faced with legal problems. In addition, *negotiating EOs* (13 per cent of all EOs) have maintained their traditional focus on collective bargaining with labour unions, determining wages and regulating the employment relationship. Provisions for arbitration and mediation are regularly included in collective agreement, stipulating a process for dealing with conflict at work. Finally, *standard-setting EOs* have become more popular in the UK, often focussing on social issues in the areas of equality and diversity and CSR. These EOs develop codes of conduct and best practice, often in collaboration with other NGOs, and help member companies implement these through regular interaction (e.g. benchmarking). They aim to protect member firms from legal risk and promote their reputation with customers and their own employees.

Our typology suggests that employer organisation has become more differentiated and specialized with the majority of EOs (87 per cent of all EOs) developing an organisational focus beyond collective bargaining. The majority of lobbying EOs, including examples such as the EEF, had a major focus on collective bargaining in the post-war decades, but subsequently developed a primary focus on influencing government. The evolutionary trajectory for service EOs is more variegated, but they are generally newly founded organisations, such as the Confederation of Dental Employers, responding to arising demands by employers. Standard-setting EOs such as the BDF emerged independently and their origin

does not lie within institutional industrial relations as they never in engaged in collective bargaining and with labour unions. Instead they developed as a new type of EO in a changing institutional environment (Morgan and Hauptmeier, 2014), assisting employers to respond to new challenges such as equality and diversity laws and related reputational risk and opportunities.

The thesis of the ‘end of institutionalized industrial relations’ accurately points to the decline of collective bargaining (Purcell, 1995). However, this process did not lead to a uniform decline of collective employer bodies (see also Gooberman et al., 2017d); rather it changed how EOs represent employer interests. The current range of EO activities and functions indicates an increasing importance of individual interest representation as is evidenced through the activities of standard-setting EOs and service EOs. These organisations offer services to individual member firms on demand or when they require them. In contrast, negotiating and lobbying EOs continue to have a focus on collective interest representation through lobbying in the political process and conducting collective bargaining.

Our research has some limitations with implications for future research. In the latter part of our analysis we explored different factors that help understand the varied pattern of employer organisation, identifying the year of organisational origin and sectoral foci as key predictors. For example, negotiating EOs are generally older organisations and are more likely to operate in the public sector; while service-EOs are amongst the more recently founded organisations often operating in the newer service industries. However, our explanatory account is incomplete and further research has to identify additional predictors of the different types of employer organisation. In addition, future research will have to examine if our typology has broader applicability beyond the UK and is able to capture the change of EOs in other countries.

It is likely that within coordinated market economies negotiating EOs comprise a larger share of the total population (Martin and Swank, 2012; Ibsen, 2016) but it is an open research question if and to what extent standard-setting EOs and service EOs exist in other countries.

EOs and labour unions have been impacted by similar changes such as changing government regulation and the internationalization of the economy (Brandl and Lehr, 2016). However, employment relations research has to a far greater extent focussed on labour unions, neglecting the examination of EOs. This is particularly acute for the UK. Yet, as this paper shows, EOs continue to fulfil a changing but important role in employment relations, even in a liberal market economy.

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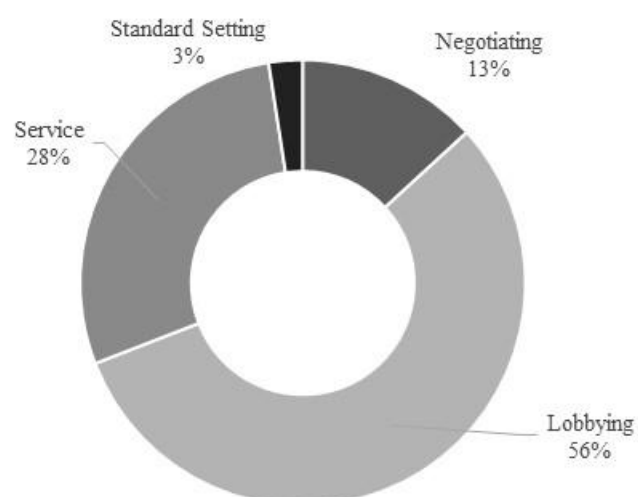
Table 1: Patterns of Employers' Organisations in the United Kingdom

	Provision of collective goods	Provision of selective goods
Direct impact on employment relations	Negotiating EOs	Standard-setting EOs
Indirect impact on employment relations	Lobbying EOs	Service EOs

Table 2: Typology of Employers' Organisations in the United Kingdom

EO Type	Primary Function	Key Inter-locutor	Role in work and employment relations	Motives of Association
<i>Negotiating</i>	Collective bargaining	Unions	Negotiating collective agreements, arbitration procedures	Countering union power, dealing with conflict at work
<i>Lobbying</i>	Political interest representation	State	Shaping labour law, service provision	Influencing government(s)
<i>Standard-setting</i>	Defining and implementing labour standards	NGOs	Setting labour-standards, encourage best practice and high involvement	Improving working conditions and performance of targeted workers; avoiding legal risks; enhancing reputation of member firms
<i>Service</i>	Service provision	Commercial service firms	Provision of HR process management, legal advice	Delivering services in a cost-efficient manner through pooling resources and membership fees

Chart 1: EOs by type



Source: EO database, authors' calculations

Table 3: EO sectoral focus by type (a)

Sector	EO Type (per cent)			
	Negotiating	Lobbying	Service	Standard Setting
Agriculture, forestry and fishing	3	6	1	0
Manufacturing	12	11	16	0
Construction and utilities	27	10	17	0
Private sector services	22	61	52	9
Public sector activities	36	9	15	18
Cross sectoral	0	2	0	73

Note:

(a) Totals may not sum to 100 per cent due to rounding.

Source: EO database, authors' calculations.