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THE DECAY AND REVIVAL OF SUB-UK EMPLOYER ORGANISATION: A RESPONSE TO DR RITSON

Dr Ritson recently published an article in this journal on Employer Associations (EAs) in the UK (Ritson, 2020). He set out a case study of a sub-UK EA within the Engineering Employers' Federation before criticising an article we published on countervailing power in the Human Resources Management Journal (Goberman, Hauptmeier and Heery, 2019a). Dr Ritson argues that we misunderstand the structures and roles of EAs, and that as a result our argument on countervailing power was misguided. He also claims that our research was 'superficial', and we failed to carry out an 'assiduous examination' of the literature (Ritson, 2020: 296).

This piece responds to Dr Ritson. It has three parts. The first summarises our arguments on countervailing power and his critique. The second explains why we reject Dr Ritson's critique. The third moves the debate forward by discussing the contemporary history of sub-UK employer organisation. We argue that sub-UK EAs of the type analysed by Dr Ritson were marginalised by the decline of collective industrial relations. But a partial rejuvenation took place after 1999 as employers organised to countervail the power of devolved parliaments and assemblies, although revival was narrowly focussed and very different to the previous pattern.

I: The arguments

We argued that the use of countervailing power by employers shifted between the 1960s and 2016 (Goberman, Hauptmeier and Heery, 2019a). We identified two periods when examining employer organisations (EOs), which we defined as employer collective bodies active within work and employment topics. One period was the 1960s to 1979, and the other was 1979 to

2016. During the first period, EOs typically focussed on countervailing labour union power through activities linked to collective bargaining. But as union influence and bargaining waned after 1979, employer collective bodies focused increasingly on countervailing two other sources of power. One was the growing role of the state within employment regulation, where it sought a less collective and more ‘flexible’ form of labour market regulation through advancing individual rights, equal opportunities, and minimum standards at work. The other source was campaigns and social pressures by non-governmental organisations and civil society organisations. These organisations sought to advance the interests of worker categories such as carers and BAME groups. We argued that shifts in EO activities and organisational forms arose in response to both sources. Our research was part of an ESRC funded project that included ninety-eight interviews, archival research, and building a database covering the organisational forms and activities of 447 EOs.

Dr Ritson’s research was based on the records of the Coventry and District Association of the Engineering Employer’s Federation from an unstated point in the 1970s to 1984. He also conducted three interviews. Dr Ritson finds that a primary purpose of this association was to provide services linked to ‘day to day collective issues under the national agreement’s procedural provisions’ (Ritson, 2020: 296). He builds on his findings to argue that we have misunderstood the role of EAs, and that our argument on countervailing union power is misguided. Dr Ritson also argues that our arguments on the two other sources of countervailing power are a ‘distraction’ (Ritson, 2020: 288).

II: Our response

Dr Ritson has misread our empirical findings within our first period, from the 1960s to 1979. We focus on three examples. First, he argues that that our findings, and those of other researchers, are based on a ‘misunderstanding [...] the idea that the EEF [Engineering Employer’s Federation] is an Employers’ Association rather than a Federation or a collection of these as a central peak’ (Ritson, 2020: 296). But we state that ‘employer organisation settled into a multilevel structure, characterised by large, industry-specific national federations, sectoral EOs and smaller regional or national organisations. Organisations in the latter category were usually affiliated to national federations’ (Goberman, Hauptmeier and Heery, 2019a: 86). We know, for example, that the Engineering Employers Federation was a federation.

Second, Dr Ritson argues that a supposed ignorance of federal EAs has prompted a neglect of sub-UK activities: ‘EAs have generally been seen from the point of view of national-level central peak organizations, and their power seen as being based on employer solidarity via national negotiations in which terms and conditions of employment were apparently set for the member firm’ (Ritson, 2020: 297). But we state that ‘the national agreement provided minimum conditions which local negotiators supplemented at workplace-level, an approach taken by 20 out of 24 EOs surveyed in 1966’ (Goberman, Hauptmeier and Heery, 2019a: 86). When this text is read with that on the multilevel structure of employer organisation, it follows that federal organisations encompassed sub-UK bodies providing bargaining linked services at sub-UK levels.

Third, Dr Ritson argues that we are ‘unaware of the measures taken [by EAs] during the 1970s to understand the plethora of government legislation and initiatives’ (Ritson, 2020: 296). But

we state that their ‘greater role and representation in the political system triggered consolidation’ when mergers ‘aimed to centralise employer interest represent representation and strengthen their political influence’ (Gooberman, Hauptmeier and Heery, 2019a: 86). This extract references the growing importance of political representation within EAs before 1979.

Having misread our empirical findings, Dr Ritson then misunderstands our argument covering the 1960s to 1979. He claims we argue that EAs were central peak organisations setting employment conditions for member firms through national agreements, from which they derived their power. We made no such argument. As is clear from the extracts provided earlier, we argued that while the primary purpose of EAs in the 1960s and 1970s was to negotiate national agreements, these were often supplemented by local negotiations at workplace level. These negotiations often required involvement from sub-UK EAs. The same, inevitably, was true for disputes. Such involvement helped drive the multi-level structure of employer organisation that we summarised, as sub-UK and national activities assisted EAs to countervail against unions. Dr Ritson’s data on one sub-UK EA within the Engineering Employers’ Federation does not invalidate our argument as to countervailing union power between the 1960s and 1979, it is instead supportive.

Having misread our data and misunderstood our argument within our first period, covering the 1960s to 1979, Dr Ritson then critiques our arguments relating to our second period, covering 1979 to 2016. This is problematic as his data, apart from those in one footnote, end in 1984 and tell us very little about what happened to sub-UK employer organisation during the transformation of industrial relations in the 1980s and beyond. Important events after 1984 included the Engineering Employer’s Federation’s withdrawal from its national substantive bargaining agreement and the abolition of its autonomous sub-UK structure, including the

successor to the association studied by Dr Ritson. He also argues that the two extensions of countervailing power central to our argument in our second period are a ‘distraction’ (Ritson, 2020: 288). But Dr Ritson has almost no data after 1984 so cannot explain why they are a ‘distraction’. Neither can he suggest any alternative. The same is true for our use of theory, where Dr Ritson critiques but does not suggest any developments or extensions.

III: The contemporary history of sub-UK employer organisation

Dr Ritson criticized our arguments as to the trajectory of sub-UK employer collective action during our second period, covering 1979 to 2016. But the paucity of his own arguments or data applying to most of this period prompts the question: what happened to sub-UK employer organisation after 1984? We now seek to move the debate forward by arguing that the type of sub-UK EA symbolised by those within the Engineering Employers’ Federation was marginalised by the decline of collective industrial relations. But some rejuvenation took place after 1999 as employers organised to countervail new sources of political power flowing from newly created devolved parliaments and assemblies. Nevertheless, revival was narrowly focussed and was very different to the previous pattern.

The decline of collective industrial relations is well documented. The percentage of employees in Britain covered by any variant of bargaining fell from 70 per cent in 1984 to 23 per cent in 2011 (Brown, Bryson and Forth, 2009; Van Wanrooy et al., 2013) Many studies have highlighted how industrial relations transformed from a collective approach characterised by bargaining, to a more firm-based focus as government regulation of the individual employment relationship intensified. Some multi-employer bargaining remained but was concentrated in the public sector.

Structural changes inevitably affected EAs given that their roles within bargaining structures and outcomes underpinned their existence. Nevertheless, impact on individual EAs varied, reflecting the multi-level system of employer organisation across private industries and the public sector. Within private industries, some EAs once centrally negotiated wages and conditions applying to all members. Others were federations where national level agreements were supplemented at sub-UK level. The balance were standalone sub-UK organisations. All were impacted by changing industrial relations. Many national agreements collapsed from the 1980s. Some EAs associated with such agreements ceased to exist, while others survived by focusing on providing lobbying and non-bargaining member services including those linked to human resource management. Many EAs with a stated sub-UK focus closed, merged, or ceased to bargain. Examples included the West Yorkshire and Lancashire Wool (and Allied) Textile Federation, the Mersey Ship Repairs Association, and the London Enclosed Docks Employers Association. By 2011, only 16 per cent of private sector employees in Britain were covered by bargaining and strongly unionised workplaces where all employees had their pay set by bargaining were rare (Van Wanrooy et al., 2013).

Trends, however, differed within the public sector where 44 per cent of employees were covered by bargaining in 2011 (Van Wanrooy et al., 2013). Here, some sub-UK EAs such as those within local government were involved in negotiating and implementing collective agreements covering pay and conditions. But many of these agreements changed in scope. They increasingly became frameworks granting autonomy to individual employers over implementation terms, weakening further the role of EAs within collective employment relations.

Federations were not immune from these changes, as can be illustrated by the organisational trajectory of the Engineering Employers Federation and its constituent parts. In 1984, the Coventry and District Association within the Federation ceased to exist as an independent entity and merged with the West Midlands Association. In 1989, the Federation withdrew from its national substantive bargaining agreement with organised labour (Joyce, 2013). Although some federated sub-UK EAs supported firm or project-level bargaining thereafter, many struggled financially as bargaining in general began to dissipate. By 2005 the Federation had reorganised to reduce the autonomy of its sub-UK EAs and rebranded itself as the EEF, the Manufacturers' Organisation. In 2008 the EEF ended its federated structure by merging sub-UK EAs in England and Wales into a centralised organisation (McKinlay, 2013), although sub-UK offices were retained. Structural change was accompanied by shifting organizational foci. From the late 1990s the Engineering Employer's Federation/EEF focused primarily on member services such as advising individual members on human resource management, individual employment law, and health and safety; activities that it combined with political lobbying. By 2019, the EEF's adaptation to structural change was complete and it renamed itself as Make UK to reflect its representative role across all types of manufacturing activity.

While the Engineering Employer's Federation/EEF/Make UK provides one example of change after 1984, a full analysis requires the trajectory of federal EAs and their organizational components to be mapped, alongside standalone sub-UK EAs. While these data have yet to be identified, an indication can be gained from our examination of data collected by the government's Certification Office and held at the UK National Archives.

The Certification Office compiled lists of EAs from 1976, including federal, sectoral, sub-UK or multi-industry bodies. Although data includes those on some sub-UK EAs within the

Engineering Employers Federation before their merger, many federal sub-UK EAs were not listed separately. All listed EAs were either registered as bargaining organisations or were unregistered but believed to be bargaining. These are the only official time-series on EAs from the 1970s. The number of EAs registered at, or known to, the office dropped from 514 in 1976 to 97 in 2013–2014, a decline of 81 per cent (Certification Office, 1976; 2014). The total membership of these EAs dropped by 56 per cent over the same period. This percentage decline was less steep than that of EA numbers, as mergers reduced organisational numbers but had less impact on membership (Gooberman, Hauptmeier and Heery, 2019b). While exceptions existed, the overall trend of decline across EAs was clear.

It might appear that the ‘end of institutional industrial relations’ (Purcell, 1995) pushed sub-UK employer collective action to the margins. But a new phase flowed from the creation after 1999 of devolved parliaments and assemblies in Scotland, Wales, and Northern Ireland. Although the UK Government generally retained jurisdiction over regulatory employment relations in Scotland and Wales, devolved governance drove the development of partially variegated systems offering opportunities for sub-UK employer collective bodies. Devolved governments were gradually granted greater authority as the legal frameworks governing devolution changed, their responsibilities included major public sector employers such as the NHS and local government, and their political complexion often differed from UK Governments (Gooberman, 2017).

Two examples illustrate such developments. First, public sector employer collective bodies and their members in Scotland and Wales worked with unions and devolved governments to create social partnerships within the NHS (Bacon and Samuel, 2016). These arrangements were used to modernize employment relations and enhance staff terms and conditions. Second, the Welsh

Government exploited constitutional loopholes to create a new Agricultural Advisory Panel for Wales despite opposition from the UK Government. Representatives of employer bodies sit on this panel along those of unions to recommend statutory wage floors and other terms and conditions for all agricultural workers to be set by the Welsh Government. Similar bodies exist in Scotland and Northern Ireland.

While full data on the historical trajectory of sub-UK EAs has yet to be collated, in 2016 we identified 447 contemporary Employer Organisations (EOs) as part of our ESRC project (Goberman, Hauptmeier and Heery, 2018; 2020). Our definition of EOs reflected changing employment relations. We did not restrict our analysis to only those bodies (EAs) involved in collective bargaining; we also included those providing services to their members across work and employment. We identified seventy-six sub-UK EOs. Over half served employers in Scotland, Wales, and Northern Ireland. Most of the others covered English regions, often linked to local government, while the balance covered England, or England and Wales. Some EOs formed relationships encompassing employment issues with new devolved actors in England, such as combined authority mayors, although this dynamic has yet to be mapped fully.

Collective bargaining involving sub-UK EOs within private sector workplaces was rare, and public sector arrangements evolved towards a framework driven approach that reduced the influence of sub-UK EOs. As the salience of bargaining fell, developments in Scotland, Wales and Northern Ireland reflected instead a new focus of employer organisation within devolved contexts. Legislation and policies by devolved governments impacted on employers. EOs sought to influence and mitigate such impacts, while providing member services including those linked to the individual employment relationship.

All this means that the pattern of sub-UK activity examined by Dr Ritson was marginalised after 1984. But the contemporary history of sub-UK employer collective organisation was not one of marginalisation. Instead, there was some rejuvenation as employers organised to countervail new sources of political power created by devolution. This new focus on devolved territories was an important departure from the historical trend by which EAs (and unions) formed at a local and regional labour market levels before amalgamating into UK-wide associations and federations. However, the new phase focussed narrowly on devolved territories and did not replace the previous pattern with its more encompassing presence of regional and local EAs. Overall, as the structure of the state changed to create new challenges to employers, the pattern of collective organisation by employers adapted in response.

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