

# Online Research @ Cardiff

This is an Open Access document downloaded from ORCA, Cardiff University's institutional repository: <https://orca.cardiff.ac.uk/id/eprint/98372/>

This is the author's version of a work that was submitted to / accepted for publication.

Citation for final published version:

Goberman, Leon ORCID: <https://orcid.org/0000-0002-2570-4704>, Hauptmeier, Marco ORCID: <https://orcid.org/0000-0001-6755-3089> and Heery, Edmund ORCID: <https://orcid.org/0000-0003-3914-7635> 2018. Contemporary employer interest representation in the United Kingdom. *Work, Employment and Society* 32 (1) , pp. 114-132. 10.1177/0950017017701074 file

Publishers page: <http://dx.doi.org/10.1177/0950017017701074>  
<<http://dx.doi.org/10.1177/0950017017701074>>

Please note:

Changes made as a result of publishing processes such as copy-editing, formatting and page numbers may not be reflected in this version. For the definitive version of this publication, please refer to the published source. You are advised to consult the publisher's version if you wish to cite this paper.

This version is being made available in accordance with publisher policies.

See

<http://orca.cf.ac.uk/policies.html> for usage policies. Copyright and moral rights for publications made available in ORCA are retained by the copyright holders.



# **Contemporary Employer Interest Representation in the United Kingdom**

Leon Gooberman, Marco Hauptmeier, Edmund Heery

(Cardiff University)

## **Abstract**

Focussing on employers' organisations in the United Kingdom, this article contributes to the literature on employer interest representation by advancing three interrelated arguments, which reflect how the methods, structure and interests of employer representation have evolved. First, the primary method of collective interest representation has shifted from collective bargaining, nowadays only pursued by a minority of employers' organisations, to political representation, now the most frequent form of collective interest representation. Second, the structure of employer interest representation has evolved and is fragmented between a small number of large, general employers' organisations, a large majority of sectoral employers' organisations, regional interest representation in the devolved nations, which has become more important, and a new type of employer body, the employer forum, which focusses on corporate social responsibility. Third, the shift in collective interest representation is complemented by a broadening of individual interest representation, with employers' organisations having developed a wide range of services.

**Keywords:** collective interests, employer, employer associations, employer forums, employer interest representation, employers' organisations, employment relations, individual interests, lobbying, United Kingdom.

## Authors

Leon Goberman  
Cardiff Business School  
Cardiff University  
Aberconway Building  
Colum Drive  
Cardiff  
CF10 3EU  
UK  
Email: [gobermanLM@cardiff.ac.uk](mailto:gobermanLM@cardiff.ac.uk)

Marco Hauptmeier (corresponding author)  
Cardiff Business School  
Cardiff University  
Aberconway Building  
Colum Drive  
Cardiff  
CF10 3EU  
UK  
Email: [HauptmeierM@cardiff.ac.uk](mailto:HauptmeierM@cardiff.ac.uk)

Edmund Heery  
Cardiff Business School  
Cardiff University  
Aberconway Building  
Colum Drive  
Cardiff  
CF10 3EU  
UK  
Email: [Heery@cardiff.ac.uk](mailto:Heery@cardiff.ac.uk)

## **Introduction**

Employers' organisations (EOs) in the United Kingdom (UK) were a central actor in employment relations and economic governance throughout the post-war era. They negotiated collective bargaining agreements with unions that defined wages and working conditions for most British workers, participated in macro-economic governance involving the coordination of incomes policies with government and unions, and governed tripartite industrial training boards that trained millions of workers (Crouch, 1979). The internationalization of the economy combined with the Thatcher Governments' attack on the collective regulation of employment relations weakened unions. EOs withdrew from sectoral and multi-employer collective bargaining (Sisson, 1987), contributing to a decline of institutionalized employment relations in the UK (Purcell, 1995). This process is well-established in the literature, but less is known about the effects of these changes on the representation of employer interests in the following decades (Barry and Wilkinson, 2011; Brandl and Lehr, 2016; Ibsen, 2016). This article addresses this lacuna by analysing contemporary EO interest representation in the UK.

Within employment relations and the sociology of work, the term employers' association refers specifically to employer bodies that conduct collective bargaining (Windmuller and Gladstone, 1984; Hauptmeier and Vidal, 2014). However, as alluded to above, many employers' associations have stopped conducting collective bargaining and developed new activities and services (Behrens, 2004). Some employers' associations have ceased to exist (for example, the London Enclosed Docks Employers Association or the Federation of London Clearing Banks), but new types of employer bodies such as employer forums have emerged to represent employer interests in the areas of corporate social responsibility (CSR), assisting members in

dealing with new challenges and risks within the management of employment relations (Bowkett et al., 2017; Demougin et al., 2017). Given this evolution, this article focuses on the broad population of EOs with the aim of capturing all collective bodies that represent employer interests in the areas of work, employment relations and Human Resource Management (HRM).

The analytical lens for examining contemporary EOs is the literature on interest representation, including employer interest representation. The analytical concepts of this literature, discussed in the next section, inform and structure the analysis of the empirical data, allowing the contemporary characteristics of employer representation in the UK to be analysed. Specifically, the article interrogates the how, who and what of employer interest representation: how and through which methods do EOs represent member interests?; who represents employers and what is the structure of representation?; and what types of interest do EOs represent? The historical literature on employer interest representation in the UK has provided some answers to these questions (Grant and Marsh, 1977; Windmuller and Gladstone, 1984; Armstrong 1984; Sisson 1997; Crouch 1979); however, little is known about EO interest representation in the UK since the early 1990s.

This article contributes to this literature on employer interest representation by advancing three interrelated arguments, reflecting how the methods, structure and types of interests of employer representation have evolved. First, the primary method of collective interest representation has shifted from collective bargaining, nowadays only pursued by a minority of EOs, to political representation, including lobbying, now the most frequent form of collective interest representation. This political representation occurs within a pluralist parliamentary process.

EOs also take part in joint labour market regulation through government bodies such as the Advisory, Conciliation and Arbitration Service (ACAS), Health and Safety Executive (HSE), Low Pay Commission (LPC) and the Gangmasters Licensing Authority (GLA). However, the composition of their governing boards has evolved from a primarily tripartite mode of representation to one including a greater number of independent experts. Second, the structure of EO interest representation has evolved and is fragmented along a small number of large, general EOs, a majority of sectoral EOs and regional interest representation, which has become more important in the context of the devolved national parliaments. In addition, a new type of employer body, the employer forum, has emerged. Third, the shift in collective interest representation from collective bargaining to lobbying is complemented by a broadening of individual interest representation with EOs having developed a range of member services, which focus on procedural HRM and legal compliance. Thus, more expansive approaches to HRM focussing on high performance or employee engagement are mostly absent with the exception of the work by employer forums.

### **Interest representation and employers' organisation**

A well-established theoretical literature on interest representation exists, including employer and business interest representation (for an overview of the latter see: Coen et al., 2010), which discusses the crucial issues of *methods of interest representation, structure of interest representation* and *types of interests*.

Broad analytical approaches such as pluralism, voluntarism, corporatism, and Marxism emphasise various channels or *methods of interest representation*. Pluralism describes how

interest groups mediate between individuals and society by representing a wide range of interests vis-à-vis the state (Dahl 2005). Pluralism assumes that no single interest group dominates and competing interest groups co-exist, which balance each other out in different policy domains (Grant, 2000). The state is independent from the different interests and acts as an arbiter, adjudicating on merit and choosing the best argument (Grant, 1977: 6). Moreover, the state also ensures that all interest groups have the same formal rights to take part in the political process. The primary method of EO representation is different in the voluntarist model, which assumes that the role of the state in regulating the employment relationship is minimised, allowing employers and unions to arrange their own affairs through free collective bargaining (Heery, 2010a). In the British case, the preference for voluntary employment relations was rooted in the unions' distrust of government and courts, suspected to favour employers. In contrast, in corporatist accounts the state formally integrates interest groups into the political system (Molina and Rhodes, 2002), assuming a political exchange, with the state providing interest groups with policy making authority, while interest groups discipline their members to ensure compliance with agreed norms. This frees the state from regulating complex, technical or contentious areas of society, such as employment relations, by drawing on interest group expertise (Schmitter and Streeck, 1999). A central characteristic of corporatism is reliance upon tripartite bodies and social pacts in which state, unions and EOs jointly develop and implement policies (Hassel, 2009). However, Marxists argue that the influence of capitalists is structural and given 'regardless of whether capitalists intervene directly' (Block, 1977: 12) as there is an 'unspoken deference [by the state] to the need of business' (Lindblom, 1977: 179) due to the importance of companies in capitalist societies. Thus, business is less in need of collective organisation and representation, while workers have no alternative than to organise in unions to counter the structural power of businesses (Paster,

2015). This perceived imbalance leads Offe and Wiesenthal (1980) to conclude that there are different logics of collective action for businesses and labour.

However, the comparative literature suggests that the *structure of representation* is not given in capitalism and varies across countries (Martin and Swank 2012). The varieties of capitalism literature details how centralized EOs play a significant part in the governance of coordinated market economies (for example, tripartite training regimes), whereas liberal market economies are primarily governed by markets (Hall and Soskice, 2001). The structure of employer representation in both types of market economy can be differentiated vertically or horizontally (in practice it is often a combination of both principles) (Traxler et al., 2001). In some countries, the population of EOs is organised in a centralized fashion with several hierarchical layers and a central employers' confederation sitting at the top of the pyramid (Traxler, 2008). These unitary confederations possess the authority to formulate and implement policies or collective bargaining outcomes throughout their organisational network. Moreover, as they represent the entire employer community, central employers' confederations are an attractive, one-stop, interlocutor for government. In addition, the structure of representation is vertically differentiated based on a range of sometimes overlapping organising principles (Windmuller, 1984), including economic activity (for example, sector or industry), territory (for example, local, regional or international), ownership (for example, private versus public) and size (for example, small companies) and function. An example of the latter are employer forums, which represent employer interests in the areas of CSR as well as equality and diversity (Bowkett et al., 2017; Demougin et al., 2017).



Beyond structural considerations, the literature differentiates between *types of interests*. For example, Olson (1965) points to the crucial differences in organising individual and collective interests. Collective interests are those that benefit the entire population of employers (for example, in an economic sector). Individual employers can free-ride and take advantage of EO interest representation without being a member and paying membership fees. This collective action problem can be overcome by appealing to individual employer interests through selective incentives, such as services and functions that benefit individual employers and cannot be accessed by non-members (Sheldon et al., 2016). Other authors distinguish between quantitative and qualitative interests (Hyman, 1997; Heery, 2010b). EOs' qualitative interests relate to the treatment of workers and their subjective experience of work (Piore and Stafford, 2006) that employers often link to high-performance work systems (Appelbaum, 2000) or employee engagement (Truss et al., 2013); while quantitative interests narrowly focus on improving productivity through reducing labour costs. Another distinction is between particular economic interests and general capitalist or employer interests (Offe and Wiesenthal, 1980). The latter refers to interests that are widely shared by capitalists, while the former are those conditioned by the requirements of being an employer in a specific context, for example, an economic sector or a region.

Previous literature does not address how the interests, structure and methods of UK employer representation have developed since the early 1990s. This period meant a changing context for EOs, not a transformative change as happened during the Thatcher Governments, but a gradual change that put new demands on UK employers. Importantly, the Blair Government joined the European Social Charter of the European Union (EU) in 1997, which delivered new legislative rights for workers (Smith and Morton, 2006). This period also saw the creation of new elected

assemblies in Wales, Scotland and Northern Ireland, but these did not generally possess legislative competencies within labour law and employment relations. Overall, governments continued to favour individual rights over collective rights. An example of this can be seen in the development of new equality and diversity legislation (Özbilgin and Tatli, 2011); although the Blair Government created a Low Pay Commission with collective input from unions and EOs. Yet there is a lack of research and empirical data on how these trends affected employer organisation. In a literature review in this journal, Barry and Wilkinson (2011) searched for research on EOs, and found that they are an under-researched topic, particularly when compared with unions. For example, their search of five major employment relations journals found only three articles over the previous decade addressing EOs, none of which focused primarily on the UK. In 2016 we carried out a methodologically identical search, covering the period between 2011 and 2015, with similar results. The next section details how we addressed this empirical gap, while the following empirical sections analyse the data and distil the results.

## **Methods and Data**

A starting point for establishing the population of EOs is the Certification Office. Established by the government in 1975, its responsibilities include publishing a list of EOs active within collective bargaining (longitudinal data on non-bargaining EOs does not exist) (Certification Office, 2014). However, many EOs are not registered and we sought to identify these unregistered EOs using a web-based directory (Trade Association Forum, 2015), searches in practitioner journals, newspapers, the internet and qualitative interviews.

The evolution of employer bodies beyond collective bargaining prompted us to develop sampling criteria. First, we identified organisations that showed evidence of being active in the sphere of work, employment relations and HRM, considering a wide range of activities (for example, collective bargaining, advice on employment law, arbitration, health and safety standards, support for recruitment, training, voluntary labour standard setting and political representation targeting issues in these areas). Second, the membership base must be comprised predominantly of employers, or of individuals acting as employers. This excluded organisations that target individual managers such as the Chartered Institute for Personnel and Development (CIPD). Third, employer members must pay membership fees to filter out informal networks or organisations entirely dependent on other sources of funding. Fourth, EOs needed to have a website, which we regarded as a sign of organisational vitality. This criterion helped to weed out inactive EOs only existing on paper. Using these criteria, we identified 447 functioning EOs.

A template and access database was then developed to capture the main characteristics and functions of each and all EOs containing some 60 questions across organisation, membership and activity. We used different data sources, of which EO websites were the most important. We also collected membership numbers from Certification Office records and searched the parliamentary website (House of Commons, 2016) to identify EOs that had testified before Select Committees. For example, data collection on political representation considered evidence from the EO websites (including informal lobbying) and the parliamentary website (formal lobbying). Table 1 provides an overview of the different types of examined EOs.

*Table 1 about here*

Systematically collecting and analysing information from organisational websites is a form of content analysis, which is similar to the analysis of other content (Bryman, 2015). Content analysis must consider the authenticity of data as well as the audience for whom it has been written. Websites are the ‘public face’ of organisations and have three primary audiences: providing information for existing members; attracting new members by showcasing services offered and; representing EOs to the public. Given this, it is unlikely that EOs systematically present inaccurate information due to the reputational risk not just for EOs but also their members.

We triangulated the database findings with interview data to increase the reliability of our analysis. We conducted 68 interviews with representatives of EOs and experts that collaborated or had working relationships with EOs (for example, from regional and central governments, CIPD and unions; Table 1 provides an overview of the interview data). Interviews were semi-structured and pursued similar themes to those in the template, but also included open-ended queries. Interviews sought a more detailed understanding of the different themes, tested the accuracy of the database results and generated qualitative data for empirical illustrations. Interviewee selection was based on snowball sampling, where initial interviews were randomly selected and subsequent interviewees were those suggested in earlier interviews.

### **Methods of interest representation**

The work of EOs demonstrated a variety of means and channels by which they represented the interests of their members, including political representation, joint labour market regulation

and unilateral labour market regulation. EO interest representation also included a range of individual services which, however, are discussed in the section on types of interests below.

### *Political representation*

A large majority of EOs (73 per cent) engaged in political representation, making it the most frequent activity (all percentage figures throughout the empirical sections refer to our EO database unless stated otherwise). Representation included consultation by parliamentary Select Committees, participation in All-Party Parliamentary Groups (APPG) and informal lobbying. The importance of political representation for EOs was reflected by the extent to which EOs, including the largest and most influential, were based close to the UK's political capitals. In terms of headquarters location, 49 per cent of EOs were in London and the South East of England, compared to 2 per cent in Wales, 8 per cent in Scotland and 2 per cent in Northern Ireland. Locations in these devolved nations vary, but those in their capital cities were the most common. EO interest representation across the four capitals was even more far-reaching as the most influential EOs had subsidiary offices in the devolved nations.

Interest representation in the House of Commons was the most institutionalised form of participation in the political process, with Select Committees depending on expert witnesses. Parliament's website showed that 140 of the EOs in our database made submissions and were questioned by Select Committees over the past decade. Examples linked to employment include the Association of Colleges' evidence to the Business Innovation and Skills Committee inquiry on Apprenticeships (House of Commons, 2012) and the British Retail Consortiums' evidence to the same committee's 2016 inquiry on the digital economy (House of Commons,

2016). In addition, EOs participated in a similar way in the committees of the parliaments and assemblies of the devolved nations.

APPG allow interest groups such as EOs to meet Members of Parliament or the House of Lords and to broach topics and shape the political agenda. EOs led the organisation of 25 APPG, where they acted as a point of contact or provided secretariat services. Examples included the Association of Colleges' provision of secretariat services for the Further Education and Lifelong Learning group and the British Hospitality Association's (BHA) provision of such services for the Visitor Economy group. Overall, APPGs dealt with a vast range of topics, with those linked to issues covered by EOs including the chemical industry, retail trade and small businesses. APPG meetings tended to be informal; for example, members met over food and/or drinks and interest representatives could suggest topics for the parliamentary agenda or changes to current legislative initiatives.

However, lobbying also depended on informal communication outside formal channels, which one of our interviewees (interview with Chair, EO, 3.6.2015) described as:

[...] trust is obviously important. That you know, over a period that the relationship develops that you can on a two-way basis, share confidence. That's important. But I think initially there has to be credibility so that they realise that what I'm saying to them is accurate, it's well-thought-out, it's reflective of the sector. [...] So for example I had a phone call from the advisor for one of our Members of Parliament [...] and he was wanting to get a briefing paper pulled together and he lifted the phone and said, 'Can you give me some information here? What line do you think [...] the Member of Parliament should take on this particular issue?' [...] Equally that I can lift the phone to them and say, 'Look. To give you a heads-up here so that you're not caught', or, 'Can you find out information for me?', or, 'We have an issue. Can you help?' It's that sort of relationship that's important.

In terms of where the boundaries for lobbying lay, the representative (interview with Chair, EO, 3.6.2015) suggested that:

You have to be terribly careful. There is somewhere a line in the sand. [...] It's one thing saying to a Member of Parliament or their advisor, 'Look. Can we have a bite of lunch', but if over the bite of lunch I'm saying, 'Look. There's a brown envelope', no-no. So [...] I've no problem in having lunch with an individual, but I would tend to draw the line there and I would not go really any further than that.

The research assessed the effectiveness of EO lobbying by examining four salient employment policies in the period from 2013 to 2016. EO representatives identified the holiday back pay policy, new workplace pension, living wage and apprenticeship levy as particularly important for employers (for example, interview 'The Manufacturers' Organisation' (EEF) representative, 5.2.2015; interview Federation of Small Businesses (FSB) representative, 3.6.2015). An incisive case was the lobbying by EOs over holiday back pay. This related to EU legislation and a court ruling that allowed holiday back pay from 1998, potentially involving significant costs to employers. EOs campaigned through lobbying, pressing the government to develop protective legislation. The government reacted by creating a working group with representatives from the largest EOs (while worker interests were not represented). It developed suggestions for clarifying European legislation, which the UK Government quickly turned into law (interview with FSB representative, 2.3.2015; interview with British Chambers of Commerce (BCC) representative, 3.3.2015). However, EOs were less able to influence other employment policy issues. In their lobbying efforts, EOs described the workplace pension as a 'bureaucratic nightmare'; the living wage as a 'job killer' and the apprenticeship levy as an 'additional stealth payroll tax', but the Conservative-led governments pressed ahead regardless.

### *Joint Labour Market Regulation*

Free collective bargaining was the cornerstone of voluntarism in the UK. However, only a minority of EOs (13 per cent) were involved, whereby 43 EOs were signatories of collective bargaining agreements. Of these, 29 drew their members from within the private sector, but the number of employees covered by these agreements was often dwarfed by those covered by the agreements signed by the 14 public sector EOs. In addition, 16 EOs were involved in an advisory role within collective bargaining, most of which were the regional organisations representing local government, who fed into decisions taken on collective bargaining by the Local Government Association. The varied nature of EO roles in collective employment relations reflected how approaches ranged from highly prescriptive in some cases to more of a framework approach in others, with EOs retaining a procedural role with most bargaining taking place at company levels.

Furthermore, EOs took part in joint regulation through government bodies. The UK has a tradition of corporatist or tripartite political arrangements. For example, UK governments jointly coordinated income policies and governed industrial training boards with unions and EOs in the 1960s and 1970s (Crouch, 1979). However, given the evolution of the UK's approach to economic governance, contemporary EOs' participation in government bodies focussed narrowly on labour market regulation, including dispute resolution (ACAS), health and safety (HSE), minimum wage (LWC) and vulnerable worker exploitation (GLA). There were some crucial similarities and differences between the governance of these bodies. First, not all bodies were strictly tripartite and EO and union participation varied. Interviewees stated that the representation of independent experts, such as company executives, academics,



consultants or lawyers has increased (Interview with Former EEF Director of Employment, 4.11.2014; Email correspondence with former ACAS and LWC board member, 4.9.2016). EOs were represented on the governing board of these four bodies; however, unions were no longer represented on the board of the GLA. Government ministers were responsible for appointing board members to the boards and thus decided on the composition of the governing boards. Second, HCE, LWC and GLA advised government ministers on policies and regulation, but the government had the power to reject or accept proposals. ACAS differed in that it had the authority to decide on policies within its remit without requiring approval by government ministers.

#### *Unilateral labour market regulation*

Finally, employer forums engaged in unilateral, voluntary regulation of the labour market. They provided standards in relation to employment practices that members were expected to adhere to, with these acting as a form of voluntary regulation. For example, the Business Disability Forum's (BDF) key service offering was its Business Disability Standard, incorporating surveys that measured disability management within participating members. While performance remained confidential, they were used to assess performance on a gold/silver/bronze basis (Interview, BDF representative, 7.7.15). This served to encourage organisations to continually review and improve their working practices in relation to disabled people, thus constituting voluntary standard setting by employers.

#### **Structure of interest representation**

The foundation of the Confederation of British Industry (CBI) in 1965 from a merger between the Federation of British Industries, the British Employers' Confederation and the National Association of British Manufacturers was an attempt to centralize employer interest representation (Grant and Marsh, 1977). However, a central employer confederation with the authority to speak for the entire business community, or to be a single interlocutor in negotiations with government, was never fully realized in the UK. Instead our research showed that employer interest representation was fragmented between a small number of large general EOs, a majority of sectoral EOs and regional employer bodies, the latter included EOs in the devolved nations. In addition, a specialized, functional EO, the employer forum, has emerged over recent decades.

Data on member numbers were available for 357 organisations (80 per cent). Membership ranged from 6 to 195,000, with a median of 170. These organisations had a combined membership total of over 750,000. The largest included: the FSB (c.195,000); the CBI (c.190,000); the BCC (c.104,000); the National Farmers' Union (c.55,000); the National Federation of Retail Newsagents (c.15,500); the Freight Transport Association (c.14,000), and; the Ulster Farmers' Union (c.11,500).

Only 1 per cent of EOs were fully cross-industry, including the three large general EOs: the CBI, the FSB and the BCC. The CBI was the most influential EO and its members employed some seven million employees, equivalent to about a third of the private sector workforce (CBI, 2016). The CBI represented many of the largest private sector employers in the UK while the FSB represented the interests of small businesses. Compared to the FSB and CBI, the BCC was more organisationally decentralized, relying on 52 local and regional accredited chambers.

When the UK government consults EOs on general business and employment matters, it tends to contact these general EOs in addition to larger sector-based EOs (interview with Chemical Industry Association (CIA) representative, 6.2.2015; interview with BHA representative, 6.2.2015), which together represent a cross-section of the UK economy.

However, the most frequent type of EOs were national-sectoral and industrial EOs (79 per cent). Within these, interest representation by industrial type was examined by allocating each organisation to a high level standard industrial classification code, based on an identification of the industry in which its employer members were most likely to operate. The largest proportions of EOs were active in manufacturing (14 per cent), wholesale and retail trades (13 per cent) and construction (12 per cent) with the overwhelming majority of EOs focusing on one industry (Figure 1).

*FIGURE 1 about here*

Figure 2 compares the proportion of EOs per industry against the proportion of companies per industry, highlighting areas of under and over-representation. Economic activities in information, communications and professional services were under-represented by private sector EOs, despite having become more prominent in the economy in recent decades. Conversely, in some sectors employers remain over-represented such as agriculture and manufacturing, but these sectors have economically declined.

*FIGURE 2 about here*

However, this analysis does not consider either the totals employed by these members or their density, given that comparative data for EOs are not available with, for example, public sector EOs (most likely to be found in either education, or public administration and defence) tended to have higher density levels as well as larger employee bases than their private sector equivalents.

While most EOs (83 per cent) represented members across the UK, 76 EOs (17 per cent) focused on regional interest representation, often within devolved nations. Twenty-three EOs (5 per cent) existed to serve the interests of Scottish employers. Northern Ireland had 11 (2 per cent) that focus exclusively on the interests of Northern Irish employers, while Wales had seven home-grown EOs (2 per cent). English regions had 27 organisations, often linked to local government, with the balance accounted for by England only, or England and Wales only organisations. Developments in Scotland, Wales and Northern Ireland reflect a new focus of EOs on the parliaments in the devolved government. New legislation and policies by the devolved governments' impact on employers, which EOs seek to influence and mitigate. An example would be the Welsh and Scottish Governments' continuation of Agricultural Wages Boards, tasked with setting the wages of farm workers. The focus on the devolved nations is to some extent a departure from a historical trend, which saw employers' associations (and unions) forming at a local labour market level before amalgamating into UK-wide associations (McKinlay, 2013).

Finally, we identified 11 functionally specialized employer forums across the UK (3 per cent), including the BDF, Business in the Community, Employers for Carers and the Employer Forum for Equality and Inclusion (Bowkett et al., 2017; Demougin et al., 2017). While they were few,

their influence was reflected in their reach, with the largest covering significant portions of the UK workforce; for example, the BDF membership collectively employed 20 per cent of the UK workforce (BDF, 2016). Our analysis of forums such as the BDF, Employers for Carers and Employers Network for Equality and Inclusion demonstrated that 70 per cent of their membership were companies that each employed more than 1,000 people.

### **Types of interests**

The various types of interests that EOs represented can be differentiated between: individual and collective; quantitative and qualitative and; particular and general employer interests.

Collective interest representation refers to those EO activities that have an impact on the entire EO population (for example, sectoral, regional or national). The most important was lobbying and representing EO interests in the political process, with one large manufacturing EO stating that: “We’re essentially a lobbying organisation. We won’t lobby for any one company. We’ll lobby for a collective interest” (interview with EO representative, 6.2.2015). The previously most important form of collective interest representation, collective bargaining, was conducted by a minority of EOs. However, such agreements covered the entire EO membership in a limited number of cases, with these generally confined to the public sector such as the higher education agreements, where the Universities and Colleges Employers’ Association represented employers’ interests. Other major agreements have extensive, but not necessarily comprehensive coverage, such as those supervised by the Joint Industry Board of the Electrical Contracting Industry (Electrical Contractors’ Association). Another widespread form of collective representation was member codes of conduct, with these used by 232 EOs (52 per

cent), often with disciplinary provisions. However, these rarely related to employment, instead covering business issues such as customer service. The codes' focus on product market issues meant that such activity tended to treat employment relations as a secondary issue.

In addition, EOs represented individual interests and provided a range of services and functions to members. Virtually all EOs provided networking events and seminars on business development. Beyond these, the provision of training was common, with 309 organisations (69 per cent) reporting such activity ranging from the delivery of a small number of technical seminars to larger-scale schemes with external accreditation. However, only 107 provided management development training.

Another widespread representation of individual interests was providing advice on employment law (47 per cent). EOs regularly offered a helpline operated by a commercial provider, with subscription income being used to fund 'free' access to the service. As an example, the FSB offered a legal helpline that provided legal assistance, while its legal protection insurance also provided for legal representation in criminal prosecutions, employment tribunals and personal injury cases (interview with FSB representatives, 3.6.2015; interview with FSB representative, 2.3.1015). Other EOs provided legal advice and representation through lawyers employed by the EOs with, for example, the EEF Northern Ireland offering:

(...) support when there is any kind of issues within the employment space, whether that's a grievance to an employment tribunal claim and us supporting and advising on that claim, to discrimination claims, to anything that can happen in the workplace (interview with EEF Northern Ireland representative, 5.2.2015).

Finally, 146 EOs (33 per cent) were active within recruitment and selection, generally through the provision of a vacancy advertising service.

Although the representation of quantitative interests through collective bargaining was a minority pursuit, interview data indicated that EOs represented further quantitative interests. For example, the BHA advocated constraining the increase of the minimum wage to the LPC, related to the sector's low average wages and high proportion of wage costs within the turnover of individual member businesses (interview with BHA representative, 6.2.2015). Another example was the previously discussed EO interest representation on the holiday back pay issue.

Regarding qualitative interests representation, EOs' individual services demonstrated a narrow conception of HRM and employment relations, meaning that few EOs promoted sophisticated HRM practices with the aim of improving employee performance and engagement as discussed in the high-performance work systems and employee engagement literatures. Instead the evidence indicated that EOs and their members were largely concerned with procedural HRM and reducing the risks stemming from employment law. However, some EOs did focus on qualitative issues, including those with a CSR dimension, the employer forums. They promoted labour standards and HRM practices that regularly went beyond the legally required minimum. Employer forums sought to convince members of a 'business case' arguing that following higher standards was in their economic interests as it increased a firm's reputation with consumers in the marketplace and improved the engagement and motivation of its own employees. In addition, forums supported members in improving the experience of employee groups, for example, disabled workers, employees with caring responsibilities or older

employees, recognising that each group can significantly contribute to a company's performance.

Furthermore, EOs represented a range of particular and general employer interests. Sectoral EOs had an important focus on particularistic employer interests, which tended to be shaped by the characteristics and requirements of the sectors in which EOs were operating. For example, the CIA concentrated on fracking, suggesting that this could be developed with unions (interview with CIA representative, 6.2.2015). Numerous cases of regional interest representation also existed, such as the National Farmers' Union Cymru's vigorous opposition to the Welsh Government's creation of an Agricultural Wages Board.

Finally, there are also general-capitalist and employer interests that are widely shared within the EO community, including workplace pensions, living wage, apprenticeship levy and holiday-back pay. EOs had broadly similar positions on these issues. A major concern was that policy changes would result in higher labour costs, potentially impacting on members' competitiveness. Furthermore, the majority of EOs, including the CBI, FSB and EEF, lobbied for remaining in the EU before the 2016 referendum, but support was not unanimous. For example, the official position of the BCC was to stay neutral during the campaign but the chair of the BCC, John Longworth, publicly supported Brexit. He was subsequently driven out of office as his views were at odds with some members (Financial Times. 2016).

## **Conclusion**



There has been little research on EOs and employer interest representation in the UK since the early 1990s (Barry and Wilkinson, 2011). The article addresses this research gap by advancing three interrelated arguments on the methods, structure and types of interests of contemporary employer representation. First, the primary method of collective interest representation shifted from collective bargaining to lobbying and representation in the political process. Beyond participation in the pluralist parliamentary process, EOs take part in government bodies that narrowly focus on labour market regulation but they lack a broader role in economic governance. Second, the structure of employer interest representation remains fragmented between a small number of large, influential general EOs and a great majority of national-sectoral EOs, while regional interest representation has become more important in the context of the devolved nations and a new functionally specialized employer body, the employer forum, has emerged, focussing on CSR (Bowkett et al., 2015; Demougin et al., 2016). Third, the shift in collective representation is complemented by a broadening of individual interest representation with EOs providing a range of other services.

By examining contemporary employer interest representation in the UK, this article provides insights into how EO interest representation has evolved over time. The literature review considered broad analytical perspectives, which allow these changes to be interpreted. Voluntarism assumes that EOs and unions independently regulate their affairs with minimal government interference (Heery, 2010 a). In the context of waning union power, however, this meant that increasing numbers of employers and EOs unilaterally withdrew from collective bargaining. Only 13 per cent of EOs continue to play a role in collective bargaining, although coverage of the agreements remains higher at 23 per cent of the UK workforce (Van Wanrooy et al., 2013). At the same time, the role of government changed, moving beyond the focus on

deregulation of markets during the Thatcher governments, focussing to a greater degree on individual rights of employees, including equality and diversity legislation (Özbilgin and Tatli, 2011). In this changing context, EOs broadened their activities and services, but it is striking that these primarily focus on legal compliance and procedural issues. There is little evidence that EOs promote sophisticated HRM policies with the aim of improving employee engagement (Truss et al., 2013) or promote high performance work systems (Appelbaum, 2000). The exception are employer forums that promote good corporate behaviour, often aimed to improve the experience of work as well as the performance of particular groups of worker. While this type of private regulation and voluntarism has been growing, the extent to which standards are implemented consistently has yet to be examined empirically.

Despite a greater focus on individual rights, government continues to seek EO input in bodies that regulate labour markets within dispute resolution, health and safety standards, minimum wage and worker exploitation/slavery. This type of policy making can be traced back to previous corporatist or tripartite policy making in the UK (Crouch, 1979; Grant and Marsh, 1977), but the character of the government bodies has changed and a greater number of independent experts are appointed to the governing boards of these bodies, thus diminishing the influence of EOs. In addition, all board members of these bodies are appointed by government and the power to regulate in the cases of LWC, GLA and HSE ultimately rests with the government. Unlike in corporatist countries where decision-making authority is delegated to tripartite bodies, the UK government bodies only provide recommendations for regulation and policy, which the government can reject or accept. This is different in the case of ACAS, which can independently set policies and mediate workplace conflicts, making it the

only exception with such powers in which EOs participate. Thus, the overall EO influence on government bodies has decreased.

The above discussed role of EOs in policy making focusses narrowly on labour market issues. Beyond this UK EOs lack a broader role in economic governance or coordination as can be observed in coordinated market economies, where, for example, EOs take part in the governance of training and apprenticeships systems (Hall and Soskice, 2001). While UK EOs once took part in the governance of industrial training boards (Keep and Rainbird, 2003), they play no institutionalized role in the current training regime, the Sector Skills Councils, or other areas of broader economic governance. Given this, EOs have developed a stronger focus on lobbying and influencing legislation. The ‘structural power hypothesis’ suggests that governments tend to support employer interests (Block, 1977; Paster, 2015); however, this was not confirmed by our examination of the most important employment policy issues for EOs from 2013 to 2016. Many policies acted against employer interests such as the new workplace pension, living wage and training workplace levy, but EOs successfully lobbied to limit holiday back pay. The influence of EOs in coordinated market economies often stems from their institutionalized role in policy making or economic governance (Molina and Rhodes, 2002; Schmitter and Streeck, 1999). In the absence of such leverage, UK EOs are a pressure group acting within a pluralist political process (Grant, 2000). The formal process has undergone few changes in Westminster, but the newly introduced parliaments and governments in the devolved nations have become a focus for EO lobbying. The devolved parliaments have little authority to enact employment legislation, but nonetheless deal with policy issues of relevance for employers such as the Agricultural Wages Boards.

The article contributes to an understanding of the evolution of employer interest representation in the UK. However, there are also limitations to our research as it did not examine members of EOs, i.e. individual employers. Such a research focus, either in the form of a member survey or interviews with employers, would provide insights into how members assess the effectiveness of individual services and EO representation and why employers join EOs. This data would allow Olson's (1965) classic question to be addressed, clarifying how UK EOs have overcome the collective action problem and maintained relevance for their members in a changing British political economy.

Historically, the primary reason for employers to associate was to counter trade union power, labour strikes and rising labour costs. When trade union power waned and collective bargaining declined, it was by no means given that employers would continue to organise collectively. While some UK EOs ceased to exist, others transformed their organisations and developed new activities and services to retain members and attract new ones. They deliver benefits to their members and represent employers in the political process, which shows that EOs continue to play a role in the governance of UK employment relations.

### **Acknowledgements**

We are grateful to Philippe Demougin, Cathie Jo Martin and Thomas Prosser and three anonymous referees for providing extremely helpful comments and suggestions on earlier drafts of this article, which helped us improve this article.

## **Funding**

The research for this article was funded by the Economic and Social Research Council UK (ESRC) [Project Reference: ES/K008382/1].

## **Appendix: Abbreviations**

*TABLE 2 here*

## **References**

Appelbaum E (2000) *Manufacturing Advantage: Why High-performance Work Systems Pay Off*. Ithaca: Cornell University Press.

Armstrong E G A (1984) Employers associations in Great Britain. In: Windmuller J P and Gladstone A (eds) *Employers Associations and Industrial Relations: a Comparative Study*. Oxford: Oxford University Press, 44-78.

Barry M and Wilkinson A (2011) Reconceptualising employer associations under evolving employment relations: countervailing power revisited. *Work, Employment and Society* 25(1): 149-162.

Behrens, M (2004) New forms of employers' collective interest representation? *Industrielle Beziehungen* 11(1/2): 77-91.

Bowkett C, Hauptmeier M and Heery E (2017) Exploring the role of employer forums – the case of Business in the Community Wales. Unpublished article, Cardiff University, Cardiff.

Block F (1977) The ruling class does not rule: Notes on the Marxist theory of the state. *Socialist Revolution* 33(7): 6-28.

Brandl, B and Lehr, A (2016) The strange non-death of employer and business associations: An analysis of their representativeness and activities in Western European countries. *Economic and Industrial Democracy*. First published online.

Bryman A (2015) *Social Research Methods*. Oxford: Oxford University Press.

Business Disability Forum (2016) *About us*. Web page:

<http://www.businessdisabilityforum.org.uk/about-us/>. Accessed: 20.9.2016

Calmfors L and Driffill J (1988) Bargaining structure, corporatism and macroeconomic performance. *Economic Policy* 3(6): 13-61.

CBI (2016) *About us*. Website: <http://www.cbi.org.uk/about/about-us/>. Accessed: 22.9.2016.

Certification Office (2014) *Annual Report of the Certification Officer 2013-2014*. Web page: [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/345486/2901758\\_Certification\\_complete.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/345486/2901758_Certification_complete.pdf). London.

Certification Office (2014) *Employers' associations: current list and schedule*. Web Page: <https://www.gov.uk/government/publications/public-list-of-employers-associations-listed-and-unlisted/employers-associations-current-list-and-schedule>

Coen D, Grant W and Wilson G (2010) *The Oxford Handbook of Business and Government*. Oxford: Oxford University Press.

Crouch C (1979) *The Politics of Industrial Relations*. Manchester: Manchester University Press.

Dahl R A (2005) *Who governs?: Democracy and Power in an American City*. 2nd ed. New Haven, Conn. and London: Yale University Press.

Demougin P, Gooberman L, Hauptmeier M, Heery, E (2017) A 'new actor' in industrial relations? An investigation into the origins, characteristics, activities and memberships of UK employer forums. Unpublished article. Cardiff University, Cardiff.

Financial Times (2016) Longworth resigns as BCC chief over support for Brexit. Newspaper article. Web page: <https://www.ft.com/content/4f394528-e37b-11e5-a09b-1f8b0d268c39>. Accessed: 25.11.2016.

Grant W and Marsh D (1977) *The Confederation of British Industry*. London: Hodder and Stoughton.

Grant W (2000) *Pressure Groups and British Politics*. Basingstoke: Macmillan.

Hall P and Soskice D (2001) *Varieties of Capitalism: the Institutional Foundations of Comparative Advantage*. Oxford: Oxford University Press.

Hassel A (2009) Policies and politics in social pacts in Europe. *European Journal of Industrial Relations*. 15(1): 7-26.

Hauptmeier M and Vidal M eds. (2014) *Comparative political economy of work*. Critical Perspectives on Work and Organisations. London: Palgrave Macmillan.

Heery, E (2010a) Debating employment law: responses to juridification. In: Blyton, P. et al. eds. *Reassessing the employment relationship*. Palgrave Macmillan, 71-96.

Heery E (2010b) Worker representation in a multiform system: a framework for evaluation. *Journal of Industrial Relations* 52(5): 543-559.

Hyman R (1997) The future of employee representation. *British Journal of Industrial Relations* 35(3): 309-336.



House of Commons (various years) *Various web pages*. Website:

<http://www.parliament.uk/business/commons/>

Ibsen, C L (2016) Making sense of employer collectivism – The case of Danish wage bargaining under recession. *Journal of Industrial Relations* 58(5): 669-687.

Keep E and Rainbird H (2003) Training. In Edwards PK (ed) *Industrial Relations: Theory and Practice*. Malden: Blackwell, 392-419.

Lindblom C E (1977) *Politics and Markets: the World's Political-Economic Systems*. New York: Basic Books.

Martin C J and Swank D (2012) *The Political Construction of Business Interests: Coordination, Growth, and Equality*. Cambridge: Cambridge University Press.

McKinlay A (2013) From Organised to Disorganised Capital? British Employer Associations, 1897–2010. In: Gall G and Dundon T (eds) *Global Anti Unionism*. London: Palgrave MacMillan, 39–62.

Molina O and Rhodes M (2002) Corporatism: The past, present, and future of a concept. *Annual Review of Political Science* 5(1): 305-331.

Offe C and Wiesenthal H (1980) Two logics of collective action: theoretical notes on social class and organizational form. *Political Power and Social Theory* 1(1): 67-115.

Olson M (1965) *The Logic of Collective Action; Public Goods and the Theory of Groups*. Cambridge, Mass.: Harvard University Press.

Özbilgin M and Tatli A (2011) Mapping out the field of equality and diversity: Rise of individualism and voluntarism. *Human Relations* 64(9): 1229-1253.

Paster T (2015) Bringing power back in: A review of the literature on the role of business in welfare state politics. MPIfG Discussion Paper.

Piore M and Safford S (2006) Changing regimes of workplace governance: shifting axes of social mobilization and the challenges to industrial relations theory. *Industrial Relations* 45(3): 299-325.

Purcell J (1995) Ideology and the end of institutional industrial relations: Evidence from the UK. In Crouch C, Traxler F (eds) *Organized Industrial Relations in Europe: What Future?* Aldershot, Hants, England; Brookfield, Vt., USA: Avebury, 101-119.

Sisson K (1987) *The Management of Collective Bargaining: An International Comparison*. London: Wiley-Blackwell.

Schmitter P C and Streeck W (1999) *The organization of business interests: Studying the associative action of business in advanced industrial societies*. Working paper. Cologne: Max Planck Institute for the Study of Societies.

Sheldon P, Nacamulli R, Paoletti F, and Morgan D E (2016) Employer association responses to the effects of bargaining decentralization in Australia and Italy: seeking explanations from organizational theory. *British Journal of Industrial Relations* 54(1): 160-191.

Smith P and Morton G (2006) Nine years of new labour: neoliberalism and workers' rights. *British Journal of Industrial Relations* 44(3): 401-420.

Trade Association Forum (2015) *Directory*. Available at: <http://www.taforum.org/Members>.  
[Accessed: 22.09.2016](#)

Traxler F (2008) Employer Organizations. In: Blyton P et al. (eds) *The SAGE Handbook of Industrial Relations*. London: Sage.

Traxler F, Blaschke S, and Kittel B (2001) *National Labour Relations in Internationalized Markets: a Comparative Study of Institutions, Change and Performance*. Oxford: Oxford University Press.

Truss C. et al. (2013) *Employee Engagement in Theory and Practice*. New York: Routledge.

Van Wanrooy B, Bewley H, Bryson A, Forth J, Freeth S, Stokes L et al. (2013) *The 2011 Workplace Employment Relations Study First Findings*. London.

Windmuller J P (1984) Employer associations in comparative perspective: organization, structure, administration. In: Windmuller J P, Gladstone A (eds) *Employers' Associations and Industrial Relations: a Comparative Study*. Oxford: Oxford University Press, 1-23.

**Leon Goberman** is Research Fellow in Employment Relations at Cardiff Business School, having been awarded his PhD in 2014. His research interests include the evolving nature and role of employers' organisations and employer collective action in the UK, as well as the processes and impacts of regional deindustrialisation.

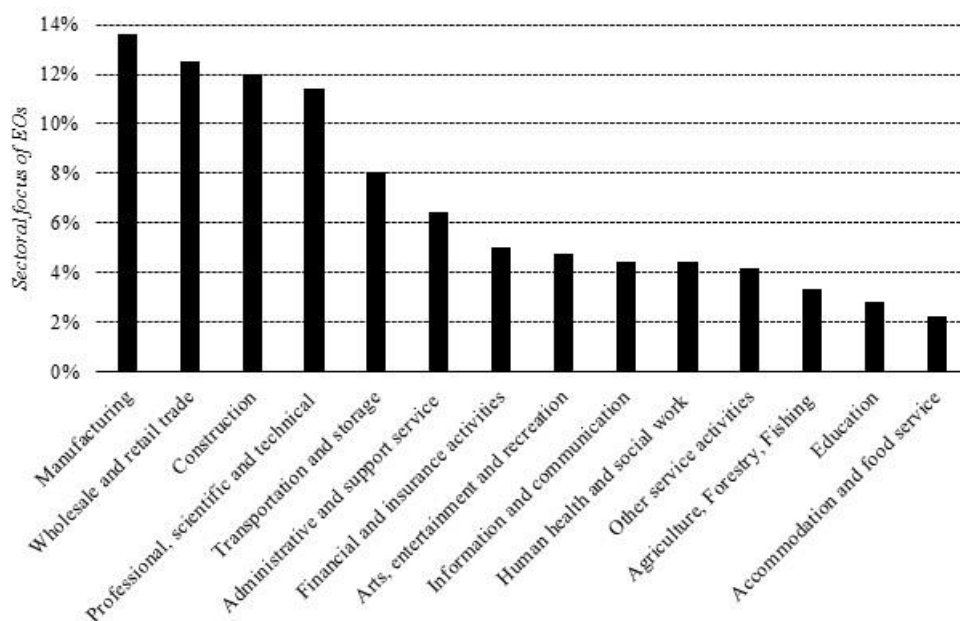
**Marco Hauptmeier** is a Reader in Comparative Employment Relations at Cardiff Business School. He holds a PhD from Cornell University, has worked at the Max Planck Institute for the Study of Societies in Cologne and was a visiting scholar at the Juan March Institute in Madrid and at Boston University. He won the Thomas A. Kochan & Stephen R. Sleigh Best PhD Award in the USA and an Economic and Social Research Council grant on employers' organisations in the UK, which funded the research for this article.

**Edmund Heery** is Professor of Employment Relations at Cardiff Business School. Among Edmund's publications are *Union Voices: Tactics and Tensions in UK Organizing* (Cornell University Press, 2013) (with Mel Simms and Jane Holgate) and *Framing Work: Unitary, Pluralist and Critical Analysis in the 21<sup>st</sup> Century* (Oxford University Press, 2016).

Table 1: Overview of data

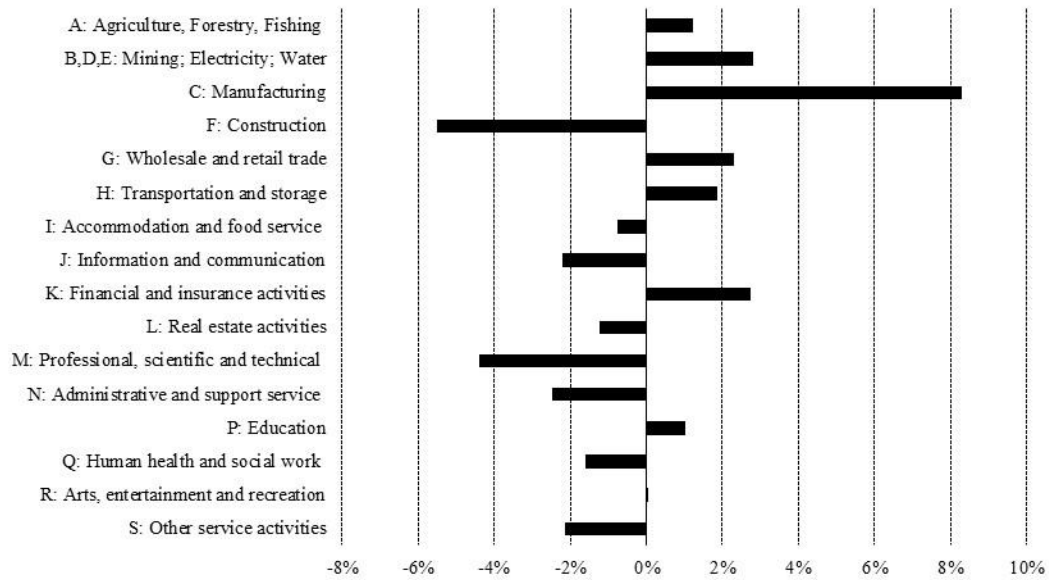
Focus of interviews	Nr. of interviews	Noteworthy examples	Nr. of EOs	Percent. of all EOs
General EOs	6	Confederation of British Industry, Federation of Small Businesses, British Chambers of Commerce	6	1%
Sectoral EOs	18	EEF-The Manufacturers' Organisation, Chemical Industries Association, National Federation of Retail Newsagents, Local Government Association	358	80%
Regional EOs	7	Ulster Farmers' Union, Scottish Engineering, Colleges Wales, Scottish Federation of Housing Associations	72	16%
Employer Forums	18	Business Disability Forum, Business in the Community, Employer Network for Equality and Inclusion	11	3%
Experts	19	CIPD, ACAS, Trade Union Congress	--	--
<b>Totals</b>	<b>68</b>		<b>447</b>	<b>100%</b>

Figure 1. Foci of UK wide sectoral EOs



Note: Four industries scoring less than 2 per cent not shown; (1) Electricity, gas, steam and air conditioning supply (2) Water supply, sewerage, waste management (3) Mining and quarrying (4) Real estate activities.

Figure 2: Foci of UK wide sectoral EOs compared to proportion of companies per sector.



Note: Public sector, cross-sectoral, sub-UK EOs and employer forums excluded.

Source: Office for National Statistics. Business population estimates, 2015, authors' calculations.

Table 2: Abbreviations

ACAS	Advisory, Conciliation and Advisory Service
APPG	All-Party Parliamentary Group
BCC	British Chambers of Commerce
BDF	Business Disability Forum
BHA	British Hospitality Association
CBI	Confederation of British Industry
CIA	Chemical Industry Association
CIPD	Chartered Institute for Personnel and Development
CSR	Corporate Social Responsibility
EEF	Engineering Employers' Federation
EO	Employers Organisation
EU	European Union
FSB	Federation of Small Businesses
GLA	Gangmasters Licensing Authority
HRM	Human Resource Management
HSE	Health and Safety Executive
LWC	Low Wage Commission