

# Trade unions, industrial disputes and ACAS

*Gwen Coates reviews the changing role of trade unions, the frequency and cause of industrial disputes and the role of ACAS*

Trade unions, which have existed for over 200 years, are pressure groups that represent the interests of people at work. All types of jobs and industries are covered by trade unions. Some represent people who do a particular job or work in a specific industry, for example the National Union of Teachers (NUT) and the National Union of Journalists (NUJ). Others are general unions representing a mixture of people in different jobs and industries in the public and private sectors. The biggest unions in Britain are general unions (see Table 1) which have emerged as a result of the amalgamation of a number of smaller unions in order to increase their membership and therefore their power and influence.

## What do trade unions do and how do they benefit employees?

The main functions trade unions provide for their members are negotiation and representation.

Negotiation is where union representatives in a particular organisation discuss with management the issues that affect employees working in that organisation. There are often differences of opinion between management and trade-union members in relation to these issues, and negotiation (also known as 'collective bargaining') involves a process of finding a solution to these differences. In many organisations, trade unions are formally 'recognised' by the employer, which means there is a formal agreement between the

trade union and the organisation, giving the trade union the right to negotiate with the employer.

Trade unions also represent individual union members when they have problems at work. If employees feel they are being unfairly treated, they can ask their trade-union representative to help sort out their difficulties with management. If the problems cannot be resolved amicably, they may go to an industrial tribunal, and individual union members can ask their trade unions to represent them. Trade unions also offer their members legal representation, for example helping them to get financial compensation for work-related injuries.

In addition to these two main functions, trade unions also provide information, advice and member services. Trade unions can advise on a range of issues, such as how much holiday an employee is entitled to each year and how much pay a woman is entitled to while on maternity leave. During the last 20 years, trade unions have increased the range of services they offer their members. These can include:

- education and training courses on employment rights and health and safety
- legal assistance on personal matters, such as housing, wills and debts
- financial discounts on mortgages, insurance policies and loans
- financial help to members who are sick or unemployed

More generally, individual employees have little power to influence decisions that are made about their jobs. When it comes to negotiating pay and conditions,

Unions affiliated to the TUC represent nearly 7 million working people

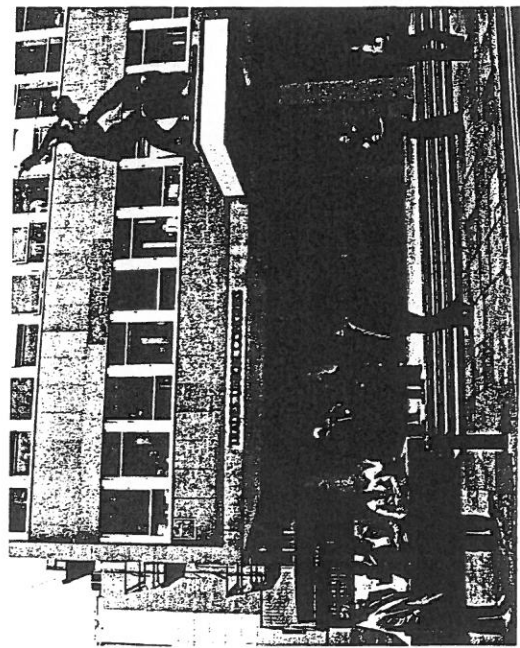


Table 1 The largest British general unions

Union	Membership
UNISON (union for local government, healthcare and other workers)	1,298,000
AMICUS (union for manufacturing, technical and skilled workers)	1,061,199
T&G (Transport and General Workers Union)	835,351
GMB (Britain's general union)	703,970

Source: www.tuc.org.uk



Figure 1 Working days lost in the UK, 1983-2003

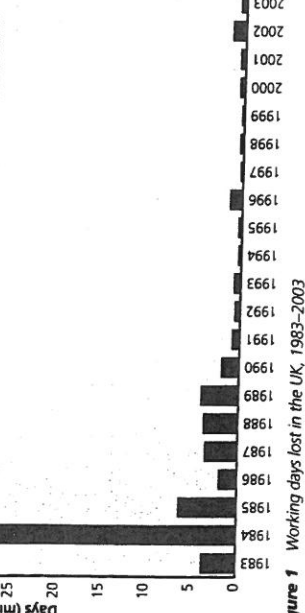
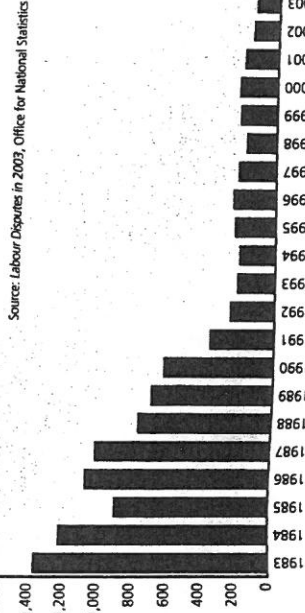


Figure 2 Stoppages in progress in the UK, 1983-2003



they are in a very weak position compared to a large employer. By joining together with other workers in a trade union, there is more chance of having a voice and therefore having influence. By collective bargaining with employers on behalf of their members, trade unions are able to improve the lot of their members at work in relation to issues such as rates of pay, work facilities, working conditions, bonuses and targets, job security, contracts, redundancy, dismissal and grievance procedures.

Evidence shows that people who work in organisations where unions are recognised tend to be better paid and are less likely to be made redundant than people who work in organisations where unions are not recognised. For example, the hourly earnings of union members in 2003 were on average £11.06, nearly 18% more than the average hourly earnings of non-union employees.

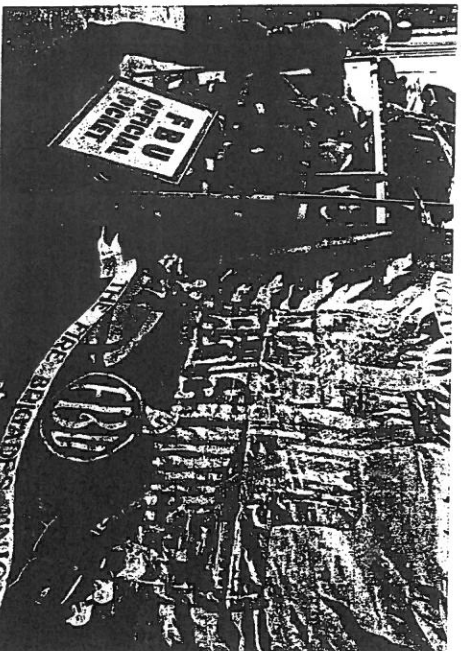
## Do trade unions benefit employers?

Media reporting tends to suggest that trade unions are something of an irritation to employers, disrupting their operations and preventing them achieving their objectives. However, in general, trade unions benefit employers as well as employees. For example:

- they provide a valuable communication link between management and the workforce
- the presence of a trade union means that management can avoid potentially time-consuming bargaining and negotiation with each individual employee about their pay and conditions
- a strong union may encourage management to take workers' needs seriously and may thus improve employee morale, which in turn may have a positive influence on labour turnover, absenteeism and productivity

## What is an industrial dispute?

Most collective bargaining takes place quietly, away from media attention and with agreements being reached quickly and amicably by the union and the employer. However, disagreements occasionally occur and the two sides cannot agree. An industrial dispute is a disagreement between management and the trade union representing the employees that is serious



By joining together in a trade union, workers have a greater voice

enough for industrial action to result. The dispute might be resolved by successful conciliation or arbitration. But if this does not occur, the union may ballot its members on whether to take industrial action.

Industrial action includes measures taken by employees that will halt or slow production or disrupt services in order to put pressure on management during an industrial dispute. It could mean an overtime ban, a work-to-rule, a go-slow or a strike. A strike is only called as a last resort, since both sides have a lot to lose — employers lose income because of interruptions to production or services and employees lose their salaries and may find that their jobs are at risk.

As Figures 1 and 2 illustrate, times have changed and industrial unrest in the form of days lost and stoppages is much less frequent today. The main causes of disputes have not changed, however, and pay still dominates. Figure 3 illustrates the principal causes of disputes lost in 2003 by the principal causes of disputes.

The Advisory, Conciliation and Arbitration Service (ACAS) is often used to help find a solution to a dispute that is acceptable to both sides.

### What is the role of ACAS?

ACAS was founded in 1974. Its 'ambition' is to improve organisations and working life through better employment relations. It is funded by the Department of Trade

and see the problems from the other side (sometimes this means taking the dispute out of the media spotlight)

- having meetings with each side separately and together to discuss and explore the issues, then starting to negotiate a solution
- repairing relationships and building trust

This type of process is called 'conciliation'. The aim is for the two sides to reach an agreement that they both feel will work. Sometimes, conciliation does not lead to the dispute being settled. In these cases, ACAS may offer or be asked to appoint an independent expert arbitrator or mediator. The parties agree before the process begins whether the solution the independent expert puts forward will be binding or non-binding.

If it is binding, it means both parties agree in advance that they will accept this solution and the dispute ends. This is usually called 'arbitration'. If it is non-binding, both sides will at least seriously consider what the mediator suggests as a basis for resolving the dispute, but ultimately do not have to act on it. A non-binding mediation process was the basis of discussion suggested in the recent London Underground workers' dispute.

The approach ACAS takes is 'Don't get angry — get curious'. Their advice for the first step towards a solution in any kind of dispute is to find out why people are taking the positions they are and why they are angry.

Although ACAS helps to solve high-profile labour disputes, such as the London Underground workers' strikes and the firefighters' dispute, as the employment world changes, so too does the role of

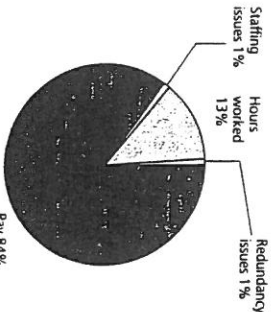
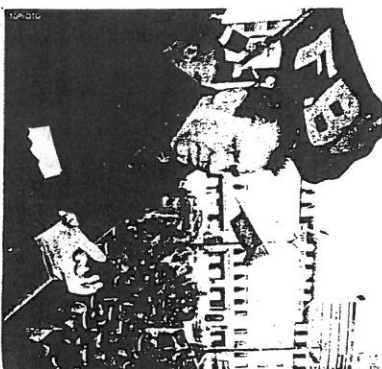


Figure 3 Working days lost by principal cause of dispute in the UK, 2003  
Source: Labour Disputes in 2003, Office for National Statistics



**Box 1 Union density**

Union density =  $\frac{\text{actual union membership}}{\text{potential union membership}} \times 100$

ACAS. Since the early 1980s, much of the work of ACAS has focused on individual complaints to employment tribunals. These are passed to ACAS and, at present, 75% are settled or withdrawn at the ACAS stage and so never reach an industrial tribunal hearing. Another growth area is in solving employment issues before they become problems at all. ACAS advisers give advice and guidance to 760,000 callers a year on topics such as discipline and dismissal, contracts, redundancy, holiday pay, wages, maternity provisions, working-time regulations and grievance procedures. They also promote good practice at training sessions and work in individual companies with employer/employee/trade union groups in partnership to find lasting solutions in the workplace.

### How have trade unions changed in recent years?

Trade union membership has declined over the last two decades. In 1979, 13.3 million people were members of trade unions and the proportion of all employees who were union members stood at 65% (union density, see Box 1). In 2003, 7.4 million UK workers belonged to trade unions and the proportion of all employees who were union members was approximately 29%.

ACAS helped to solve the firefighters' dispute, which ended in 2003 after a long-running battle over pay

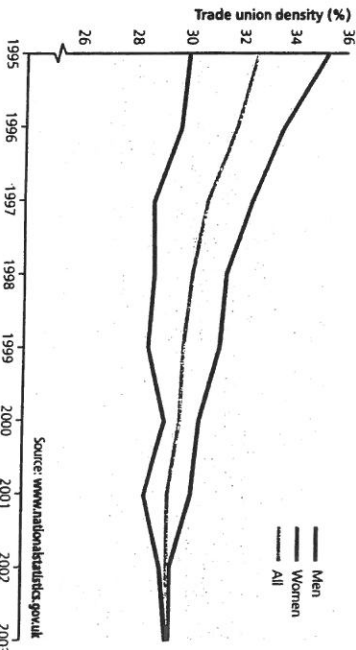
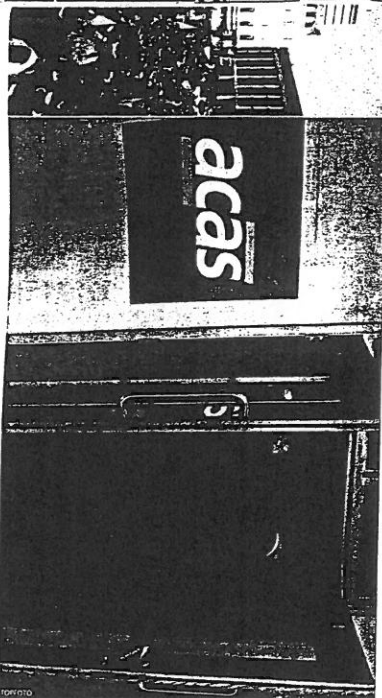


Figure 4 Trade union density for employees in the UK, 1995–2003  
Source: www.nationalstatistics.gov.uk

There are several reasons for this fall in membership, including:

- a dramatic fall in the number of jobs in manufacturing industries where union membership was traditionally high
- a fall in traditional full-time employment and an increase in part-time and temporary workers who are less likely to join unions
- an increase in the proportion of the workforce employed by small companies where it is often difficult for unions to organise

- legislation that makes it more difficult for unions to operate and keep their members at the same time as improved employment rights legislation that may cause people to feel unions are less necessary

More recently, trade union density has remained stable, as illustrated in Figure 4. This only shows the overall figures but union membership varies enormously by region, sector, sex, age, or whether full time or part time. Union density is slightly

higher for men than for women, and higher among older employees — more than a third of those aged 35 and over are union members, compared with a quarter of those aged 25–34. Full-time employees are more likely to be trade-union members — 32% compared with 21% of part-timers. There are large regional differences in the proportion of employees who are union members. Union density ranges from 22% in the southeast, to 39% in Northern Ireland. Fewer than one in five private-sector employees in the UK are union members (a union density of approximately 18%), while almost three in five public-sector employees are union members (a union density of about 69%).

Reduced membership is a major factor in explaining why the power of the trade unions has changed. Another factor is government legislation in the 1980s and 1990s, which severely limited the ability of trade unions to take industrial action. Changes have also occurred in the approaches of both management and the trade unions, with greater willingness on both sides to work together to discuss and solve disputes. In addition, the economic climate, with low inflation and low unemployment, has made it less likely, for example, that unions will push for higher wage claims.

Given Coates is an editor of *Business Review* and joint author with John Wolinski of *ACAS Business Studies* published by Philip Allan Updates.

For further information about trade unions and ACAS, see:  
www.tuc.org.uk  
www.acas.gov.uk