

<b>Institution:</b> University of Oxford
<b>Unit of Assessment:</b> 19 – Business and Management Studies
<b>Title of case study:</b> Changing the Merger Strategies of Trade Unions
<p><b>1. Summary of the impact</b></p> <p>Research at Oxford, conducted by Roger Undy, assessed the efficacy of 68 transfers and 45 amalgamations of British trade unions and deeply affected the merger strategies of three unions: the IPMS (Institute of Professional, Managers and Specialists); UNIFI (Banking and Finance Union); and PTC (Public Services, Tax and Commerce Union). Each of these unions participated in the research and commissioned associated studies which examined, inter-alia, the relative advantage of the status quo as against a merger; the merits of different merger partners; and the post-merger organization of the new union. By 2012, these unions, assisted by this research, had radically changed their job territories, and internal organization, via a series of mergers. Subsequently, Unionen (Sweden’s largest union) made improvements in its services, benefits, and bargaining power thanks to Undy’s research. This impact continues to take effect across other unions, demonstrating the progressive and cumulative effect, and the national and international reach, of the impact of this research.</p>
<p><b>2. Underpinning research</b></p> <p>The research coincided with a marked adverse change in the union context caused primarily by a series of political, economic and legislative changes, introduced in the 1980s. These, in turn contributed significantly to a marked and lasting decline in British unions’ membership. Consequently, many unions experienced financial difficulties. One response was to merge by either a transfer or an amalgamation. For a transferee, the transfer in of smaller unions provided almost certain means of both expanding its area of recruitment and increasing membership; while a transferor in difficulties could, by transferring to a larger and more financially sound union, often ameliorate its immediate problems. An amalgamation, in addition, also normally offered an opportunity to transform the newly merged unions’ internal organization, but such re-organization often incurred high administrative costs.</p> <p>The longitudinal and empirical research was conducted at Oxford between 1988 and 2008 by Roger Undy (employed at Oxford from 1972, retiring as Emeritus Reader in 2011). This work involved extensive action research, analysing the purpose, process and performance of British trade unions’ mergers and assessing their effectiveness. It found that mergers did not, in aggregate, help regenerate the British trade union movement. However, a number of individual unions were found to have benefited significantly from mergers, and a critical part of Undy’s research was his collaborative work with three such British trade unions: the IPMS, UNIFI and the PTC. Each of these unions participated in the research and commissioned associated studies by Undy, which examined, inter-alia, the relative advantage of the status quo as against a merger; the merits of different merger partners; and the post-merger organization of the new union. Given the collaborative nature of action research, and the tendency for union governance to encourage factional conflicts over such crucial issues as mergers, it was vital that both national leaders and lay activists accepted the above commissioned reports as the product of independent and rigorous studies. In order to meet such conditions, and thus ensure optimal effectiveness, all three studies were based on a legitimising framework of analysis, first developed in Undy, et al “Managing the Unions” (1996) <b>[Section 3: R1]</b>. This was composed of three, sometimes competing, rationalities (political, democratic and administrative), and recognised that the union leaders’ strategies were bounded by their own union’s organizational and institutional contexts, and that merger decisions ran the risk of moral hazard.</p> <p>Much of the material from the three commissioned studies also features in Undy’s monograph ‘Trade Union Merger Strategies’ <b>[R2]</b>, and a series of articles <b>[R3, R4, R5]</b>. Undy’s research found that in addition to “adding members”, mergers were also frequently used to reduce inter-union conflict, enhance collective bargaining power, and improve political leverage <b>[R2]</b>. Furthermore, the larger mergers were expected to generate economies of scale <b>[R5]</b>. However, although unions had similar objectives, they did not all adopt the same kind of analytical and structured merger “process” demonstrated by Unionen in Sweden and the three British white collar, and professionally led, unions (PCT, IPMS and UNIFI) mentioned above. Indeed, in an often competitive “merger market”, the large general and ex-craft unions could be more opportunistic</p>

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than strategic in their merger policy. Hence, the unions at the centre of this impact case study were not representative of all merging unions in terms of process or post-merger performance.

Undy's longitudinal and engaged approach to the research was thus progressive and cumulative, and continues to produce considerable impacts.

### 3. References to the research

**[R1]** Undy, et al (1996), "Managing the Unions" OUP (318 pages).

- Academic reference: Princeton University in April 1997 placed this book on its "distinguished list" of "Noteworthy books in Industrial Relations and Labor Economics for 1996.
- Practitioner reference: John Monks General Secretary TUC also noted in a review "The extent and the reasons for these changes are charted by Roger Undy and his colleagues with a precision which one would expect from such an experienced team".

**[R2]** Undy R. (2008) "Trade Union Merger Strategies" OUP (295 pages).

- Academic reference: Princeton University in September 2009 placed this book on its "distinguished list" of "Noteworthy Books in Industrial Relations and Labor Economics for 2008".
- Practitioner reference: Brendan Barber, TUC General Secretary, wrote on the book's cover "- it ought to be required reading for any union leader considering a merger."

**[R3]** Undy R (1996) "Mergers and Union Restructuring: Externally Determined Waves or Internally Generated Reforms? Historical Studies in Industrial Relations. No 2 Sept 1996.

**[R4]** Undy R (1999) "The British Merger Movement: the importance of the aggressive unions" Industrial Relations Journal Vol. 30 No 5.

**[R5]** Undy R (1999) "Negotiating Amalgamations: Territorial and Political Consolidation and Administrative Reforms in Public Sector Service Unions in the UK" British Journal of Industrial Relations Vol. 37 No 3.

### 4. Details of the impact

Undy's research significantly and positively impacted on four unions' merger strategies via a number of mechanisms, including engagement with trade union delegates attending practitioner conferences and seminars (primarily focussed on the book **[R2]**) and three commissioned papers (which are closely derived from research in Undy's book (1996) **[R1]**):

- IPMS' (later PROSPECT's) "Independence Study" (1998) **[Commissioned Study: CS1]**;
- UNIFI's "Future Strategic Development: Including Merger Options" (2001) **[CS2]**;
- PTC's (later PCS') "Planning Report" (1997) **[CS3]**.

In preparing this impact case study, Undy also interviewed three union leaders previously involved in developing and applying the commissioned studies, while also asking the consultant responsible for bringing the Swedish Unionen to Oxford to report on the impact of the book **[R2]** and associated seminar on Unionen's post-merger organization.

Firstly, as regards the IPMS' "Independence Study" **[CS1]**: this had an immediate impact on the IPMS and later, in combination with the book **[R2]** and the TUC fringe meeting (2008), a lasting impact on its successor union's (PROSPECT's) merger strategy to 2012. IPMS also circulated this study to leaders of other merging unions, including MSF (Manufacturing Science and Finance Union), UNIFI and PTC.

The IPMS' study was initially commissioned by the General Secretary, Bill Brett. He was pressing for IPMS (a "niche", civil service union) to merge with the MSF (a much larger white collar union), organizing predominantly in the private sector. But his highly factionalised National Conference rejected his terms of reference for the study and instead demanded that the research focus on how the IPMS could remain a niche union until "2010 and beyond, with particular regard to the financial aspects (of the IPMS)".

Following the revised “Independence Study” which showed how IPMS could survive without merging with the MSF, Bill Brett retired and the proposed merger with the MSF was aborted. The incoming General Secretary, Paul Noon, favoured retaining the character of IPMS as a niche union, and implemented the main elements of the “Independence Study”, including: reforming its democratic structure; changing subscriptions; and making economies in administration (the latter changes continued after the move to new premises in 2007). He also took a strong line on maintaining IPMS’ existing political rationality, including its Party Political neutrality. Crucially he also initiated a new merger strategy which focussed on mergers with similarly organized niche unions, and, in 2001, he negotiated an amalgamation between IPMS and the Engineers and Managers Association (EMA) to form PROSPECT [a].

Later in 2008 at the TUC’s fringe meeting (book [R2] launch), Noon and Askew (leader of a similar niche union “CONNECT”) discussed the book’s argument that contrary to accepted wisdom, a transfer agreed between two unions of similar status could be more beneficial for both unions than merging by amalgamation. Noon further commented, in interview, that the book’s analysis of such mergers “was important in determining” CONNECT’s subsequent transfer to PROSPECT in 2010. PROSPECT also agreed the transfer of three other smaller niche unions, one in 2008 and two more in 2009. By 2012 PROSPECT, under Paul Noon’s leadership, had grown in a hostile environment from 103,000 in 2001 to 127,000 largely by merging, while retaining its niche status and original political rationality. As Noon concluded in the 2012 interview, the research provided him with “an analysis of how to maintain PROSPECT as an independent union” [a].

Secondly, UNIFI’s 2001 study “Future Strategic Development: Including Merger Options” [CS2] was commissioned by Ed Sweeney, UNIFI’s General Secretary, and circulated to at least four other unions with an interest in UNIFI’s merger, ie, MSF, AEEU (Engineering and Electrical Union), USDAW (Shop and Distributive Workers) and GPMU (Graphical and Media Union). It evaluated three merger options and concluded by recommending UNIFI’s transfer to the MSF, which was itself due to amalgamate with the AEEU to form AMICUS in 2002; a merger which resolved the MSF’s severe financial difficulties. But crucially for UNIFI, a transfer to MSF, or as it became the finance section of AMICUS, was the only option that could effectively reduce the damaging inter-union conflict which existed in the banking and finance sectors. It achieved this important objective by guaranteeing UNIFI control of AMICUS’ combined banking and finance membership. In promoting this solution within UNIFI the research [R1] again drew on the rationalities model [R1, R2] to provide a scheme of analysis which was widely used by Sweeney to help UNIFI’s officials and lay activists evaluate the different merger options [CS2]. Sweeney subsequently resigned from Amicus in 2007 and became Chair of ACAS. Later, in 2010, Sweeney joined Undy at the Unionen seminar. Sweeney’s explanation of how, as a practitioner, he used the research models developed in [R1] and [R2], and rehearsed in [CS2], to assist his merger strategy and post-merger re-organization, was an important factor contributing to the success of Unionen’s seminar [b].

Thirdly, as regards the research impact on the PTC, and its successor civil service union, the PCS early impact of this research, founded in the 1997 “Planning Report” [CS3] was first discussed in an Oxford Workshop organized by Undy in 1995. It focussed on the post-merger management of the newly merged PTC and was subsequently to influence the PCS amalgamation of 1998. This also represented a venture into one of the most politically divided mergers, as reflected in the PCS soubriquet “the Beirut of the trade union movement”.

In 2012, in interview with Hugh Lanning, PCS’ Deputy General Secretary (previously a contributor to the 1997 Planning Report), the continued use of the research framework [R1, as used in CS3] was discussed. It was noted that in addition to helping draft the new union’s mission statement, it had contributed to the development of the union’s robust democratic structures and systems, and hence helped it to emerge relatively unscathed from the political in-fighting of the period. Further, Lanning reported that he had used the same framework in assessing possible further transfers into the PCS, and that he was again, in 2012, using the same framework to structure an “aide memoire” for the PCS as it examined a new possible mega merger (much talked of in the press) with UNITE. In particular he saw the rationalities model [R1, R2] as “Providing a logical process or scheme of analysis which (served) to stop them just haggling over the merger”, and made them

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"focus on possible synergies" [c].

Fourthly, in 2010, an Oxford seminar led by Roger Undy and Ed Sweeney (the Chair of ACAS Council) was organized specifically for UNIONEN, Sweden's largest union. The instigator was Lennart Nordfors, a Swedish consultant who was advising UNIONEN on its post-merger organization, following its formation by merger in January 2008 [d]. The merger combined unions organizing "employees in trade & commerce and white-collar staff in the industrial sector." The comments below are extracts from Nordfors' 2012 report [e].

"I organised a study tour to the UK (in 2010) for two top officials from Unionen – Nils-Åke Karlsson (head of staff) and Per-Erik Djärf (director of regions). They received Roger Undy's book "Trade Union Merger Strategies" and attended a tailor-made seminar. I accompanied the delegation."

"*Unionen*, when we met Undy (and Sweeney), was (looking) to combine two, rather different, organisational cultures in such a way that core tasks (including bargaining for wages), could be performed while realising planned synergies; the delegates found it easy to relate (these issues) to (Undy's) framework".

"Of special interest were Undy's findings concerning the necessity to find common political objectives and attitudes. Firstly, the leadership of *Unionen* had a need to understand how they could best show their members (and particularly the activists) what it was the new union could deliver in terms of improvements in services, benefits and bargaining power."

"In short (and) to this end, organisational reforms were implemented and new strategies were devised". Unionen is now (2012), in contrast to previous negotiation rounds, perceived as more cohesive and clear in its actions ----- the result being more effective wage-bargaining strategy in comparison to what would otherwise have occurred".

**Conclusion:** the above summary of the impact of the research and the practitioners' conferences, seminars and workshop on three British and one Swedish union clearly demonstrates: 1) the progressive and cumulative effects of the merger research between the 1990s and 2012; 2) the national and international reach of the research; and 3) the importance in democratic organizations of providing a scheme of analysis which was legitimated by both its practical use and its rigour. However, what the above discussion does not, and cannot, provide is a detailed description of the indirect impact of this research on the other nine unions known to have received copies of the commissioned papers [CS1, CS2 and CS3], the larger number sending delegates to the various conferences, or on other union leaders that bought the book [R2]. Hence, it can reasonably be concluded that the above claims made for research impact probably understate, by some margin, both the progressive and cumulative impact of this research, and its reach.

##### 5. Sources to corroborate the impact

[a] Paul Noon, former General Secretary, PROSPECT – will corroborate that Undy's research played a major role in developing IPMS and PROSPECT's merger strategy.

[b] Ed Sweeney, presently Chair ACAS, previously General Secretary UNIFI – corroborates that Undy's research played a central role in determining UNIFI's choice of its merger partner.

[c] Hugh Lanning, former Deputy General Secretary, PCS - will corroborate that Undy's research continues to be used in assessment of merger partners.

[d] Lennart Nordfors, Consultant to UNIONEN – corroborates that Undy's research contributed significantly to the post merger reorganisation of UNIONEN.

[e] Report from Lennart Nordfors, Consultant to UNIONEN (held on file) - corroborates that Undy's research contributed significantly to the post merger reorganisation of UNIONEN.