

XI. Refereed Papers

The Diffusion of High Performance Work Systems in Unions

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Abstract

Unions, like other service industry employers, are uniquely dependent on the performance of their human resources to ensure organizational success. Unions have much to gain from adopting a more strategic focus in managing their vital human talent. In this paper, I examine both internal characteristics and external environmental factors and formulate propositions to predict their impact on the adoption of high performance work systems (HPWS) by labor unions.

With regard to the external environment, I hypothesized that industry complexity and munificence would be positively related to HPWS while industry dynamism would be negatively related to HPWS. Unions representing organizations that utilize HPWS and that have nonadversarial relationships are expected to be more likely to adopt HPWS. With regard to the internal environment, general organizational characteristics of union size, professionalism of the workforce, and staff unionism are expected to be positively related to HPWS. Characteristics unique to unions including public sector membership, professional membership, union financial health, stability of the revenue stream, and decentralization of authority are expected to be positively related to HPWS. Unions with a business unionism philosophy are expected to have higher levels of HPWS than other forms of unionism. Finally, certain characteristics of union leadership were proposed to be of importance in determining HPWS, with union leadership valuing human resources and organizational goal attainment, staff experience outside the union movement, and education and training levels all leading to greater levels of HPWS.

The Diffusion of High Performance Work Systems in Unions

The dramatic decline in rates of unionization in the U.S. over the past 60 years has been of concern and interest to labor researchers for some time. From a high of 34.5% of the nonagricultural workforce in 1946, union density has declined to 12.0% of employed wage and salary workers in 2006 (Bureau of Labor Statistics 2008). From just 1999 to 2006, the number of labor unions in the U.S. has declined from 30,703 to 25,351 (Cornell 2008). Many explanations have been posited: changes in the structure of the U.S. economy, changes in labor law under Taft-Hartley, increased management resistance, decreased need for/interest in unions, and decreased union organizing efforts (e.g., Freeman and Medoff 1984, Flanagan 2006). In at least one respect, however, understanding the reasons for the decline is irrelevant to reversing the situation. Regardless of the causes, the bottom line is that unions have failed to adapt to new realities in ways that would allow them to rebound and reclaim their membership.

The proportion of total expenses that go toward hiring and retaining talent range anywhere from 30% to 70% of total expenses for a union. For most unions, well over half of their expenses are people-

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related (Weil 1997). Thus, any attempt to understand why unions have not rebounded should look to their human resources (HR) practices. If, as the research on HPWS suggests, strong HR practices improve organizational performance, unions have much to gain from developing more efficient and effective HR practices. While some unions are moving toward HPWS (Clark and Gray 2005), unions have been slow to embrace management practices that could be effective in developing a workforce that can rejuvenate the union movement.

In this paper, I explore factors that are likely to influence, positively or negatively, the adoption of what we now understand to be HPWS within the administration of unions. My interest here is not in what unions are doing for their members, but rather what they are doing for themselves vis à vis their own internal talent. I begin by providing an overview of the research on and the adoption of HPWS. I then describe what is known about union administration practices. Using this literature, I formulate some propositions with respect to the factors that influence union adoption of HPWS.

High Performance Work Systems and Their Diffusion

Sound human resource management practices are argued to act as a substitute for unions (Jacoby 1998), so it is perhaps no coincidence that interest in the strategic role of human resources has grown significantly over the past 20 years or so. Some of the most exciting research has focused on the impact of human resources at the firm level, in particular, the effect of HR practices on overall firm performance. The role of the HR function is being reframed as a partner in the management of the business (Jackson and Schuler 1995, Ulrich 1996).

Empirical work in this area has sought to identify bundles of HR practices that might explain high levels of organizational performance (e.g., MacDuffie 1995). Pfeffer (1994) concluded that there are 16 “high performance work practices,” including employment security, selectivity in recruiting, work teams, incentive compensation, and employee ownership, that will positively impact firm performance. Huselid (1995) described 13 practices, including comprehensive employee selection and development procedures, organizational work structures that encourage employee involvement, and performance management and incentive compensation systems, that have a positive impact on firm performance, primarily by aligning the interests of employees with those of the shareholders. The high performance HR practices within an organization have been labeled a *high performance work system* (HPWS).

An HPWS is intended to create a sustainable, competitive advantage in the workplace through a motivated workforce that possesses the necessary knowledge, skills, and abilities to achieve the organization’s mission and vision. In turn, this motivated and qualified workforce will create substantial economic returns to the organization. The research measuring the impact of HPWS on firm performance has found a positive impact of HPWS on firm level outcomes such as turnover, productivity, and firm performance (e.g., Cutcher-Gershenfeld 1991; Arthur 1994; Ichniowski, Shaw, and Prenzushi 1997; Huselid 1995; MacDuffie 1995; Huselid and Becker 1995, 1996; Delaney and Huselid 1996; Youndt et al. 1996).

The fact that unions may not embrace effective HR practices is not surprising given that we find that even many profit-generating organizations have failed to adopt them. Indeed, it has been quite puzzling to find that HPWS are not more widely diffused among organizations given the extent of the research establishing their positive outcomes (Ng and Maki 1994, Pil and MacDuffie 1996, Wood 1996, Godard 1997). While there are numerous theories regarding the diffusion of HR practices (see, for example, Meyer and Rowan 1977, DiMaggio and Powell 1983, Rosenzweig and Nohria 1984, Abrahamson 1991, Chow 2004), empirical research on this topic has unfortunately not been directly linked to these theories. Rather, the research has tended to explore specific factors, such as age of the firm or industry, which might explain the adoption of one or more HR practices. Jackson, Schuler, and Rivero (1989) developed a model depicting adoption of HRM practices as a function of the organization drawing from industrial–organizational psychology. Osterman (1994) examined diffusion of work organization methods such as job rotation, quality circles, and self-directed work teams. Arthur (1992) examined several predictors of HPWS, including firm age, size, unionization, location, and labor market conditions. Ichniowski and Shaw (1995) examined the adoption of workplace innovation as an investment decision influenced by plant technology, production methods, managerial and labor force experience, and characteristics of the product market. Pil and MacDuffie (1996)

hypothesized that adoption of HR practices would be affected by performance relative to competitors, employee tenure, layoffs or downsizings, and significant environmental disruptions (e.g., deregulation). Finally, Huselid and Rau (1997) examined several internal and external factors that might explain the adoption of HR practices within 2,410 firms across a wide range of U.S. industries from 1991 to 1995. Taken as a whole, there is empirical evidence that organizational and environmental characteristics are associated with the adoption of HPWS.

Because unions are a different type of entity, the literature on adoption of HR practices in typical corporations may not be entirely generalizable. Clark (2000) noted three reasons that unions are slow to establish formal HR policies for their professional employees. First, he suggested that the political nature of unions often drives the employment relationship. Selection decisions, for example, are often made on the basis of politics, rather than as a part of a formal process. Clark argued that formalization of these policies might reduce the extent to which employees could be used as a political asset. Second, as with profit-generating organizations, formalization of HR policies can reduce the degree of flexibility and operational control that a union leader has over its organization. Finally, as Dunlop (1990) pointed out, union leaders often lack prior administrative experience and education, making it unlikely that they are familiar with more formal methods of HR. One additional possibility not mentioned by Clark (2000) is that unions have at times had a hard-set ideology that is fundamentally opposed to some of the practices that have been deemed effective in producing profits. For example, merit pay, no matter how effective, has not historically been viewed favorably by labor unions because of the subjective judgment required by managers. We should not expect that they would, in turn, use merit pay practices within their ranks, no matter how much potential they hold for improving performance. To understand which factors may influence union adoption of HR practices, it is helpful to review what we currently know about union administrative practices.

Best HR Practices in Unions

Given that strategic management practices are still relatively nascent in the union movement, strategic HR practices are, not surprisingly, also underdeveloped. But strategic response to the internal staffing challenges of unions is vital to their survival. The decline in union density has resulted in the loss not just of union members, but also of union management expertise. Even as expertise is being lost, the challenges unions face are becoming more complex. Bronfenbrenner and Hickey (2003:9) have pointed out that “never before have unions in manufacturing faced such large, powerful and globally connected corporations opposed to organizing.” Unions are also grappling with the same employment issues that American businesses face: increased workforce diversity, rising costs of health insurance, globalization, and an aging workforce. Not only are the challenges facing labor unions different and more complex than ever before, but the unions are also attempting to address these issues with a diminishing pool of union management expertise. Unless unions understand and utilize good HRM in their own employment practices, their success in achieving their goals, while faced with an uncertain and increasingly hostile environment, will be limited at best.

Since the 1980s the number of unions that report doing long-range planning at the national level increased from about 25% to about 40% in 1993 (Fitzpatrick and Waldstein 1994, Clark et al. 1998). There is little evidence, however, that unions at the local or regional level are engaged in long-range planning (Clark 2000). The topic has received little attention in the academic literature either. In a review of the three major journals devoted to industrial relations issues from 1982 to 1992, Bennett and Delaney (1993) found only “fleeting” attention had been paid to the crisis of union administration. They wondered whether management practices of unions are “equivalent to a self-inflicted shot in the foot” (p. 99), exacerbating the decline of unions as a partner in economic and social development.

Dunlop (1990) asserted that the internal governance of unions (constitutional democratic values, financial reporting oversight, limitations on supervision of subordinate bodies) had largely prevented union administrators from making strides in union administration. He cited several reasons. First, the constraints of these internal governance mechanisms weaken leaders’ control, result in broken leadership continuity, and impede raising dues or other assessments. Second, the political process had historically prohibited searching for union leadership from outside the union, thus closing off a multitude of avenues for bringing in new ideas

and fresh talent. Further, politics means that the most qualified candidates are not always those selected for given positions. Finally, Dunlop argued that many labor organizations were too caught up in external fights with employers to spend time and resources on improving their own administrative practices. However, he argued that the difficult environment faced by unions since the 1970s would necessitate significant changes in union administration and strategic planning.

There is no doubt that Dunlop presaged an increase in the use of more formal HR practices by unions. Clark et al. (1998) compared union administrative practices in Canada, the United Kingdom, and the United States. Clark and Gray (2005) followed up by revisiting these practices in U.S. unions about 10 years later. These authors focused on two areas of administration: human resource/personnel practices and strategic planning. In the 1998 study, data were collected from 48 national and international unions in the U.S., 86 Canadian unions, and 61 British unions. Clark et al. (1998) concluded that formal, written personnel policies were the exception rather than the rule in all three countries. Among U.S. unions, they reported that only 44% employed a personnel director. Only about half had a formal discipline and discharge policy, and an even smaller proportion had formal policies on equal employment opportunity and affirmative action (46%), hiring (44%), performance appraisal (34%), promotion (32%), salary review (37%), and training (29%). Practices with respect to hiring qualifications were more consistent with what one would find in business, with about 75% noting that they had specific job qualifications that varied by job function.

Clark and Gray (2005) collected data from 46 unions, drawing from the same sample as their prior study. They found that the practice of requiring union membership for appointment to headquarters staff declined from 38% in 1990 to 16% in 2000. The proportion of field staff with prior experience with another union increased from 55% to 66%. They attributed these shifts to an increase in the need for computer skills and college degrees. Over the 10-year period there was an increase in the use of outside consultants, also suggesting formalization of administrative practices. In virtually every area of HR, the percentage of unions reporting formal written policies increased, including EEO/AA, discipline and discharge, hiring, performance appraisal, and training. The percentage of unions that reported having a human resources director increased from 42% to 61%.

While it is clear from these two studies that the prevalence of HR practices within unions has increased, the levels are still relatively low. With human resource management a major component of a union's overall strategy, it is important to understand how these practices can be spread more widely and what some of the barriers to diffusion may be. I turn now to developing some hypotheses regarding factors that might account for the diffusion of HR practices (or lack thereof) within the labor movement.

Hypotheses

In considering the factors that might explain the adoption of HPWS by unions, I first looked to the literature addressing the same issue for profit-generating firms. While there is not a lot of literature examining diffusion of HR practices, we can draw some reasonable hypotheses about external and internal factors that lead organizations to adopt HPWS. In the case of unions, however, there are also some unique characteristics that should be considered. Thus, I also draw from the literature on union structure, politics, and leadership to generate hypotheses. The model I develop and discuss is depicted in Figure 1. The figure indicates that both external environmental factors and internal factors are expected to explain the diffusion of HPWS. External factors include industry and characteristics of the organizations represented by unions. Internal factors include general organizational characteristics, organizational characteristics unique to unions, and characteristics of union leadership.

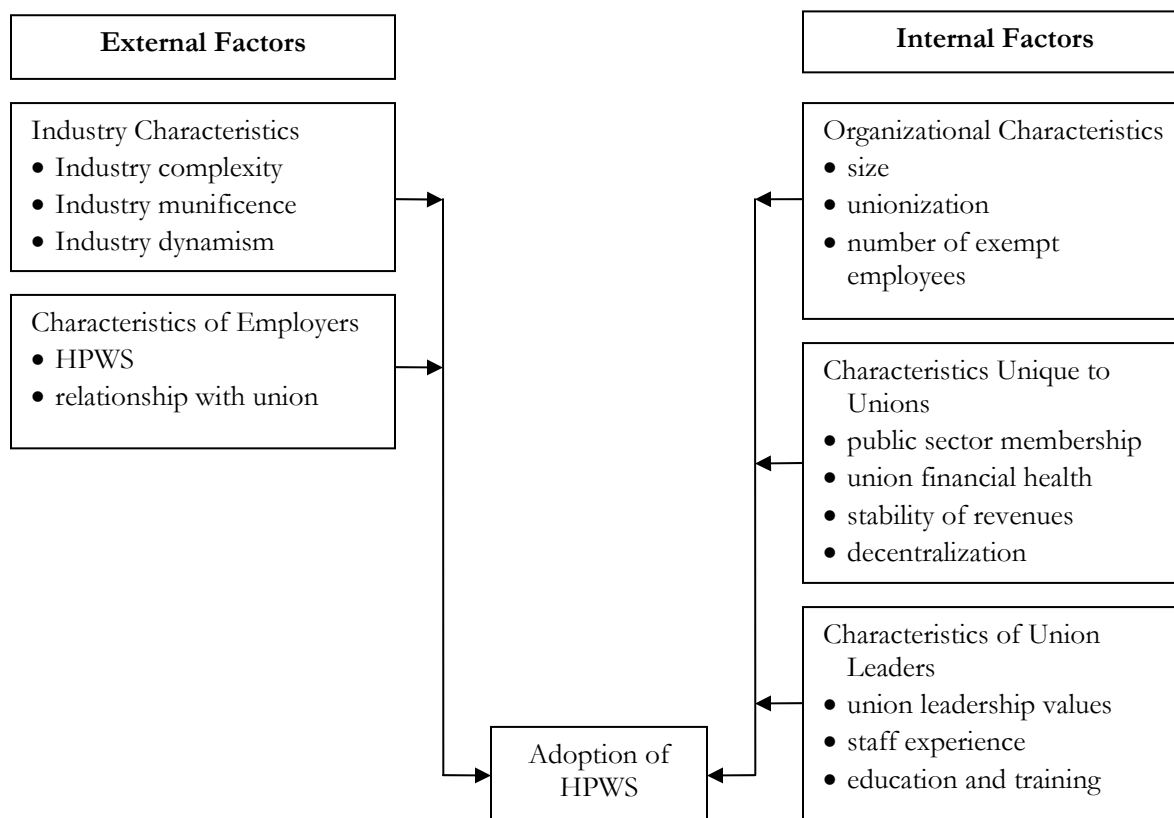
External Environmental Factors

The external environment is critical to the development of both profit-generating firms and unions. External environmental factors can be divided into two categories, industry characteristics and characteristics of employers that are unionized.

Industry characteristics. Weil (1997) noted that union responses to their decline over the past 30 years "do not adequately recognize the extremely complicated situation facing unions. For example, increasingly competitive markets may require reducing variability in product quality, refocusing pricing policies, or finding

new ways to provide service to customers beyond provision of the product. These different competitive strategies, in turn, imply different choices for labor unions operating in those industries” (p. xiii). Weil’s

FIGURE 1
Factors Predicting the Adoption of High Performance Work Systems



observation suggests that the industry in which a union operates will have an impact on its policies and practices. According to Keats and Hitt (1988), at least three industry characteristics are relevant: complexity, munificence, and dynamism. Industry complexity refers to the variation and intensity of competitive forces within an industry. When the market is highly competitive, with many potential threats, businesses have a greater need for flexibility and responsiveness. These pressures should increase the need for HPWS that can be successful in generating a flexible and skilled workforce. In contrast, more concentrated markets that are less complex impose little pressure to change. When firms are under a great deal of pressure to respond to a complex market, unions representing employees in these industries are also faced with more innovations and threats. They, too, are under greater pressure to adapt and change. Thus, we would anticipate that industry complexity would increase the need for HPWS. Huselid and Rau (1997) found partial support for this hypothesis. The results of their study indicated that complexity in a firm’s external environment was negatively associated with the reward management dimension of a firm’s work system, but positively associated with selection and development practices.

Hypothesis 1. *Unions operating in complex industries are more likely to adopt HPWS.*

Industry munificence (Keats and Hitt 1988) refers to the profitability of a given industry. Higher profits should yield greater resources for firms to invest in HPWS. We know that more profitable industries

generally pay higher wages (Dickens and Katz 1987a, 1987b; Krueger and Summers 1987; 1988; Katz and Summers 1989). Indeed, Huselid and Rau (1997) found industry munificence had positive effects on reward management, providing some support for this relationship. Estey (1981) argued that profitability in the industry increases management's ability to pay, a major determinant of union wage demands. Unions in high-profit industries may therefore also have greater resources with which to fund human resource development.

Hypothesis 2. *Industry munificence will be positively related to the adoption of HPWS.*

Industry dynamism refers to the stability of revenue streams or cash flow in a given industry. Industry dynamism is operationalized as the variance in industry profitability over time (Keats and Hitt 1988). When industry dynamism is high, investments become more risky, and it is expected that firms would make less investment in their HR. This is consistent with Huselid and Rau's finding that dynamism was negatively related to firms' adoption of HPWS. While it is true that HPWS may be effective in mitigating risk, Huselid and Rau (1997) postulated that the volatility of the industry itself makes these returns less certain. Unions tend to be relatively risk-averse organizations when it comes to administrative changes. Thus, it is expected that the uncertainty will outweigh the union's assessment of the potential for HPWS to mitigate risk.

Hypothesis 3. *Industry dynamism will have a negative influence on the use of HPWS.*

Characteristics of organizations represented by unions. I would expect that unions representing employees who are employed in organizations with HPWS would also be likely to adopt HPWS. Clark et al. (1998) suggested that this may be true in part because they either consciously or unconsciously emulate the firms they represent. It seems likely that member expectations would reflect their own experiences in the workplace. Members who see their organizations invest in HR through more formalized selection, compensation, and training systems are likely to expect their unions to make similar investments.

Hypothesis 4. *Unions representing organizations with HPWS are more likely to use HPWS.*

Trust is often problematic between management and labor. A union with a long history of militancy and adversarial relationships with employers is likely to reject many management practices. Weil (1997) noted that such a stance often puts unions in a dilemma: aggressively defend the current position of the union or temporarily lay aside its militancy to work with management and risk the rancor of its membership. In these cases, one would not expect that the union would be receptive to management practices, regardless of how effective they have been shown to be for profit-generating organizations.

Hypothesis 5. *The more adversarial the relationship between a union and employers and the greater the degree of distrust, the less likely the union is to adopt HPWS.*

Internal Organizational Factors

Several internal organizational factors could be anticipated to influence the adoption of HPWS by unions. Some of these are suggested by the literature on HPWS, and others are suggested by the literature on union structure and governance. I organize them into three categories: general organizational characteristics, organizational characteristics unique to unions, and characteristics of union leadership.

General organizational characteristics. I expect that union size will have a positive effect on the adoption of HPWS. All else equal, larger unions are more likely to have the financial resources as well as experience and knowledge necessary to invest in an HPWS. Moreover, the relative costs of investments can be spread over a larger number of employees, decreasing the cost per employee. Huselid and Rau (1997) provided some evidence to support the relationship between firm size and the adoption of every dimension of HPWS studied. In the case of unions, Clark et al. (1998) also provided some evidence to support this hypothesis. The results of their study suggested that the size of U.S. unions, which were also more likely to have formal HR policies, was significantly larger than at least the U.K. unions.

Hypothesis 6. *Union size (as operationalized either by the number of members or the number of employees) will be positively related to the adoption of HPWS.*

Prior research on HPWS suggests that as job level and complexity increase, the economic returns to investing in HPWS also increase (Hunter, Schmidt, and Judiesch 1990). Firms with higher levels of exempt (managerial) and professional employees are expected to make greater investments in those employees and in an HPWS.

Hypothesis 7. *The number of exempt employees will increase adoption of HPWS.*

The expected influence of unionization on employer adoption of HPWS is somewhat interesting. On the one hand, according to Huselid and Rau (1997), organized labor might be expected to decrease the likelihood that a firm adopts an HPWS. First, union contracts have historically sought to limit managerial discretion and flexibility in staffing and reward management. Second, unions seek to capture a portion of the returns to HPWS, making them less attractive to firms (Dimick and Murray 1978; Kaufman and Kaufman 1987; Jackson, Schuler, and Rivero 1989; Ichniowski and Shaw 1995). Finally, union avoidance potentially motivates firms to adopt HPWS. Fiorito, Lowman, and Nelson (1987) and Kochan, McKersie, and Chalykoff (1986) found that the HRM practices had a negative effect on unionization.

However, in the case of unions as employers, Clark et al. (1998) suggested that a greater presence of formalized HR practices in U.S. and Canadian unions, as opposed to British unions, may be due to higher levels of staff unionism in the U.S. and Canada. They argued that since these unions are themselves party to collective bargaining agreements in their role as employers, they are more likely to have formalized policies. It is a somewhat interesting paradox that, in the case of unions, unionization may itself signal more progressive attitudes with respect to the employment relations. In other words, union leadership that does not itself feel threatened by the unionization of its employees is likely to be more forward-thinking than leadership that does feel threatened.

Hypothesis 8. *The higher the level of staff unionism, the higher the level of HPWS.*

Characteristics unique to unions. The level of public sector unionization has grown rapidly. Membership can include professional, white collar, blue collar, skilled, and unskilled employees (Clark 2000). Public sector unions must deal with civil service regulations addressing personnel issues such as job assignment and compensation that are not found in the private sector. Hence, public sector unions often deal with a higher degree of sophistication of HR practices than private sector unions. In addition, public sector unions must spend more time publicly rationalizing and defending decisions that affect union members. Given their greater familiarity with HR practices, the more public nature of decision making, and the necessity of engaging in political action to affect terms of employment, public sector unions should have a greater need for high performing HR practices and experience greater pressure to adopt them.

Hypothesis 9. *Public sector membership will be positively associated with HPWS.*

Huselid and Rau (1997) found support for the hypothesis that firms with greater levels of exempt employees were more likely to adopt staffing and development best practices. However, they also found that firms with greater proportions of nonexempt employees were more likely to invest in employee skills and organizational structure as well as selection and development. Thus, their findings are somewhat mixed with regard to expectations for the impact of members' job level on HPWS. In general, however, I would expect the greater professionalism of the union's labor force to place pressure on union leadership to adopt more formalized HR practices.

Hypothesis 10. *The proportion of professional members will be positively related to HPWS.*

Weil (1997) argued that the state of a labor union's finances will influence its strategic choices. Much as we would expect with profit-generating firms, organizations with a greater ability to pay are more likely to invest in their human resources function. Thus, the financial viability of a union will influence investment decisions. Financial health of a union can be conceptualized in several ways, including its dues and other revenue streams, the ratio of expenses to revenues, or the surplus or debt that the union builds over time (Weil 1997).

Hypothesis 11. *Revenues to expenses and union surplus will be positively related to HPWS.*

Also important to the financial health of a union is the stability of its revenue stream (Weil 1997). While the overall level of dues collected from year to year may remain constant, the cyclical, feast-or-famine nature of dues collection for some unions, such as those in the construction industry, can make forecasting difficult and complicate investment decision-making (Weil 1997). Unions with less stability in their dues revenue stream will find it difficult to plan for the long term and will be less likely to invest in the HR function.

Hypothesis 12. *Stability of revenue stream will be positively related to adoption of HPWS.*

The degree to which a union's governance structure is centralized or decentralized is a function of several factors, including the authority granted by the union's constitution at each level of management. As unions have increased in size via mergers, union administration has tended to become more centralized. Unions that are more centralized give greater decision-making authority to the union president and officers. Generally, we think of centralization as a precursor to the formalization of HR policies and practices. However, Weil (1997) noted that highly cloistered, centralized decision-making within unions can sometimes lead to a failure of the top management team to recognize environmental pressures. Centralization of power within unions can squelch innovation, change, and progress. Thus, highly centralized unions are probably less likely to either recognize the need for HPWS or to learn about them.

Hypothesis 13. *Centralization of administration will be negatively related to adoption of HPWS.*

Clark et al. (1998) posited another explanation for the adoption of formal, systematic personnel practices when looking at U.S. as compared to British unions. Noting that U.S. unions tend to be business unions while British unions tend to practice a tradition of social unionism, they argued that business unions may adopt some of the same practices of the businesses they bargain with either consciously or unconsciously because of exposure to their practices. Further, since business unions are primarily concerned with improvements in HR practices with respect to wages, hours, and working conditions, it would not be surprising for them to adopt "best practices" themselves. On the other hand, the other types of unions are less concerned with the day-to-day operations of the business and would not be expected to have the same inclination.

Hypothesis 14. *The type of union philosophy will determine the adoption of HPWS, with "business unionism" having relatively higher levels of HPWS than other unions.*

Characteristics of union leadership. Senior management teams of any organization have significant influence over the policies and practices adopted by the organization. Indeed, Huselid and Rau (1997) found support for their hypothesis that organizations with top management that attempted to challenge people with new goals, emphasized organizational values and focused on motivating their workforce were more likely to adopt HPWS. The same should be true of union leadership. We know historically the role of the union leaders has been critical in determining both union culture and the success (e.g., Clark 2000). Those that espouse the value of a union's talent and a vision for the role of the organization's people in achieving organizational goals, are expected to be more likely to support HPWS. This support should take precedence over minimizing cost (Osterman 1994; Godard 1997).

Hypothesis 15. *Union leadership values that emphasize the value of individuals and the organization's goals will be related to HPWS.*

Unions have historically relied heavily on internal promotion practices to staff higher level administrative positions within the union. According to Dunlop (1990), external transfers in businesses have increased. By contrast, "national union executives are selected almost without exception from their members and ordinarily by the well-defined ladder consisting of business manager of a local union, a representative for the national union, a vice-president of the national union, and the top office. Only extremely rarely does an outsider, a non-rank-and-file member, reach the top through a professional staff role" (p. 18).

We know from research on internal versus external promotion ladders that one of the key advantages of an external promotion ladder is the infusion of new ideas and innovation within an organization. External candidates have the advantage of having been exposed to other management systems. As a result, they are

more likely to have observed HR practices that work and those that do not. Their presence in the union should generate new ideas, greater openness to change, and innovation. Thus, as the number of union staff with experience outside the union movement increases, the pressure to adopt HPWS should also increase.

Hypothesis 16. *The proportion of staff with outside experience will be positively related to HPWS.*

Because of the typical promotion paths found within unions, it is common to see relatively high-ranking union leaders with little formal education and rare to see one with formal managerial education. Many union leaders come to their positions by virtue of what they have learned on the job. As a result, traditional unions have tended both to be reluctant to hire outsiders with formal academic training and to provide little training internally (Weil 1997). With unions increasing their use of formal training as well as training provided by universities and through programs like the AFL-CIO's George Meany Center, one would expect a greater understanding of both the practices of HR and the research supporting their effectiveness. Thus, leaders with greater education and training should be more knowledgeable and open to HPWS.

Hypothesis 17. *Education and training of leaders will be positively related to HPWS.*

Discussion

The empirical case for HPWS as a mechanism for generating positive organizational results has become well established. Employee turnover, productivity, and corporate financial performance are all influenced by HPWS (Huselid 1995). Still, despite the union predicament of declining membership and performance, diffusion of these practices to labor unions has been slow. I have hypothesized several characteristics of the union environment, unions themselves, and union leaders that may either encourage or constrain the adoption of HPWS. The model presented is consistent with earlier work on the adoption of HR practices in the profit-generating sector (Huselid and Rau 1997), but it also considers the unique nature of unions.

With regard to the external environment, I hypothesized that industry complexity and munificence would be positively related to HPWS while industry dynamism would be negatively related to HPWS. Unions representing organizations that use HPWS and that have nonadversarial relationships are expected to be more likely to adopt HPWS. With regard to the internal environment, general organizational characteristics of union size, professionalism of the workforce, and staff unionism are expected to be positively related to HPWS. Characteristics unique to unions, including public sector membership, professional membership, union financial health, stability of the revenue stream, and decentralization of authority, are expected to be positively related to HPWS. Unions with a business unionism philosophy are expected to have higher levels of HPWS than other forms of unionism. Finally, certain characteristics of union leadership are proposed to be of importance in determining HPWS, with union leadership valuing human resources and organizational goal attainment, staff experience outside the union movement, and education and training levels all leading to greater levels of HPWS.

This paper highlights the factors that either facilitate or constrain the use of HPWS in unions, and it is hoped that empirical research testing the model will follow. Understanding these facilitators and constraints is important to helping us identify barriers to union adoption and implementation of HPWS within their own organizations. For example, recognition that the stability of a union's financial stream has a negative impact on adoption of HPWS might encourage a union administrator to find ways to fund such programs in spite of instability and/or encourage budgeting that would stabilize funds for these programs. The relationship is cyclical, as increased investment in strategic HR should also yield improvements in the stability of the revenue stream. As Huselid and Rau (1997) pointed out, the evidence would suggest that the market for HPWS is not yet efficient and that, as a result, competitive advantages are possible for organizations that adopt them. Union administrators that encourage their organizations to adopt more effective HR practices stand to gain considerable advantage.

I have assumed throughout this paper that the HPWS of profit-generating organizations can be translated to success in the union environment. There is no empirical work and little anecdotal evidence to help us understand the actual impact of these practices. Future research should test the efficacy of these practices in unions and either support the transferability of firm HPWS or develop a modified list of HPWS

unique to unions. Clearly such research will require the cooperation of labor unions themselves. Research on HPWS in the profit-generating sector has rested on the willingness of organizations studied to reveal both their practices and their performance to researchers (e.g., Huselid 1995). Perhaps it is only a matter of time before firm HPWS spread more widely among unions and we begin to learn anecdotally which practices generate the biggest “bang for the buck.” However, the union movement does not have the luxury of waiting for natural experimentation to inform us. Systematic research could expedite the process and more quickly offer some plausible suggestions for improving union administration and, in turn, the effectiveness of unions in meeting the significant challenges they face.

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