

IV. Employee Voice and Participation in Organizations: New Approaches and Perspectives

From the Two Faces of Unionism to the Facebook Society: Union Voice in a Twenty-First-Century Context

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Abstract

Union membership has declined precipitously in the United States over the past forty years. Can anything be done to stem this decline? This paper argues that union voice is an attribute (among many others) of union membership that is experiential in nature and that, unlike the costs of unionization, can be discerned only after joining a union. This makes the act of “selling” unionism to workers (and, to some extent, firms as well) rather difficult. Supportive social trends and social customs are required in order to make union membership’s many hard-to-observe benefits easier to discern. Most membership-based institutions face the same dilemma. However, recent social networking organizations such as Facebook and other online communities have been rather successful in attracting mil-

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lions of members in a relatively short period of time. The question of whether the union movement can appropriate some of these lessons is discussed with reference to historical and contemporary examples.

Introduction

What is meant by the often-used expression “the two faces of unionism”? Borrowing heavily from Kaufman (2004) and Freeman and Medoff (1984), the two faces refer quite simply to union rent-seeking behavior and union voice. The union wage premium and its correlates—in the form of improved working conditions and benefits—constitute the pecuniary advantages of union membership for workers. These same benefits, however, also correspond to the costs of unionization to the firm. The counterpoint to this rent-seeking face is employee voice. The provision of an institutionalized mechanism by which labor and management can communicate and bargain without fear of major repercussions is the second (not so) visible face of unionism. Voice—defined here as formal two-way communication between employees and employers (Willman, Bryson, and Gomez 2007)—can offer a number of benefits to a workplace. Employees are less likely to exit when work-related problems arise, and managers learn things about their own workplace that they may otherwise not have known or, crucially, ever thought of asking. Voice can, in this instance, be of benefit to both parties, which is why voice is typically viewed as the positive face of unionism.

It is our contention that American unions need to do a better job of invoking and selling these hard-to-observe aspects of worker voice to both employers and employees if they are to achieve union membership rates comparable to their 1960s peak. We argue that unions can learn about marketing these hard-to-observe benefits by studying and appropriating techniques from contemporary membership-based institutions such as Facebook and other successful networking communities around the globe. The paper derives certain insights from similar historical social trends and examines their link with union ascendancy and the subsequent decline in union membership.

The Many Faces of Unionism

To understand why American unions have had such a hard time adding sufficient numbers to their membership rolls, one must first recognize that there are other faces to unionism beyond those discussed above. These are aspects of unionism that in the parlance of consumer theory would normally constitute product “attributes” that can be fully observed only after “purchase.” The notion of union membership as an “experience good” (Gomez and Gunderson 2004) captures this reality; it refers to union membership in a context where the benefits that accrue to both workers and firms are only accurately

revealed upon exposure to them. The fact that the costs of unionization in the form of union dues and wage premiums are fully known up front, but the full extent of benefits is not, creates risks for both parties prior to adoption. Risk, in the absence of an external rule as exists when a government imposes a legislative “standard” of some kind, creates delay on the part of employees and opposition on the part of employers (which can be perpetual in many cases). In the context of union growth and rejuvenation, this insight can explain why even union supporters may never join a union (or actively organize) for reasons owing ultimately to the obstacles created by these “hard-to-observe” benefits. Once deflated by these up-front risks, the benefits of unionization are often outweighed by the costs of worker delay or opposition from management.

*Historical Example 1: 1940s Hollywood and the Mainstream
Portrayal of Unions*

If the discussion above sounds a bit too abstract, perhaps a historical example can establish the point more concretely. We need to cast our gaze back sixty years or so to a time when unionism was actually viewed as an important and relevant institution within the mainstream of American society. This was a time when the full assortment of both easy and hard-to-observe benefits of union voice seemed to be recognized by a large portion of American workers and even, it seems, by many firms. This attitude is reflected in a number of the popular films of the day. One such film, in particular, highlights the positive tone and multidimensional rationale for unionism. The film in question is *The Devil and Miss Jones*, which premiered in 1941. *The Devil and Miss Jones* is a social comedy with quite radical undertones by today’s standards.

The film’s plot is deceptively simple. A cantankerous (and highly reclusive) tycoon named John P. Merrick (Charles Coburn) learns that agitators are trying to unionize the major department store that he owns. To thwart this blatant act of democracy, Merrick (whom no one but a handful of attendants has ever seen) goes undercover and takes a menial job as a shoe clerk at his own New York department store. What better way to catch the union activists without detection! In the course of going undercover, however, he unexpectedly befriends fellow clerk Mary Jones (played by Jean Arthur) and her recently fired friend Joe O’Brien (played by Robert Cummings), a labor union organizer. Once Merrick himself is subjected to the humiliating treatment afforded his employees by his own managers, he starts to understand the origins of workplace unease. As things develop, it is Merrick who ends up spearheading the union drive and establishing a labor-management agreement that promotes the interests of his workers as much as those of himself as owner.

What is remarkable about the film from today's standpoint, however, is its depiction of working life. In particular, the film highlights how common experiences, both inside and outside the workplace, bind department store workers together and help to foster the preconditions for a successful organizing drive. One scene in particular highlights this reality. It begins when the workers meet on the department store's rooftop to discuss what they can do to improve working conditions and the strategies and tactics needed to set up the union. At this meeting, worried that they may be discovered, they hatch a plan to meet on weekends on Coney Island beach to solidify their plans. We shall come back to this scene again, as it proves especially relevant when we describe the social trends that seem to be working against unions in the United States today but which at the time of the film, the 1940s, were in harmony with labor organizing and unionism.

That the movie's theme—a successful union organizing drive helping both labor and management—was not considered so radical in its day is true for several reasons. First, America was about to enter a war, and the home front demanded labor-management cooperation. Second, the film appeared after that decade-long slump—the Great Depression—that had shaken the foundations of unfettered market capitalism in the United States. Third, the film clearly followed from the precepts of the New Deal. For these reasons and others like it, the film was actually quite universal in its appeal. But this is exactly the question for North American labor: What happened to that mainstream appeal? Where did it go?

We do not need to be reminded of the perilous state of private-sector trade union strength in twenty-first-century America. If a picture can tell a thousand words, this one needs very little comment. Notwithstanding the individual successes of many unions and victorious unionization campaigns such as Justice for Janitors (Erickson et al. 2002) in California and the organizing of nearly all the construction service/hospitality sector in Las Vegas by the Service Employees International Union (SEIU), the American union movement has been unable to reverse a trend that began more than forty years ago. There are now fewer than ten workers out of one hundred who are organized in the United States, down from thirty during unionization's peak in the early-to-mid-1960s.

There are many reasons for this decline—likely well known to many reading this article—but we prefer to cast light on a somewhat less quantifiable cause. If we consider another picture, this time of one that is embossed on our collective conscious, we may come to a better understanding of the social forces at work that may have shaped the fall. The picture in question is of a beach scene with what seems like thousands if not hundreds of thousands of bathers literally occupying every inch of sand. The picture was taken by Weegee in the late 1940s on Coney Island. There is an insight in that picture

of relevance to unions, and it is the idea that more people did the same things back in 1947 than they do in 2007. Many more people live in New York today than they did fifty years, yet fewer go to the beach on a summer weekend. Why is this so?

Historical Example 2: The Rise and Fall of Public Swimming Pools in the United States

A similar social trend has been discerned in a recent book that examines the life and times of—of all things—the public pool in America. In the book, *Contested Waters: A Social History of Swimming Pools in America*, Wiltse (2007) traces the evolution of municipal pools in America from the late 1860s to today. Focusing on northern cities like Chicago, Milwaukee, and St. Louis, Wiltse finds that pools gradually became hotbeds of social interaction and social change. In his words:

Municipal swimming pools were extraordinarily popular during the 1920s, 1930s, and 1940s. . . . Cities throughout the country built thousands of pools—many of them larger than football fields—and adorned them with sand beaches, concrete decks, and grassy lawns. Tens of millions of Americans flocked to these public resorts to swim, sunbathe, and socialize . . . In 1933 an extensive survey of Americans' leisure-time activities conducted by the National Recreation Association found that as many people swam frequently as went to the movies frequently. (Wiltse 2007, 25)

In other words, public swimming was as much a part of America as was going to the movies. From the 1920s to the 1950s, municipal pools served as centers for the community and arenas for public discourse. Hundreds and sometimes thousands of people gathered at these public spaces where the contact was sustained and interactive. In short, community life was fostered at municipal pools. The history of swimming pools reveals changes in the quality of social life and the extent of civic engagement in modern America.

So why did this principal social activity in America largely disappear? The proliferation of private swimming pools after the mid-1950s, according to Wiltse, caused a retreat from public life. Millions of Americans abandoned public pools perhaps because they, in actuality, preferred to pursue their recreational activities within smaller and more socially selective communities. Instead of swimming and interacting with a diverse group of people at municipal pools, private-pool owners secluded themselves into their own backyards. “The consequences have been,” according to Wiltse, “atomized recreation and diminished public discourse.”

Unionism and the Facebook Society

A couple of related questions arise from this discussion. First, did rising incomes simply reveal the true private preferences of Americans? Second, did public pools offer people an opportunity for social and community interactions, which, if reconsidered from a contemporary perspective, would see different results today versus the 1960s, when the switch to the private realm occurred? In other words, were the communal activities fostered by the public pool system in American up to the early 1950s simply the result of being less materially well off, or did they in fact reveal a sense of community that Americans regret having lost?

Whatever the answer, it is no mere coincidence that the period of union ascendancy in America coincided with these other mass social trends. Indeed, even the advent of television offers a similar example. For example, one out of two Americans watched the first episode of the *Honeymooners* in 1955—a show, it should be noted, that depicted the life and times of a lower-middle-class (and unionized) New York bus driver portrayed by that everyman actor, Jackie Gleason. Today half of all Americans cannot be counted on to vote let alone watch a single television program en masse—not even the Super Bowl commands a 50 percent share of the viewing audience today. There are more television viewers in 2008 than ever before but fewer viewers watching any single program. Much like Weegee's Coney Island picture of weekend bathers, Americans have splintered and fragmented into multiple demographic groupings and “social tribes.” Has anything replaced these “common” activities, and if so what is it?

It may sound axiomatic, but consumer choice is partly to blame for the loss of common cultural activities. Many social historians (Cross 2006) argue that private (household) consumption and commercialism became the dominant cultural ethos in late twentieth-century America, effectively wiping out all competing public cultures. These critics characterize Americans as passive receivers of this consumer culture created and popularized by marketers, movie producers, merchants, and entrepreneurs.

Another argument with a strong family resemblance to this line of reasoning is the idea popularized more than a decade ago by Putnam (2000) in his book *Bowling Alone: The Collapse and Revival of American Community*. But whereas Putnam identifies television as the principal source of decline in shared common experiences and social capital, we have just noted that even at the level of television program viewing, America is doing less in common today than in the 1950s.

So these same questions persist: How accurate are these latter-day characterizations of American society? Can they really account for the decline

in U.S. union membership, much as they explain the fall off in other mass consumer behaviors such as public swimming and recreational bowling?

This is where the second part of our title contains a potential and partial answer to these questions. Facebook (of the Facebook society referred to in the title) is a social networking website that initially allowed people to communicate with their friends and exchange information. Once you become a member of Facebook, you can select to join one or more participating networks, such as a high school, place of employment, or geographic region. It was launched in 2004 and founded by Mark Zuckerberg, a former member of the Harvard Class of 2006. Initially the membership was restricted to Harvard students. It was subsequently expanded to other Boston area schools and the Ivy League schools within two months. Many individual universities were added in rapid succession over the next year. Eventually, people with any email address from across the globe were eligible to join. Networks were then initiated for high schools and some large companies. As of October 2007 the website had the largest number of registered users among the college-aged, with over 42 million active members worldwide; it was expected to pass 60 million users by the end of the year (most now coming from noncollegiate networks). In 2007 it increased its ranking from the sixtieth to the seventh most visited website. Moreover, it was the number one site for photos in the United States, ahead of public sites such as Flickr, with over 8.5 million photos uploaded daily. All this sounds rather impressive, and it is.

But it is not unprecedented. America has seen similar instances of millions of people joining social networks in a relatively short period of time. Indeed, there is one clear historical precedent. If one ventures back to 1930s America, the growth in union membership between 1936 and 1946 had a similar diffusion curve. What is it about Facebook that today—in an era of competing claims on time and interest—allows it to grow and disperse itself within a population purported to do nothing in “unison” anymore?

For one thing, contrary to generic criticisms of consumer society, it is not a passive form of consumption. In fact, it is active in demanding production and attention from its members. This is in part why *Time* magazine recently chose its Person of the Year as being “YOU,” namely, the users of the Internet. This stands in marked contrast to its twenty-fifth anniversary cover in 1982, when the Computer was chosen as Man of the Year and seated next to the computer on the cover of the magazine was an anonymous form representing a person.

The world of information technology has quickly moved from the passive to the active. Facebook is the twenty-first-century equivalent of the public pool or 1940s Coney Island. Union membership during the high-water mark of its ascendancy in the 1940s and 1950s benefited from having these contemporaneous forms of common experience upon which to piggyback. So what

is preventing modern unionism from doing the same with Facebook's sixty million members?

The problem is that we do not have a labor market equivalent yet to the Facebook society—as we did when the union movement was closely aligned with the social trends of the day and each reinforced each other (for example, union-sponsored bowling leagues). The day at the beach spent by the retail workers in the movie *The Devil and Miss Jones* reinforced their solidarity at the workplace. Can a similar model be adopted by North American labor? Something that facilitates the drive for voice and better working conditions at work? It needs to be emphasized, however, that this is not the same as arguing that unions have to set up Facebook pages for workers. Rather, it is about appropriating the attributes of the “Facebook phenomenon” and applying them to the “proposition” unions offer both workers and (crucially) to firms as well.

What are these attributes then? There are four:

Facebook is simple to use and cheap to acquire without being simplistic.

Google is much like this as well. That is, you can go back to Google or Facebook and receive different benefits each time.

There is a common platform that allows for constant evolution but also for tailoring by individuals or groups.

The entry costs for Facebook members are low to nonexistent. There is no real pecuniary penalty to leaving Facebook either, which means you are more likely to try it for the first time.

Pay-as-you go systems, like those adopted by Facebook, are quite appealing to new users, unsure of the potential benefits and with fears of being locked in.

This list of Facebook society attributes has, we believe, some potential for transfer to the problem of acquiring more new trade union members than are lost (mostly to attrition). It has been found in work on British union membership decline (Bryson and Gomez 2005) that “loss of membership” has remained constant for close to thirty years in Britain. During that time union density reached a plateau and began its steady decline. How can this be?

The overall cause of decline was the growth in “never membership.” That is, persons who entered the labor market after 1980 and who increasingly never had a unionized job. Essentially, this is a self-reinforcing trend due to many of the reasons alluded to earlier in our depiction of union membership, in particular, the notion of unionism being a “experience good.” Unionism imparts benefits often hard to observe from the outside, and the way into membership often has to be learned. Hence, whatever the impulse (the poor labor

market conditions of the early 1980s, the anti-union sentiment of workplaces set up after 1960s) for the rise in never membership, once the trend started, the social propagation mechanisms began to work against union membership growth.

Concluding Observations

There are major challenges facing Wagner-style unionism. This is true not only in the United States but anywhere that unions have to organize a workplace and convince workers and firms of unionism's benefits. It becomes difficult to add new members under traditional approaches, especially when there is a less supportive social environment that does not readily highlight the positive attributes of having a union voice, in particular those attributes that are otherwise hard to observe in the absence of experience with a union. Though we have offered a characterization of a modern social phenomenon that may give unions some hope of attracting millions of new members, unfortunately we do not know what a new model of unionism that borrows from the success of Facebook-type social networks would look like. There is also a "chicken and egg"-type problem at work here. Common choices made by a mass of workers require common experiences, which, in turn, create common expectations and tastes. Increased consumer choice and product differentiation strategies by firms tend to balkanize consumer markets. Balkanized consumer markets mean that we are increasingly segmented in our choices and actions as consumers outside the workplace. Discussions around the water cooler become increasingly more difficult.

Fragmented consumer choices have a more profound effect than merely raising the cost of explaining what you do outside of work to your colleagues; they change the nature of work as well. The more segmented we become as consumers and citizens outside of work, the more our work loses commonality. There were once armies of typists and ditch diggers doing basically the same thing. Today, however, it is becoming increasingly hard to find two people doing the same thing inside the workplace, even among workers with the same job titles. Work processes have become as specialized as the products and services employees are obliged to provide. Thus, segmented leisure, consumption, and working experiences no longer lend themselves to the "communal solutions" provided by Wagner-style collective bargaining models. Indeed, if one looks at the professions/occupations in the United States that actually held their own and even added union members over the past twenty years (for example, pilots, flight attendants, machinists, teachers, actors, screenwriters, journalists, and nurses), these have been professions for which "output" has not changed as much as, say, for an information technology worker, computer engineer, or business consultant.

In this paper we do not end with an answer or with a ready-made solution to the problems faced by U.S. trade unions; rather, we merely indicate a direction where unions need to look in order to find a supportive social phenomenon upon which to latch onto and also learn from. If Facebook is the equivalent of the Coney Island weekend retreat, then unions need to learn about what brings potential members out to the twenty-first-century beachfront.

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