

## *The unions in a knowledge-based economy*

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*Worldwide, trade unions are commonly perceived as operating in an era where the issue of change is of central significance.*

A report on the problems of and prospects for unions in eight industrialised countries undertaken by the International Labour Office in 1996 concluded that the extent of such change was profound. Union actors were observed as undergoing difficult processes of self-analysis in order to adjust to economic, social, technological and other changes, including the increasing diversity of the workforce and changing attitudes of workers both to work and to their unions. The report concluded that, despite different approaches, there was general agreement amongst unions that they could not afford to remain passive in the face of the new challenges with which they were being confronted.

Given the extent of perceived change, the question of how such change is managed by the unions is clearly a topic of contemporary interest and relevance. Yet we know very little on the matter of change management in unions in particular or even management in unions in general. Despite the immense volume of the industrial relations literature, progress has been slow on the conceptualisation of management in trade unions. A recent study in Sweden, however, set out to accomplish this task by developing a model focusing on change and renewal in the two main Swedish blue- and white-collar manufacturing unions, Metall and SIF, since the policy of 'Good Work' was adopted in 1985 by Metall.

The 'Good Work' policy has been seen as the union's strategic response to changes in the organisation of work in manufacturing. Such an approach has involved a focus for union activity on developing work organisation as well as the traditional pursuit of distributional bargaining objectives. Metall is of the view that real influence out at the workplaces now requires independent union knowledge: the support mobilised from central union organisations seldom matches the resources at the disposal of the employers. Moreover, the existing body of business knowledge has been built up around problem definitions and solution criteria formulated from a business management perspective. Autonomy requires alternative constructions of knowledge. New, independent knowledge on both the content and process of workplace change is a central feature of the union's capacity to develop work organisation in the direction of 'Good Work':

autonomous groupworking where employees are genuinely empowered in their workplace.

### **Knowledge management**

Researchers on knowledge management have argued that the notions of knowledgeability and thereby learning are potentially applicable to all organisations, including unions, not just 'knowledge intensive firms'. A learning perspective on change in the unions sees leaders as managers of knowledge. Whilst the acquisition, application, transformation and transfer of knowledge is something which potentially involves all organisational actors, it is the leaders who are particularly charged with selecting knowledge and drawing inferences from the past so as to make decisions in the present. Union leaders have the role of ensuring outcomes are reached consistent with objectives which typically consist of the defence and advance of their members' interests. Reaching these objectives is dependent on choices which, in turn, are made on the basis of knowledge of previous action-outcome relationships. This is learning.

The study revealed evidence of considerable variation in learning processes in the two unions both at the local (workplace) level and at the central level. Moreover, variation is also identifiable within most of these at different points in time. On the other hand, certain processes do appear to have similar properties in terms of 'learning what', 'learning when', and 'learning how' such that a number of categories of learning could be constructed. The various learning processes are dependent on interaction either with the employer (at both levels), the union members (locally) or both.

Moreover, certain categories involve interaction between union levels and are thus suggestive of *organisational* learning, whereas other learning categories are limited within the union level concerned, suggesting a more limited notion of learning. In particular, greater evidence of organisational learning was evident in Metall than its white-collar counterpart SIF. A key reason for this was that the former, through 'Good Work', had an agenda on work organisation issues that was shared throughout the union. It also had mechanisms that allowed for project outcomes to be debated and reflected upon in its representative structures and new actions to be subsequently undertaken.

So long as union members continue to see matters relating to pay and conditions as being of central importance, work on these issues will remain a core union activity. Having said this, in the context of global competition in manufacturing and the downward pressure on wages from newly available labour markets in places such as Eastern Europe, unions will find it increasingly difficult to simultaneously improve the pay and conditions of their members and deliver job security. In other words, labour has to find new ways in which to compete if manufacturing jobs are to remain in Sweden and elsewhere in the west. Both Metall and SIF, in contrasting ways, have sought to respond to this dilemma by extending the union agenda beyond the traditional focus on pay and conditions, to focus on competence development and, in some cases, development of the workplace. A consequence of this is that knowledge can be seen as a new basis of competitive advantage in firms and a new means by which unions can assert influence in the increasingly global division of labour.

### Learning organisations

In this sense, therefore, seeing unions as learning organisations, whilst not being unproblematic, does offer opportunities for union renewal. Where companies are taking learning seriously, union organisations can clearly be a source of important knowledge and thereby have the potential to act as change agents *on union terms*. The union-employer relationship offers a basis not just for exchanges of dialogue but also offers forums for learning from experimental change projects aimed at developing work organisation in directions that can, where the conditions for social partnership prevail, be of benefit to both sides. However, knowledge transfers are not solely one-way. In the study, local union leaders increasingly voiced the need to develop competencies on matters relating to running a business as well as technical knowledge of production processes. Clearly, learning in the local organisations is boosted if such competencies, commonly acquired by union members in their everyday work for their company, can also be made available to the union locally.

Having said this, although a learning approach to union organising envisages opportunities for positive-sum games in a spirit of social partnership, it does not alter the fundamentally antagonistic nature of the employment relationship. The view of German researcher Wolfgang Streeck is instructive here:

...unions should embrace skill formation as the centrepiece of a new, co-operative and productivistic strategy, *and at the same time insist* on the unions' need for a strong, independent power base giving them, just as in the past, a capacity to impose rules and

obligations on employers that these would not voluntarily obey or accept.

For unions, therefore, organisational learning might most usefully be seen as finding an appropriate balance between a) generating union knowledge as a valuable input into organisational learning in companies, and b) generating union knowledge as a power resource for gaining extra leverage over employers in distributional bargaining. Indeed, we could go further by arguing that the latter is an essential element of improving firm competencies, even from the perspective of governments and employers.

Although unions are secondary organisations in that in most cases they rely for their existence on an ongoing relationship with employers, at the end of the day the content and design of future union work must start out from defining the needs of the membership. However, membership wishes have to be made sense of in relation to how leaders define the situation their union finds itself in. Frequently, union strategies have been defensive responses to threats and allied to retrenchment around past 'victories' that have at times taken on mythological symbolic status. A proactive, learning trade unionism, on the other hand, should envisage a forward looking vision of working life trajectories whereby the developmental and learning needs of members go hand-in-hand with the developmental and learning needs of the union and the developmental needs of firms, particularly in the area of work organisation.