

GROWING TOGETHER

*managing trade union
co-operation & merger*



Cranfield
UNIVERSITY
School of Management



PSI would like to thank UNISON for their assistance in the production of this publication.

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Commissioned by

Public Services International

Written by

Centre for Strategic Trade Union Management

Cranfield School of Management

Cranfield University UK

Introduction

Planning a merger or other forms of co-operation can be a difficult and time-consuming process. This handbook has been designed as a guide to help unions, large and small, think about how they can work together – or ultimately merge – with other unions and, if they decide to do so, how they can set about managing the process. It is based on the experience of the writers but makes use of tools from other sectors – particularly from the literature on strategic management – and case studies provided by the writers and people within Public Services International who read earlier drafts. One of the premises on which the materials are based is that mergers in most sectors are badly managed because they too often ignore the people who bear the brunt of the merger. Trade unions are about people and need to learn best practice – from wherever it can be gleaned.

The material can be used with or without trained facilitators. However there is no doubt that, particularly in the early parts, it would be difficult for some of the activities to be undertaken without this assistance. PSI is happy to assist affiliates in finding and engaging such resources. It is designed in such a way that material can be pulled out and used in individual events or used together as part of a longer-term process. We have no doubt that it meets a long felt need and we look forward to working with unions in growing together.

This handbook was written by the Centre for Strategic Trade Union Management at Cranfield School of Management, Cranfield University (CSTUM), a group with unique experience in the management of trade unions. It was written for the Public Services International. CSTUM has advised many unions on mergers and their management and is dedicated to helping unions gain world-class management skills.

We also want to acknowledge all the support provided by UNISON, UK, in making this handbook a reality.

Hans Engelberts

General Secretary, Public Services International

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I like you as a friend but I'm not sure I want to merge...



Stage one

Pre-merger

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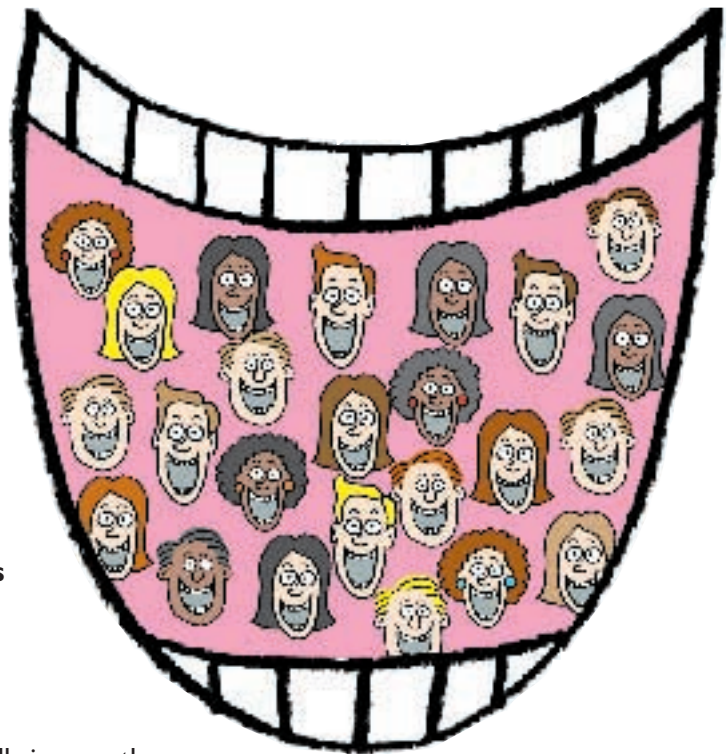
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Section one

Why do unions think about merging?

**Why do unions consider merging?
What makes them consider giving up their independence and putting to one side their history to take such a big step into uncertainty?**

Some of the reasons are set out in Table 1. Unions may be forced into a position of considering merger perhaps because of financial difficulties, hostile governmental action, or economic downturn affecting membership. The table also shows that high ideals and aspirations can lead to merger.



The next two sections of the handbook will give you the opportunity of considering:

- ◆ *whether merger is a possibility for your union and*
- ◆ *whether there are alternatives to merger.*

TABLE | REASONS WHY UNIONS MERGE

INDUSTRIAL

- ◆ Avoid inter-union competition
- ◆ Multi-national company relationships
- ◆ Rationalisation of union representatives across sectors
- ◆ Rationalisation of industrial relations
- ◆ Gain greater employer respect
- ◆ Stronger voice in collective bargaining

COST EFFECTIVENESS

- ◆ Responding to membership loss
- ◆ Combating financial problems
- ◆ Economies of scale in staff, property and other resources
- ◆ Providing better or more services for members
- ◆ Eliminate decline in structures, services etc.

POLITICAL

- ◆ A visible commitment to unity in the labour movement
- ◆ A greater voice in political affairs
- ◆ Gain greater influence over Government
- ◆ Have stronger policy voice in international and trans-national organisations, including bodies such as PSI

GOVERNMENTAL

- ◆ Anti-union actions
- ◆ Legislation requiring unions to meet standards which a single union cannot meet alone

Section two

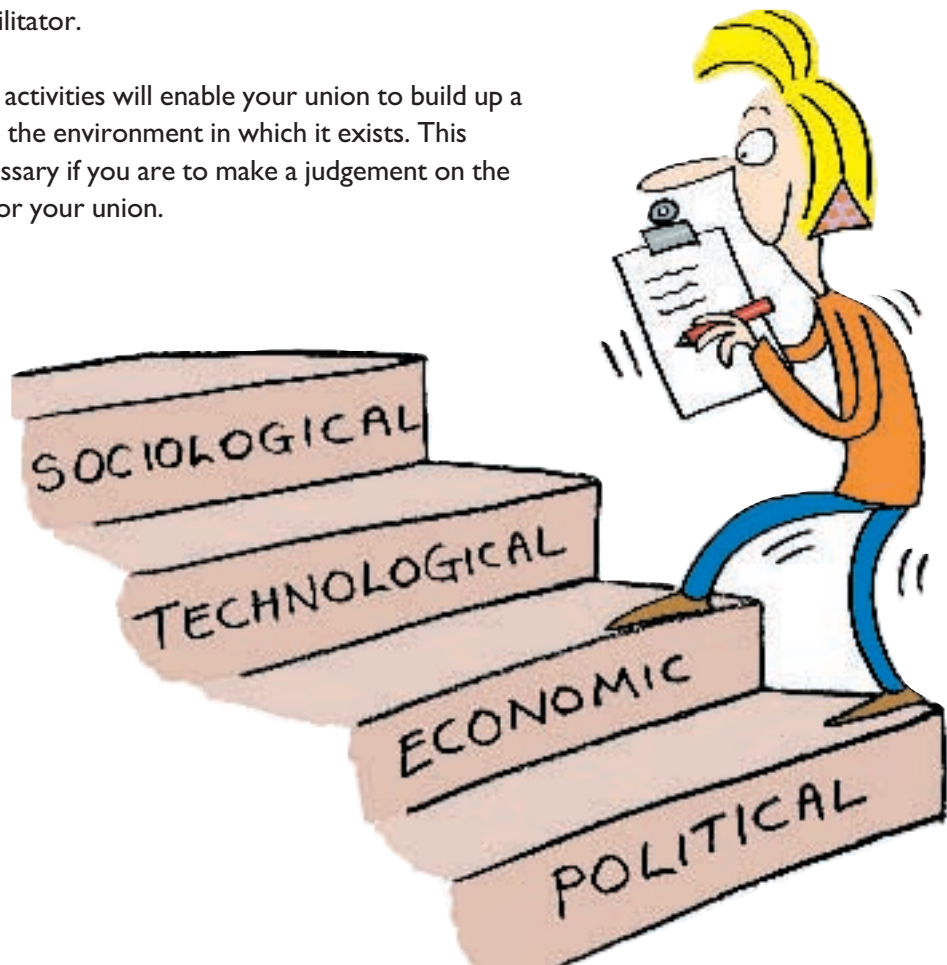
Why should we merge?

This section includes a series of activities to help you understand

- ◆ *your own union and*
- ◆ *its environment in relation to mergers.*

You can approach these activities in various ways. You can for example undertake them with colleagues; you can insert one or more of them into regular meetings; or you can arrange a special event. If you undertake the activities more than once with different people, collect all the results to get a clearer picture of your union. It will help if the session is run by someone with experience in group activities of this kind. This person will be referred to as a facilitator.

The result of these activities will enable your union to build up a picture of itself and the environment in which it exists. This information is necessary if you are to make a judgement on the best way forward for your union.



ACTIVITY I

STEP analysis

Sociological

Technological

Economic

Political

First, let us look at a union's external environment. STEP analysis helps you look at this. Through this you can understand more clearly the forces affecting your union and which might affect it in the future. When you understand it, you can look at how your union "fits" with its environment.

Some examples of the STEP factors are as follows:

Sociological factors

What is the effect on your union's membership of issues such as changing values in society, changing lifestyles, changing demographics. For example, people living longer means more pressure on hospitals, which may affect unions with members working there; extensions of further education may have implications for teaching unions. In some countries, trade union membership is constantly higher amongst older people and, perhaps, lower amongst women who may work part-time. You can use this activity to look carefully at your own membership.

Technological factors

What effect is information and communications technology having on your union? Have you adapted to them? Enormous technological changes occur almost daily. Can you change quickly enough?

Economic factors

What effect will economic growth or recession, inflation, interest rates, and so on have on your union and its members?

Political factors

These include: trade union laws, the government attitude to trade unions and structural changes in industry, like privatisation, growth or amalgamation of unions similar to yours or in competition with yours.

ACTIVITY I

STEP analysis

Aim

To look at the STEP factors for our union. The idea of this activity is to start the process of looking at the factors affecting your union which may help you to begin to assess the future. At the start of the meeting you will need to explain what the STEP factors are and why they are important to the process.

Materials

Flip charts and felt pens.

Form of activity

- ◆ *If your meeting is larger than about 7-8, divide people into groups of 4.*
- ◆ *If there are enough groups, each group could be given one of the four factors to analyse.*
- ◆ *Each group should find a person to record the group's conclusions and a person to report back to the main meeting.*
- ◆ *This should take about thirty minutes or longer if each group examines each factor.*
- ◆ *Discuss your conclusions. This will take 45 minutes – 1 hour.*

ACTIVITY 2

SWOT analysis

Strengths

Weaknesses

Opportunities

Threats

Now you have thought about your union's environment, SWOT analysis will help you to look at the **strengths and weaknesses** of your union. For example, your union may be good at recruiting men but bad at recruiting women. It may be good at communicating with the members but bad at communicating with the Government, or vice versa. Your union might be successful at collective bargaining but membership may continue to decline.



It is important that you are honest about this and think about the union as the members, members of other unions or non-members see it. If, for example, the employers think that the research on which you base pay claims is weak, it is no good ignoring this out of a misplaced sense of pride. You need to know the truth.

The **opportunities and threats** are about external factors and ask you to look at the present and the future. For example, there may be a large enterprise opening or closing which may have an important impact on membership. Your STEP analysis might have revealed that the Government is going to take steps to encourage women to stay in or go back to work; with what opportunities or threats would this present the union? These factors may strengthen your union or weaken it, in relation to members, employers or, in some countries other unions with which you may be competing for members.

ACTIVITY 2

SWOT analysis

Aim

To understand SWOT factors and analyse them in terms of the impact on your union. Consequently, to identify your union's strengths and weaknesses and the opportunities and threats facing it.

Materials

Flip charts and felt pens.

Form of activity

- ◆ Again, begin your meeting by explaining the factors you are going to look at and explain why these are important.
- ◆ If there are more than about 7 or 8 people at your meeting, you should divide them into groups of about 4.
- ◆ Each group should find someone to record the group's conclusions on paper and someone to report back to the main meeting (preferably different people from Activity 1).
- ◆ Compare the reports from the different groups. What do the reports mean for the union's strategy?
- ◆ The whole activity can be finished in no more than an hour and a half; about an hour should be allowed for the group activity.

ACTIVITY 3

STAKEHOLDER analysis

The idea of a 'stakeholder' is an important one for any organisation. It recognises that organisations have wider responsibilities to people who may not be its members or owners – often ethical responsibilities to, for example, the wider community. The idea fits well with union philosophies of social responsibility.

A stakeholder is a person or body which has or should have the power to influence the organisation (or to be influenced by it). That can include a large number of organisations and people. Therefore these are often broken down into four categories –

- ◆ **internal** and **external** stakeholders and
- ◆ **primary** and **secondary** stakeholders.

Internal stakeholders are individuals and groups within your union. **External** stakeholders are those outside it which will have an effect – the obvious one is the Government. **Primary** stakeholders are essential to the union. The union could not continue without them – members, for example. **Secondary** stakeholders are those who are not essential but who have an influence – the supplier of your membership cards, for example.

For example, *Figure 1* shows a stakeholder map of a union. It has four sorts of stakeholder. One of them is external and three of them are internal (staff, members and activists). Members' families are included because they have a stake in the union and what it can achieve for the family.

You may already have thought about the effect external stakeholders will be likely to have on the union if you have undertaken a SWOT analysis. You may have realised that the attitudes or actions of some external stakeholders will not always be helpful. In such circumstances, you have to have plans to deal with them.

What this activity enables you to do is to look at the internal stakeholders in your union – frankly and honestly – and consider what pressures they will exert on you if you are to begin considering merger with another union and how strong those pressures will be likely to be. By subdividing activists, for example, into local and national groups, you can think about where the opposition will be likely to come from. By dividing members into male and female, young and old, manual and non-manual you can take a wider perspective in looking at members' views.

This sort of activity is what most unions do all the time in looking at the power structures within unions and deciding what will and what will not be possible. The activity merely gives a structure to the process and enables you to be analytical about it – bringing considered conclusions into the decision-making process.

This activity is more complex than Activities 1 and 2 and may take longer as a result. Allow at least one and a half hours.

ACTIVITY 3 **STAKEHOLDER analysis**

Aim

- ◆ *To identify the internal stakeholders in our union.*
- ◆ *To identify those with the biggest impact on the union.*
- ◆ *To think about stakeholders in the context of merger.*

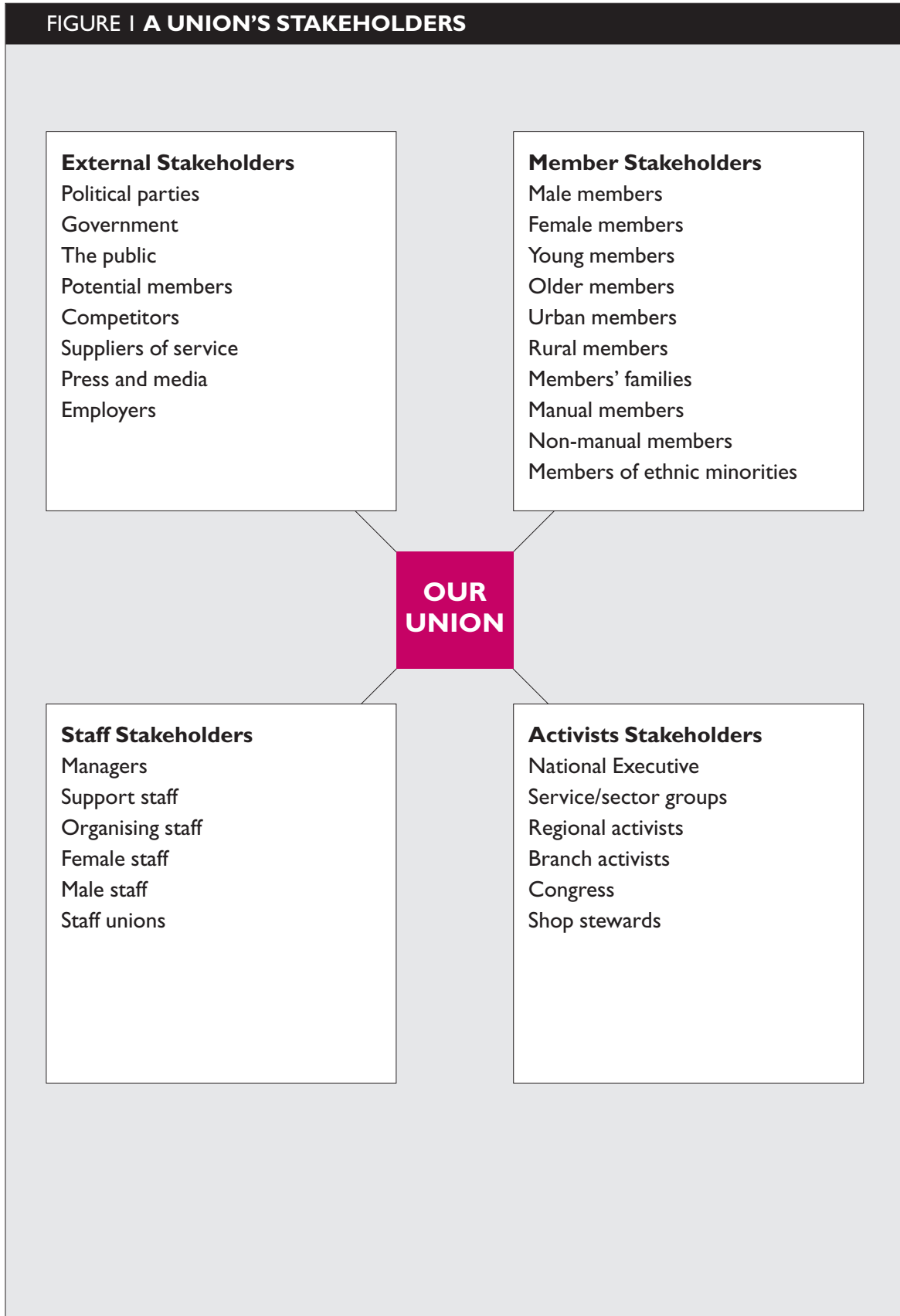
Materials

Table 1, Table 2, flip charts, felt pens

Form of activity

- ◆ *With everyone together, your facilitator, if you have one, should explain the concept of a 'stakeholder'. Use the stakeholder map on page 13 and the material on page 11 to do this. Ask people to say which are primary and secondary stakeholders.*
- ◆ *When the concept is understood, form groups of 4.*
- ◆ *Each group should find a person to record the group's decisions and a person to report back to the main meeting. Try to give new people this experience.*
- ◆ *Each group should find at least 8 different internal stakeholders. 3 or 4 of these should be non-obvious stakeholders. They should then ask:*
 - *who are primary and secondary stakeholders?*
 - *who have the most power to influence the union?*
 - *who have the most to lose from the merger process?*
 - *what are their attitudes, perceptions and opinions?*
 - *who are likely to be opposed or doubtful about the process?*
- ◆ *Then answer the questions:*
 - *what strategies will we need to have to deal with the attitudes, perceptions and opinions of stakeholders?*
 - *how can we strengthen the stakeholders who support change and counter the actions of those who do not?*
 - *what effect will these activities have on our strategy to increase co-operation or work with other unions?*
- ◆ *Each group should report on this activity. Try to find a common view.*

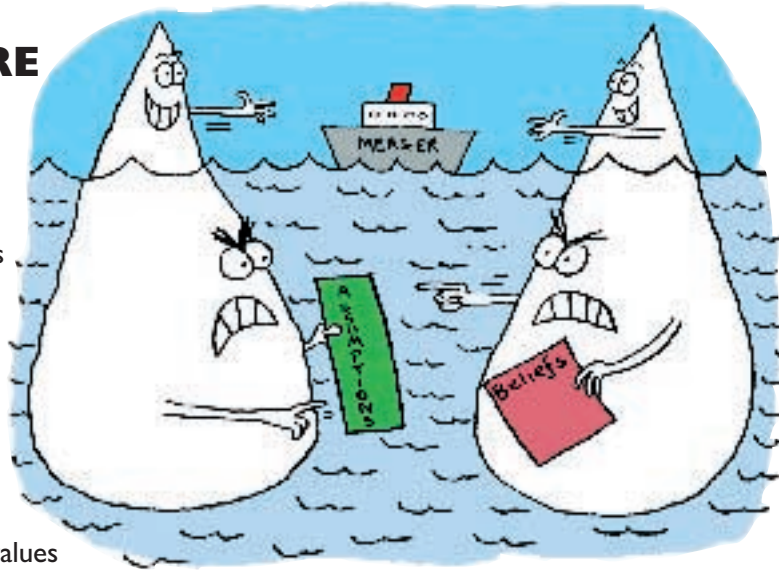
FIGURE 1 A UNION'S STAKEHOLDERS



ACTIVITY 4

STRATEGY AND CULTURE

Public Services International has published some valuable materials on strategic planning for trade unions. Like this handbook, earlier materials help people to analyse the union and its future direction. All organisations, however, have a problem in doing this because they look at the world through a glass coloured by many years of history, traditions and achievements. The world seen through that lens may not be the same as the world seen by others.



People inside unions have values. We call these values its **culture**. It is impossible to change a union without an understanding of its culture. How many times have you seen unions try to change things by making decisions or changing structures but finding change resisted?

Understanding your union does not just mean understanding its structures, rule book and the rights and duties of members. It means understanding its culture.

The culture of an organisation is defined as the deeper level of basic assumptions and beliefs shared by an organisation's members. These beliefs and assumptions:

- ◆ often operate unconsciously and automatically; we often grow up with them;
- ◆ define the ways that members of an organisation think are 'obvious', natural or self-evident when they look at their own organisation and its environment;
- ◆ shape the behaviour of members;
- ◆ may be seen in an organisation's values, buildings, badges, letters, etc; the more you look for such symbols, the more of the union you can see in them.

Culture is often understood as 'the way we do things round here'. That can vary between offices, regions, departments and so on. A union's culture can comprise a mosaic of sub-cultures, some consonant with and some contrasting with the dominant culture. You will have to work with these. Valuing people's culture and experience applies as much to your own organisation as to that of a potential partner.

This is vitally important when you are considering merging or working closely with other unions. If the basic values and assumptions of those with whom you propose to work are completely opposite to those of you and your colleagues, you may be embarking on an impossible task.

Looking at your union's culture

A union's culture can be illustrated by a picture which we call a 'cultural web'. This picture (or 'web') helps us to see different parts of the culture. We show the picture in Figure 2, page 16. Table 2 (below – Parts of the Cultural Web) shows its various parts, and explains what each one means.

CASE STUDY CULTURE AND MERGER

Two unions were considering merger. The values and assumptions of union A included a belief that local branches should have as much freedom as possible and the money to take local action. Union B believed that local branches should involve full time officials before taking action and should have access to little money of their own. Power structures, organisational structures and control systems reflected this. After merging unions A and B, the branches were given money and a certain amount of freedom of action but within a strong central framework. Six years after merger, the values and assumptions of union A were still challenging the new structures. Merger had not changed them.

TABLE 2 PARTS OF THE CULTURAL WEB

- ◆ The routine ways in which people in the union behave. These make up the “way we do things around here”. These can help us to work. But they can also mean things are very difficult to change.

- ◆ The rituals of union life, like conferences, training courses, meetings. These can show what is important in the organisation, support “the way we do things around here” and show what is valued.

- ◆ The stories told by members of the union to each other, to outsiders, to new people and so on about important events and personalities in the union's history.

- ◆ Other symbolic aspects of the union such as badges and pictures, offices, cars and titles or type of language commonly used. These symbols show the nature of the union.

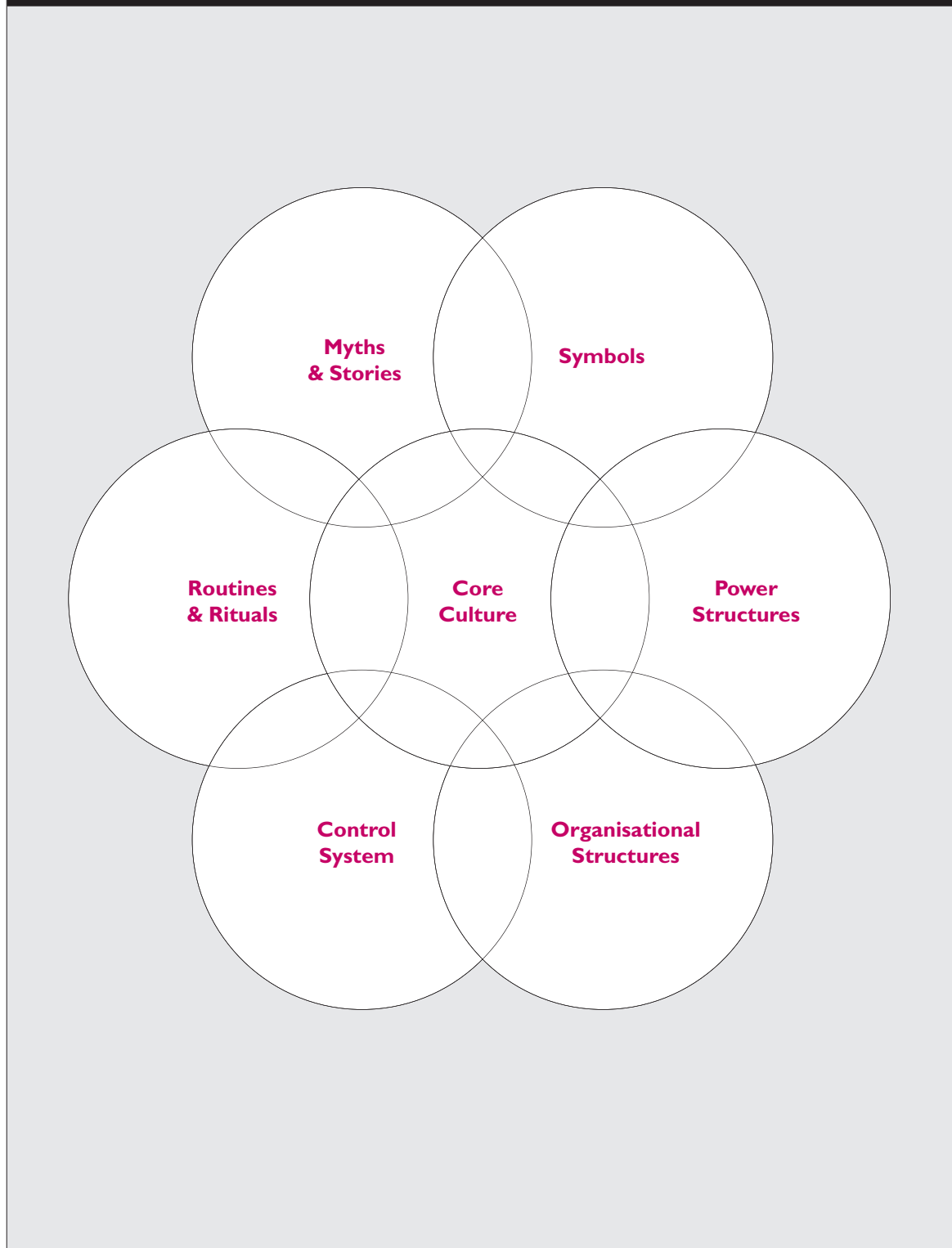
- ◆ The control systems, measurements and pay systems that show what is important in the union.

- ◆ Power structures are also likely to be close to the central values. The most powerful groupings in the union are likely to be those closest to beliefs about what is important. They involve formal and informal – institutional and personal – power structures.

- ◆ In turn the formal union structure, or the more informal ways in which unions work probably reflect power structures and, again, show important relationships and what is important in the union.

The core of an organisation's culture is shown in the middle of the picture. These are the beliefs and assumptions held in common and often taken for granted, which underlie and affect every part of the organisation's activities. You cannot achieve real change in an organisation just by changing power structures, organisational structures and control systems. The rest of the cultural web also has to be changed.

FIGURE 2 THE CULTURAL WEB OF AN ORGANISATION



Analysing the Cultural Web

Here are some useful questions which might help you in thinking about your union's culture and how it might be characterised:

Stories

- 1 What beliefs do the stories reflect?
- 2 How common are these beliefs in the union?
- 3 Do the stories relate to:
 - *strengths or weaknesses?*
 - *successes or failures – battles we have won or lost?*
 - *conformity or maverick behaviour – perhaps at Congress?*
- 4 Who are the heroes and anti-heroes?
- 5 Did the stories show values being broken?

Routines and rituals

- 1 Which routines are important?
- 2 Which would look out of place if we changed them?
- 3 What behaviours do the routines encourage?
- 4 What are the most important rituals?
- 5 What central beliefs do they show?
- 6 What values do union training programmes emphasise?
- 7 How easy is it to change the rituals/routines?

Symbols

- 1 How do we speak to each other – how, for example, do we use jargon that only we understand?
- 2 How internal to the union is it?
- 3 What parts of strategy are highlighted in publicity?
- 4 What status symbols are there?
- 5 How far do symbols emphasise conformity?
- 6 Are there particular symbols which are essential for the union?

Organisational structures

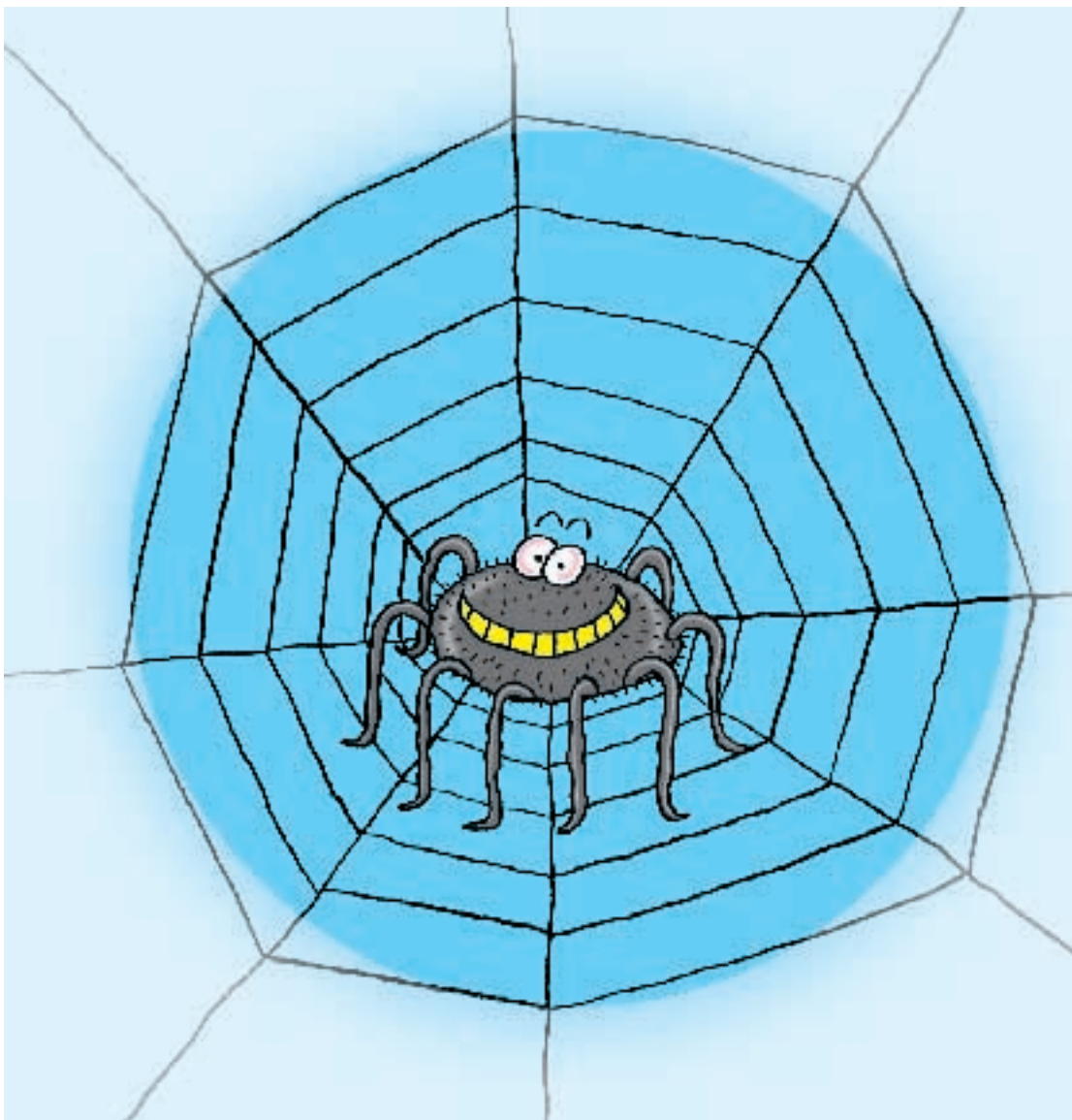
- 1 How rigid or fluid are the structures?
- 2 How flat/hierarchical are the structures?
- 3 How formal/informal are the structures?
- 4 Do the structures encourage collaboration or competition?
- 5 What type of power structures do they support?

Control systems

- 1 What is most closely monitored/controlled? It could be finance, media visibility, the behaviour of activists or how or which members are recruited.
- 2 Is the emphasis on reward or 'punishment'? What is rewarded and what 'punished'? Is there a preoccupation with blame?
- 3 Are controls to do with history or current strategies?
- 4 Are there many/few controls?

Power structures

- 1 What are the central beliefs of the leadership? How do we get to know them?
- 2 How strongly held are these beliefs (idealist or pragmatist)?
- 3 How strong are sources of power other than hierarchy? Are they formal or informal?
- 4 How is power shared in the union?
- 5 What are the main blockages to change?



ACTIVITY 4

ANALYSING A UNION'S CULTURAL WEB

Aim

- ◆ *To use the experiences and knowledge of members to uncover cultural features of your union and therefore to understand the importance of culture in looking at ways in which unions can work together.*
- ◆ *To show the cultural web of our union as it is now*
- ◆ *and as we would like it to be*
- ◆ *To think what this means for our strategy.*

Materials

Figure 2, Tables 2 and 3, flipchart, felt pens

Form of activity

- ◆ *Make sure that you understand the central concepts of the cultural web. (Look at page 15, Table 2 Parts of the cultural web and page 16, Figure 2 The cultural web of an organisation). Look for one or two examples of the various parts of the union's cultural web – like: stories about previous conferences, strikes, general secretaries or presidents. The facilitator will assist in this process.*
- ◆ *When the concepts are understood, groups should be formed.*

STEP 1

- ◆ *Each group should find a person to record the group's decisions and a person to report back to the main meeting. If you have undertaken earlier activities on the same day, try to find new people.*
- ◆ *Each group should first of all identify the cultural web of the union as it is today, by using the questions on pages 17 & 18. The output of the group discussion will be an agreed cultural web recorded on a flip chart. This could take 45 minutes or so.*

STEP 2

- ◆ *The group will then consider what the cultural web of the union will look like in the future if it was to change to take account of the various opportunities and threats, STEP factors and stakeholders pressures identified in previous activities. 45-60 minutes.*
- ◆ *The facilitator will take reports from the groups, again in two parts with the output being agreed cultural webs of the present and future states and an identification of the main factors which will affect change.*

STEP 3

- ◆ *Finally, the facilitator will draw together conclusions on the implications of this Activity for the union's strategy.*

Section three

Alternatives to merger

Merger is not a panacea. Many unions, particularly those representing specialists requiring unique services relating to their occupations, may find it perfectly possible to stay independent. If the only available merger partners appear to be financially or culturally unacceptable, then after the types of analysis suggested in section two, we may come to the conclusion that the union should stay independent.

There are many alternatives to merger which can often strengthen the ability of unions to provide services to members. One is shown in the case study below. Others are set out in Table 3.

CASE STUDY AN ALTERNATIVE TO FULL MERGER

The Danish Confederation of Municipal Employees was formed in 1989, one of seven Danish trade union confederations. It has 13 member unions. Its object is to exert maximum influence on wage and working conditions in the municipal labour market. Its principal activities are:

- ◆ Collective bargaining and local collaboration
- ◆ Employee policy, employee influence, working environment and further training/education
- ◆ EU and international business
- ◆ Labour market politics, social politics and equal rights
- ◆ Municipal politics and economy
- ◆ Development, readjustment and new management structures in the public sector



TABLE 3 CO-OPERATIVE ACTIVITY

This table sets out different ways in which unions can either work together or accept that independence is a viable alternative to merger.

Co-operative activity	Example
Rapprochement	<i>You can agree on 'no poaching' deals and jointly strengthen defence against other unions</i>
Role limitation	<i>Accepting that, for some of your members, your union will concede 'leadership' to a more representative union</i>
Accepting a niche	<i>Reorganising to become a specialist "niche" industrial union. An example might be airline pilot unions</i>
Sharing information	<i>You could come to an agreement on recruitment areas or set up joint information or data sharing agreements</i>
Joint projects	<i>Joint pay or political campaigns</i>
Sharing officers	<i>One officer representing a group of members of more than one union</i>
Swopping members	<i>Two unions agreeing to specialise in particular sectors</i>
Liaison committees	<i>Regular meetings to co-ordinate work and plan to execute joint activities or projects</i>
Federation	<i>Combining research and negotiating expertise and some joint services</i>
Confederation	<i>Joint secretarial and co-ordinating mechanisms to manage the affairs of a group of independent unions</i>
Merger	<i>Joining together to form a new union</i>

ACTIVITY 5

CO-OPERATIVE POSSIBILITIES

Aim

- ◆ *To identify the possibilities for co-operative activity with other unions short of merger.*

Materials

Table 3, flip charts, felt pens.

Form of activity

- ◆ *If the meetings consists of more than about 8 people, groups of between 4-7 should be formed.*
- ◆ *Each group should appoint a person to record the group's decisions and a person to report back to the main meeting – preferably people who have not done this previously that day.*
- ◆ *In groups, group members will be asked to determine with which unions it works closely and for what purposes. For example, it may be working with other unions to resist imposition of a new pay structure. When the group has formed views on this, look at Table 3 and consider whether any of the methods of co-operation listed there would give the union better chances of success. This could take 45 minutes to one hour.*
- ◆ *Reports back from the groups will seek to draw conclusions about the feasibility of merger alternatives. Depending on the number of groups, this could take between 30 and 45 minutes.*

Section four

The stages of a merger

Up to this point we have been considering the pre-merger period. It is assumed that no decisions have yet been taken. From now on, any hint that decisions are being taken behind closed doors is likely to be destabilising and demotivating. Make sure that nothing you have done can let people think that your mind has been closed.

Research has shown that there are typically seven stages of a merger. Each stage has different characteristics. Table 4 outlines those stages and their characteristics. This is based on a business model but in the experience of the authors it reflects closely the union experience.



SUMMARY CHECKLIST – SECTIONS 1 TO 4

Here is a checklist of issues your union might use to think about its position now and its position in the future:

- ◆ Have you a clear view of the factors in society having a bearing on how the union might operate in the future?
- ◆ Do you understand the union's strengths and weaknesses in coping with those factors?
- ◆ Have you views about the likely reaction of the union's internal stakeholders and how you will need to approach their attitudes, perceptions and opinions?
- ◆ Do you understand you union's culture and how it might need to be managed so that it can help rather than hinder the process of co-operation or merger?
- ◆ Do you know what to expect if your union embarks on the seven stages of merger?

TABLE 4 THE MERGER PROCESS

Stage	Characteristics
STAGE 1 Pre-merger	<i>Degree of uncertainty affecting the union about its future as the world changes may vary, but organisations are relatively stable and members are relatively satisfied with the status quo.</i>
STAGE 2 Merger planning	<i>Degree of uncertainty increases causing discussion concerning merger or takeover: Fears that unless the union grows, it may fail; the union is still relatively stable and discussion is confined to top executive level.</i>
STAGE 3 Announced merger	<i>Degree of uncertainty for a union's people continues to increase as the decision is announced; the union is still relatively stable and while members have mixed emotions concerning the merger, expectations are raised.</i>
STAGE 4 Initial merger process	<i>Organisational instability increases and is characterised by uncertainty about structural and some cultural issues and roles. Although members are generally cooperative at the beginning, goodwill quickly disappears.</i>
STAGE 5 Formal merger	<i>Organisational instability increases as people have to come to terms with the merger and work together; more rigid unions take on some more fluid characteristics for a period, conflict between stakeholders increases.</i>
STAGE 6 Merger aftermath	<i>Lack of cooperation and "us-them" mentality exist, unachieved expectations lead to mutual hostilities. Instability decreases, but cultural and role ambiguity remains high. Dissenters leave the organisation.</i>
STAGE 7 Psychological merger	<i>The organisation begins to become stable again as ambiguities caused by the merger are resolved and people's expectations are revised. There is renewed co-operation and tolerance but achieving this is still time-consuming.</i>



Stage two

Merger planning

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Section five

Planning for merger

Your union may have decided that merger is a good option. If so, your union needs to consider in advance some of the problems the merger process might bring and to prepare strategies to overcome them. You may want to think about some of the following issues.

- ◆ **Knowing your partners.** The more you can find out about your proposed merger partner, the more opportunities you will have to make an informed decision about merger. This question is not just about another union's financial viability and membership and what you do with staff and officials. **Its culture is very important.**
- ◆ **Patience.** Merger is a long-term process. New organisations can take between five and ten years to become a cultural unity. Do not expect to progress quickly.
- ◆ **Convincing people.** Remember that a union is nothing but a collection of people. A merger is a traumatic change. Fully consider the people in your union above all other things. Otherwise you will cause great stress which will affect the progress of your merger. You should aim to convince everybody.
- ◆ **Communication.** It is impossible to communicate too much. You will not stop people talking neither can you prevent entirely the spreading of unhelpful rumours but you can give good clear information.

ACTIVITY 6

Analysing the culture of potential partners

Undertake Activity 4 again but undertake it as far as possible in respect of the union with whom you are considering merging. Compare the results with those of your union and consider the implications for merger strategy.

Vision

If your union is going to sustain its belief in the benefits of merger through potentially long and difficult negotiations, it needs a vision. Here is an example of a vision approved by unions that successfully merged which was written nearly three years before merger took effect.

CASE STUDY EXAMPLE UNION A: STATEMENT OF VISION

Why build a new union?

Because a new union will

- ◆ *Provide a better service for members*
- ◆ *Be a wholly new union with its own objectives and character*
- ◆ *Build on the strengths and traditions of the old unions*
- ◆ *Represent a broader range of workers*
- ◆ *Exert a major influence over future public service policy*
- ◆ *Increase members' overall bargaining strength in fighting for improved pay and conditions and better services to the public*
- ◆ *Provide greater strength to defend public services and campaign for improved provision*
- ◆ *Combine the unions' resources*
- ◆ *Build on the common interest of members; end wasteful competition, conflict and duplication of resources between the old unions*
- ◆ *Increase membership*

Another union, facing a difficult merger process with significant disagreements between stakeholders, prepared a set of aims and values which eventually formed the basis of the approval given by the members to the merger. These are set out below:

CASE STUDY EXAMPLE UNION B: STATEMENT OF AIMS AND VALUES

The union will

- ◆ *Give an equal opportunity to all members to elect their representatives and to have the final say on major policy and constitutional issues*
- ◆ *Be a stronger voice in the workplace for all members*
- ◆ *Welcome the valuable role played by union representatives and give them additional support*
- ◆ *Shift resources to improving services which directly benefit members*
- ◆ *Be flexible in the way it is structured to allow all interest groups to have a clear voice and a distinct identity*

These may not be examples which are close to your union's experience. For example, many unions are concerned with the skills and professional qualifications of their members. Your vision will be unique to your union.



The conclusions from these activities can be used to involve members and to prepare materials which will enable the union to communicate the vision. No matter how large or small your union, communication with the members and other stakeholders is essential. During any period of uncertainty, people believe whatever rumours they hear. For example, during one union merger there were persistent, but totally inaccurate, rumours that the union head office would move two hundred miles away. It will be impossible to prevent rumours such as this but the moral is that you can never over-communicate during a merger.

Strategy

How difficult a process the management of your merger is likely to be will depend on numerous local factors which probably only you can identify. Below are some frameworks which might help you to consider significant implications.

Table 5 uses a framework bringing together possible merger dimensions with the level of integration which might be required in any merger. The merger dimensions can be explained as follows:

1 Horizontal

This is a dimension which would involve two unions organising in the same area, probably competing for membership.

2 Service/Sector extension

Some unions organise in different but related sectors. In the public services, a union may have members in the water industry and another have members in the electricity industry. Those unions would obviously have many common interests in connection with their roles in the public sector and the utilities. However the expertise needed to understand the industries may be very different.

3 Unrelated

This would apply to a merger between two unions operating in completely different areas, perhaps creating a "general" union.

Table 5 identifies some of the implications of these different sorts of mergers. There is no right or wrong solution. Each strategy is dependent on the particular circumstances applying to the unions involved and their stakeholders.

ACTIVITY 7 VISIONING A NEW UNION

Here is an activity which could be carried out anywhere in your union – in workplaces, branches, conferences, executives or amongst staff.

Aim

To form a vision of the new union.

Materials

Flip charts, felt pens.

Form of Activity

- ◆ *Form groups of four*
- ◆ *Each group should find a person to record the group's decisions and a person to report back to the main meeting.*
- ◆ *Each group should agree five statements which identify the benefits which will flow from the creation of a newly merged union and/or the aims and values that will sustain it.*
- ◆ *Together draw conclusions about the possibilities. This should take no more than 30 minutes.*
- ◆ *Report back to the main meeting and draw the conclusions together.*

CASE STUDY A HORIZONTAL MERGER

In India, discussions between two public service unions started in 1993. State level joint co-ordinating committees were set up in 1996 to minimise rivalry. The concept at the heart of the discussions was “one industry one union”, so that unity in defending public services could be carried through into functional unity. But political and structural problems have meant that discussions have not yet been successful.

TABLE 5 DIMENSIONS OF MERGERS

Merger Dimensions	Level of desired integration		
	LOW	MODERATE	HIGH
Horizontal	<p><i>Opportunity</i> To keep as far as possible the identities of the old unions whilst continuing to duplicate many services.</p> <p><i>Problem</i> Expensive and difficult to realise material or operational benefits.</p>	<p><i>Opportunity</i> To balance the need for economies with the realities of the democratic structure and the need to protect staff and officers.</p> <p><i>Problem</i> Could be heavy transition costs.</p>	<p><i>Opportunity</i> To produce maximum economies of scale.</p> <p><i>Problem</i> Threatening to activists and staff who may compete for positions.</p>
Service/ sector extension	<p><i>Opportunity</i> To keep service/sector as a focus for the provision of services to members in those sectors, committing similar resources as old unions.</p> <p><i>Problem</i> May be difficult to develop a new union identity.</p>	<p><i>Opportunity</i> To integrate common services whilst retaining service or sectoral forms.</p> <p><i>Problem</i> Level of integration still the most worrying feature for those affected.</p>	<p><i>Opportunity</i> To integrate dedicated service and sector structures within an overall functional structure.</p> <p><i>Problem</i> Potentially threatening and removing focus on members in their sectors of employment.</p>
Unrelated	<p><i>Opportunity</i> To keep old union structures to concentrate on the expertise they have built up in their industries.</p> <p><i>Problem</i> Could be difficult for all the union to learn from its experiences in the different industries.</p>	<p><i>Opportunity</i> To integrate common services whilst retaining industry focus.</p> <p><i>Problem</i> Level of integration most worrying feature for those affected.</p>	<p><i>Opportunity</i> To create a wholly new corporate union with a common identity throughout and maximum economies.</p> <p><i>Problem</i> Threatening and running the risk of losing specialist expertise.</p>

Degree of Friendliness/Hostility of the merger. There is one further factor which may influence this chosen strategy. This might be the degree of friendliness or hostility applying to a particular merger. It may be said that union mergers could fall into three basic areas:

TABLE 6 TYPES OF MERGER

Rescue	This would apply where a union was in serious financial difficulty and was merging with a more solvent union in order to survive.
Tactical	This might apply where, for example, a union merges because the government changes the law to give rights only to those unions having a particular density of membership in a company, sector or industry. Unions decide to merge, without having either friendliness or hostility towards their partners, in order to achieve a tactical advantage.
Friendly/collaborative	This would occur where two unions, probably working together in the same industry, decide to come together to pool their resources.

These considerations are likely to affect decisions taken on levels of integration. For example, a union which is being rescued is unlikely to have much bargaining power to enable it to keep its independence and it may need to be integrated in order to achieve economies. In fact, predatory activities are not unknown in union mergers and unions on the receiving end may need to step back and analyse their situations in order to decide what is best for their members.

Systems

One issue relevant to levels of integration is the feasibility of merging the systems, including information and communications technology systems, of two organisations. Particularly important are the financial and membership systems since the new union will need to know at an early date who its members actually are.

CASE STUDY ARBITRATION

Two unions were engaged in merger negotiations. One had a membership information system based on proprietary technology which had a good record in terms of utility and functionality. The other had a system based on an industry standard, but the system was small scale and it was not known how it would cope with the vastly increased numbers of members of the new union. The unions regarded the issue as one of pride and were consequently unable to agree. They went to arbitration. The arbitrator chose the industry standard system. This, however, did not perform well and was replaced with another industry standard system some four years later at the instigation of those who had lost the arbitration.

When shall we integrate?

Whatever degree of integration is required, there is a choice available as to whether to pursue that immediately or whether to achieve the maximum desired level of integration over periods of months or years. Five possible options could be identified here:

TABLE 7 WHEN AND HOW SHALL WE INTEGRATE?

- ◆ **Merge and integrate from day 1.** This will extend the pre-merger period because it will be necessary to conduct and complete negotiations with the staff and to set up democratic structures and to hold elections so that office holders are in post from the day the merger takes place.

- ◆ **Merge staff now/integrate democracy later.** This would probably be more appropriate in a union with a small staff but with complex democratic structures. The unions might continue to operate separately, serviced by joint secretariats, whilst new democratic arrangements are put in place.

- ◆ **Merge democracy now/integrate staff later.** The converse of the previous situation, perhaps appropriate where negotiations with the staff are likely to throw up particular difficulties.

- ◆ **Merge now with interim structure/integrate later.** Here a union would set up interim democratic structures, perhaps with joint committees, joint general secretaries and joint presidents, whilst arrangements were put in place for achieving the desired level of integration over a period.

- ◆ **Merge now/integrate later.** Here the unions would keep separate administrations and democratic structures, the only difference being the adoption of a new identity. Negotiations to create the new organisation at both democratic and staff levels would then proceed over a period.

CASE STUDY WHEN SHALL WE INTEGRATE?

Two unions determined to merge, largely for tactical reasons. They had very different traditions, particularly in terms of the appointment or election of staff and officials and the governing of the union – in fact, merger negotiations between them had failed some years previously over these issues. They agreed to merge but remained separate, in two different head offices and numerous different regional offices whilst negotiations to resolve these outstanding issues went on. Eventually, it was agreed that a wide range of officials would be elected, and that the union would be ruled by a lay executive. A new rule book was written and implemented and the administration of the union moved to the head office of one of them. The whole process took around five years.

Resources

Can your union or your union's members afford the cost of your merger? No matter what the economies of scale you eventually hope to achieve, it is almost inevitable that the process of setting up your new organisation will cost money. It would be wrong not to budget for this. Otherwise all the promises that you make to your members about the improvements which will occur arising from the merger would be put at risk.

Subscriptions may be the issue which dominates your discussion and these are mentioned below. But there are many other financial issues to consider, including:

- ◆ How do the unions compare in financial performance and what are the implications of any differences?
- ◆ What are the unions' reserves and how are they made up in terms of liquid and fixed assets?
- ◆ What levels of debt exist and what are the implications?
- ◆ What are the unions' accounting and financial systems and can they be easily harmonised?
- ◆ Are there any cultural problems which will make harmonisation difficult – for example, the level of funding given to branches or activists?
- ◆ What are branch and activist funding arrangements?
- ◆ What pension arrangements exist for staff and how can they be harmonised?
- ◆ Are there any unusual funds or accounts details of which need to be surfaced so that you can decide how to deal with them?
- ◆ How can the merged union plan to live within its income?



Fixing subscription rates for the newly merged union is a very difficult exercise. Some of the implications are shown in the box below:

TABLE 8 SUBSCRIPTION DILEMMAS

- ◆ Different rates. Will the members paying lower rates be prepared to pay more?

- ◆ Different methods of collection. If the employers collect one union's income and shop stewards the other, can the systems be unified?

- ◆ Different systems. Where one union's subscription rates are banded or based on a percentage and those of the other are flat rate, can those systems be brought together and, if so, how?

- ◆ Certainty. Do you know enough about your members' income to be able to project or model, for example using a spreadsheet, the consequences of change?

- ◆ Competition. Do you have to fix your new rates at a level which will prevent members leaving and joining a cheaper competitor? If so, how might this affect the viability of the merger?

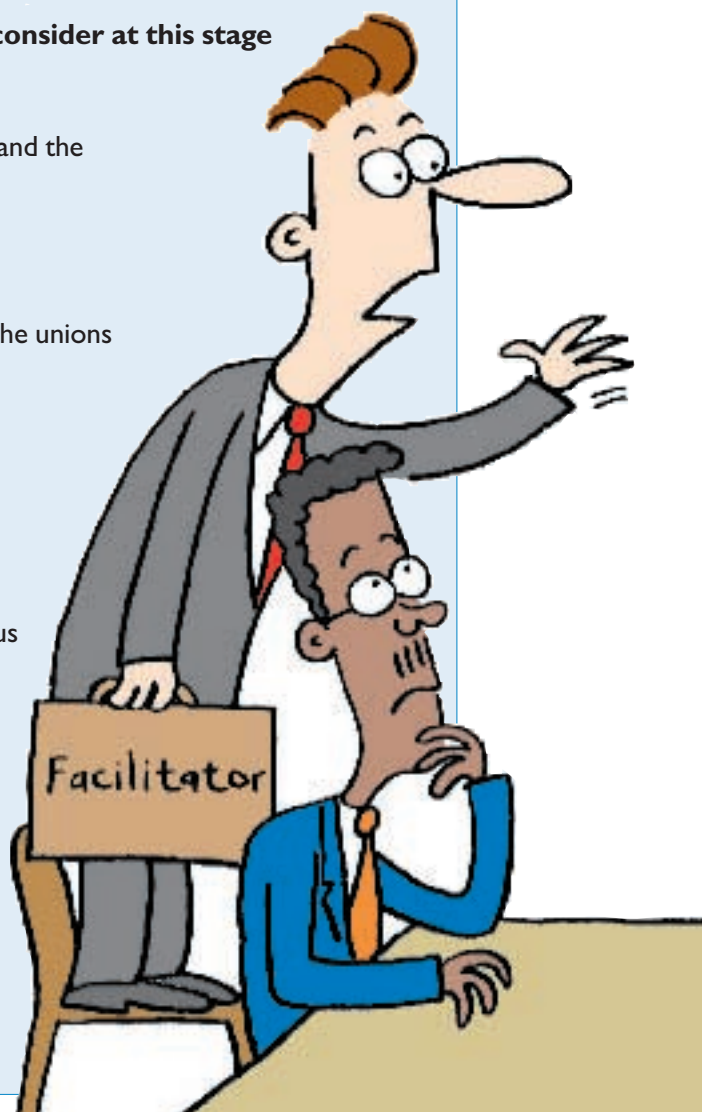
CASE STUDY SUBSCRIPTIONS

Two unions merged. One imposed flat rate subscriptions and the other a banded system. The former did not know enough about its members' income to be able to project accurately what income would be collected when an agreed banded system was implemented. The bands were set at levels which would benefit lower paid members and ensure that the union's rates were competitive. The consequence was that projected income levels fell short of budgeted levels and no account could be taken of the costs of setting up the new union. 18 months after merger, the new union went into a financial crisis which caused serious trauma and delayed the speed of integration as the organisation recovered.

SUMMARY CHECKLIST – SECTION 5

Here is a checklist of issues your union needs to consider at this stage of your merger discussions:

- ◆ Do you understand the culture of your merger partner and the implications of that?
- ◆ What is the dimension of merger being considered?
- ◆ What is the degree of friendliness or hostility between the unions involved?
- ◆ Can IT and/or financial systems be merged easily?
- ◆ What level of integration is therefore likely to be appropriate?
- ◆ How soon would it be desirable for integration of various union structures to take place?
- ◆ Is there a clear answer to the dilemmas relating to subscription rates and projected income in the new union and, if so, what is it?
- ◆ Does the process require facilitation and, if so, who can provide it?
- ◆ Are there incompatibilities in the way the merging unions treat their staff and can these be resolved?



Facilitating mergers

As the previous case study shows, unions may find negotiations difficult without some help. Many unions therefore seek the help of people with facilitation, negotiation or mediation skills to help with the process. In some countries, this is compulsory under the law. In other cases, a facilitator could be appointed jointly by the unions or each of the unions could appoint its own facilitator.

Typically, facilitation might be provided by academics who are close to a union, or trainers who have worked with it or else by the national trade union centre of which the union is a member.

There may be financial implications here but academics will often carry out work at a reasonable cost if they are permitted to write academic articles about the process when it has been completed.





Stage three

Announced merger

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Section six

Announced merger

This section presumes that you have successfully completed your negotiations for the merger and you want to announce the fact. You have been communicating throughout with members, staff, staff unions and other stakeholders and they realise that an announcement is imminent.

No matter how well your negotiations have proceeded, it is very likely that some people are not in favour of the merger. It is easy to think that everybody who opposes what you have worked so hard to create represents the enemy. Indeed, working in the power structures of trade unions can encourage us to think in this way.

However, committed trade unionists may see all that they have worked for over the years disappearing before their eyes. Staff who have given their lives to building your union may find that a life change is being proposed which has overwhelming emotional consequences for them.

Announcing a merger amounts to an announcement of the death of the organisations involved. People who are bereaved usually find out personally, not through the media. At all costs, you should avoid treating all the various stakeholders in a union in such a way that they hear first about the merger from a newspaper or television.

This handbook earlier emphasised the importance of communication. It is often said that in a merger situation organisations should over-communicate because rumours and fantasies abound. At this point your communication strategy should have as its objective, not only to help people outside the union understand what you hope to achieve but to defuse negative feelings within the organisation, reduce uncertainty and make a bid for the trust and communication of stakeholders at all levels of the union.

You might want to consider the issues in the box.

TABLE 9 PLANNING YOUR ANNOUNCEMENT

- ◆ Decide the when, where, how and who of the announcement.

- ◆ Prepare and consult with your merger partner(s) on the broad content and style of the presentation in advance.

- ◆ If possible, rehearse the presenters of any announcements to ensure consistency and critically evaluate the contents and style of performance.

- ◆ Decide on an appropriate feedback mechanism.

Of course, not every stakeholder in the union will be able to benefit from a personal announcement and your planning process has to take this into account. It might also take into account other methods of involving the membership. For example, you might hold a competition amongst members of the unions merging to decide the name or logo of the new union.

Without a planned communication strategy (and even, sometimes, despite it), rumours will begin to circulate. People will receive pieces of information and then have questions that they want answering arising from the communication. You might want to plan to send out regular bulletins to staff, activists, members and other stakeholders. You might plan regular meetings with staff union representatives. You might want to suggest ways in which people can easily obtain answers to the questions that are worrying them. The following case study involved staff but you could just as easily do something similar for ordinary members.

CASE STUDY ANSWERING QUESTIONS

One of the partner unions in a merger produced a regular staff bulletin. Staff were encouraged to write anonymously to the newsletter setting out their questions and concerns about the merger. A guarantee was given that those questions would be published and an answer would be printed from a senior officer of the union ensuring that reliable information meeting the staff's concerns was available to them.

Project management

You are embarking on a major change project. A “project” in these terms is one which has a defined goal, which has to be achieved within a defined period of time, with a predetermined amount of resources available and using all the different skills available. It has to be treated in the same way as any other major project – with planning and organisation.

It is likely that when you analyse the tasks that need to be carried out, you will find that there is a significant number of different projects. Each is likely to require joint working by people from both the unions involved. You will probably wish to consider, therefore, setting up joint project teams to achieve those tasks. Not only is this the most efficient way of proceeding, it will help people from the unions to begin to get used to working together.

Figures 3 and 4 will help you to define your project and to understand some of the issues involved in planning it. At its simplest, you could prepare flip chart diagrams and put them on the wall of the room where the project team is based. It can be exciting to have this permanent visual reminder of the progress you are making! Complex projects are best planned using software packages such as Microsoft Project. Planning charts can then be prepared showing clearly the numbers of activities comprising the project and showing the interdependence between them. Every time the project team meets, it will then be in a position to monitor progress against an up-to-date version of the project plan.

Remember, the project plan needs to include provision for continuing to provide services to members whilst you are engaged on these essential but inward looking activities.

Table 10 sets out a checklist of some of the projects which your merger might involve. You may think of many more! The point here is not to be prescriptive but to suggest that looking at important activities like this in terms of more structured project planning can. And think ahead! You need to be aware that an essential part of the project will be managing the union after the merger has taken place. You owe it to members and staff to do this well. This handbook will help you to foresee many of the factors that this will involve and help you to formulate project objectives to deal with them:

- ◆ involve more people in the process, and therefore make it more inclusive
- ◆ involve staff union representatives to try to maintain good industrial relations
- ◆ enable project objectives to be formulated, such as those in figure 3 on page 42, so that everyone has an idea of what is intended
- ◆ enable timescales to be attached so that everyone has an idea of when progress can be expected
- ◆ enable members of project teams to list all the actions that will be necessary to achieve the objectives and plan them so that nothing is forgotten.

It has been said that the virtue of not planning is that you won't know when you haven't got somewhere! It is unlikely that this is a recommendation for such an approach when you are engaged in such an important activity as a union merger.

TABLE 10 MERGER PROJECT CHECKLIST

- ◆ National structures

- ◆ Regional structures

- ◆ Local organisation

- ◆ Rules

- ◆ Regulations

- ◆ Procedures

- ◆ Systems

- ◆ Rights and obligations of elected members, lay members, institutions and paid officials

- ◆ Staffing

- ◆ Finance

- ◆ Property

- ◆ Negotiating structures

- ◆ Agreements

- ◆ Political organisations

- ◆ Policy/programme consolidation

- ◆ Managing the union in the post-merger period

FIGURE 3 PROJECT OBJECTIVES

- ◆ Purpose
 - ◆ Scope
 - ◆ Outcome
 - ◆ Time frame
 - ◆ Reporting schedule
 - ◆ Decision-making
 - ◆ Project plan
 - ◆ Evaluation criteria
 - ◆ Budget
 - ◆ Role of stakeholders
- OVERALL
PROJECT
PLAN**

FIGURE 4 PLANNING

Planning is time intensive, especially at the start
Planning is the basis for management of the project
Planning aims to reduce uncertainty

LEVEL OF DETAIL

- ◆ estimate rough size of project
- ◆ decide approach (flipchart or computer planning chart)
- ◆ divide project into stages
- ◆ mark end of each stage with a milestone (a product)
- ◆ report against milestones for key decisions (eg abort or go on?)

SEQUENCING

- ◆ listing activities – to show those which are dependent on others
- ◆ listing resource use – so you keep track of it

PROCESS ISSUES

- ◆ plans should be grounded in reality
- ◆ take account of the way the unions work
- ◆ need team ownership
- ◆ process issues should be carefully considered

ESTIMATED EFFORT

- ◆ iterative learning process so take account of this in estimates
- ◆ include overheads
- ◆ all estimates expressed in person-days
- ◆ add (if possible) financial totals

SKILLS

- ◆ assess required competencies
- ◆ check required against available skills

Growing together

In some countries, merger can only be achieved by a ballot of all the members of the unions merging. If this is to be a successful ballot, then there needs to be a significant number of stakeholders who are prepared to campaign to achieve the merger. They need to be aware of the issues involved and be comfortable with the arguments for it. Whether a ballot is required or not, bringing people together to explore the issues and get used to each other is a valuable process in itself.



CASE STUDY JOINT WORK

Unions planning to merge undertook the following joint activities to work together on the detail of the new union.

- ◆ Joint working parties were established on sector groupings, local organisation, regional organisation, equal opportunities, finance and political organisation.
- ◆ As the working parties created options, these were sent to the members in consultation papers and members were encouraged to meet and discuss the issues in single and joint union groupings.
- ◆ Educational events were organised to help members and activists to learn together.
- ◆ Joint campaigns were organised; press releases were headed with the names of the unions and the caption “working together”.

SUMMARY CHECKLIST – SECTION 6

- ◆ How can the announcement of the merger be handled in ways which respect the feelings of a union’s stakeholders?
- ◆ Would a competition for determining the name of the new union be appropriate and helpful?
- ◆ Have you a communication strategy for ensuring that all stakeholders in the union can receive full information on progress and get replies to questions?
- ◆ Have you defined the projects necessary for the creation of the new union, and method for planning them and the membership of joint project teams?
- ◆ What joint events can you organise to enable people at all levels of the unions to work together in the interests of the merging unions and with a view to creating the new one?



Stages four & five **Initial merger process & Formal merger**

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Section seven

Initial merger process



At this point, depending on the integration strategy you have chosen, it is likely that people will be worried about their futures or their new roles and will be concerned at how they will get on with people from the partner union.

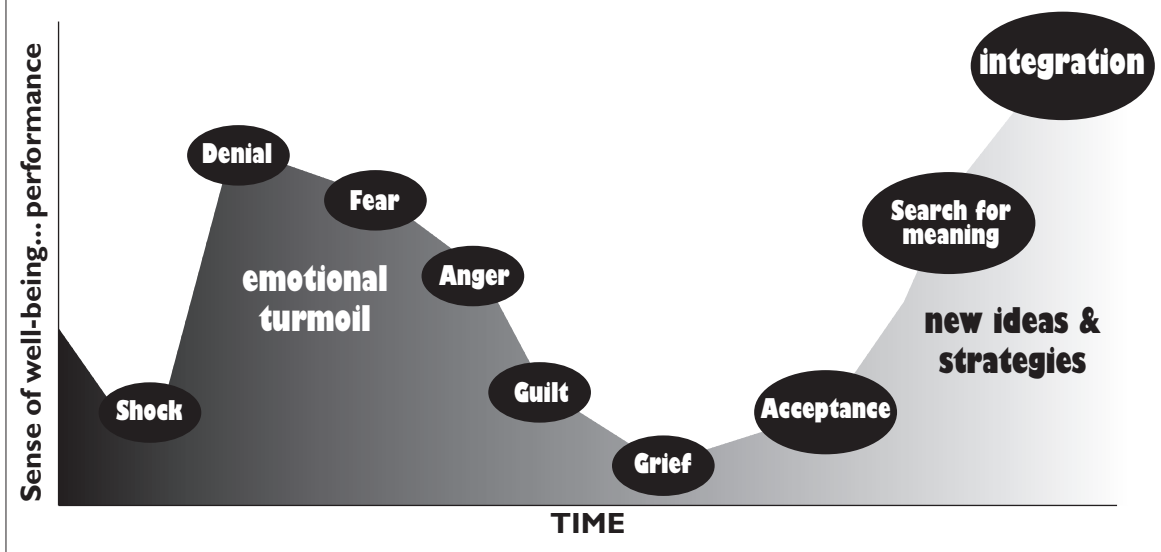
It can help if people understand what is happening to them so that they can try to come to terms with it. This handbook has already explained that some people will have viewed the merger announcement as signalling the death of their union. When people face traumatic change, their emotions are often like those that they experience on a bereavement. They have probably embarked on a journey across the transition curve, which is shown in Figure 5 and explained in Table 11.

TABLE 11 THE TRANSITION CURVE

Shock	I shall remember all my life, the moment when I heard the news.
Denial	Surely it won't happen to us.
Fear	When will it happen? What will happen to us?
Anger	We've been sold out. Who is responsible?
Guilt	What have we done to deserve this?
Grief	A period of mourning for what is past.
Acceptance	Recognition of the futility of living in the past.
Search for meaning	A positive approach starts to develop and increasing feelings of security develop as some good features begin to emerge.
Integration	Feeling part of the new situation.

People will vary dramatically in the length of time they take to travel this journey. Some people may never complete it and will leave the union. Others, particularly those who have been actively involved in creating the new union, may travel it very quickly. This is, however, a process that can be managed. You can bring people together in training sessions, helping them to understand what has been happening to them and giving them opportunities to begin working together. In fact, training is well known to be a very useful means of building new organisations which have merged.

FIGURE 5 THE TRANSITION CURVE



CASE STUDY MANAGING CHANGE WORKSHOPS

Unions which had merged devised a series of workshops for managing change. They were run throughout the organisation over a period of about a year, involving staff and activists. The workshops took the following form:

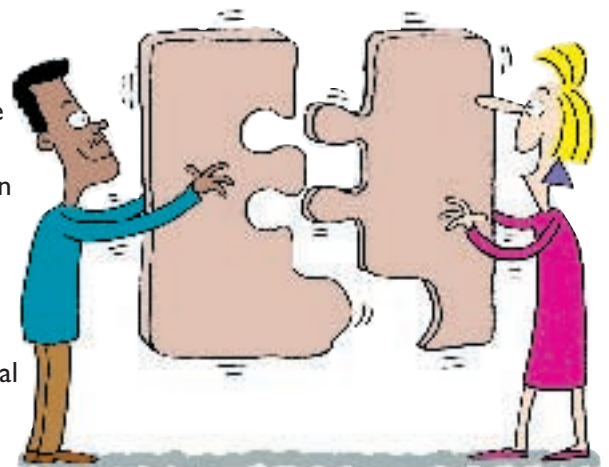
- ◆ What do I bring to the new union and what can I gain?
- ◆ Questions and answers with a senior union official.
- ◆ The transition curve – what is happening to us?
- ◆ Resistance to change – why does it exist and what are the key issues?
- ◆ Planning to manage change – working in teams to identify and analyse change issues.
- ◆ Recommendations, action plans and learning lessons.

Culture

If you have made use of this handbook throughout your merger process, you will know a good deal about the culture of your own organisation and that of the organisation with which you are merging. You will be aware of the gap between the two cultures. It has been suggested that it is not just bridging that gap that is important in creating a new culture but the direction in which culture is moving.

Specifically, the idea is that what results in a successful cultural merger is the extent to which autonomy is given to merging organisations – whether there are more or fewer constraints on the people in the unions as individuals.

Language is also important. If people are to feel comfortable about their place in the new union, they need to have ownership of it, its form and institutions. If the institutions are named in a way which reflects one or other of the old unions, this affects people's perception of the "newness". So you need to think of names as a distinctive part of the fabric of your new union.



CASE STUDY CONTRASTING FORMS OF AUTONOMY

- 1 **A union organising administrative, professional and clerical staff merged with a general union. It developed a new identity, retaining its old name but adding the word “partnership” to symbolise its relationship with the general union. The general union provided resources to enable the partnership union to flourish. These resources enabled the partnership union to achieve more than had been possible when it was independent, leading to a successful merger.**
- 2 **Two merging unions had different traditions of lay member involvement. In one union elected members were advised by their staff in a high trust environment. In the other, elected members took most strategic decisions in a low trust environment. When the unions merged, many checks and balances had to be built in to satisfy the elected members of the second union. The staff of the first union believed that their autonomy had been taken away from them whilst the staff of the second union believed that it was much easier to do things. After five years, tensions are still being worked through.**

CASE STUDY USE OF A NEW LANGUAGE

Some examples of language

- ◆ Two unions, one with a “head office” and one with a “headquarters” named their main building the “National Office”.
- ◆ Two unions, one with “district offices” and one with “area offices” named their local structures “regions”.
- ◆ Two unions, one with a “executive council” and one with an “executive committee” named their new ruling body the “national executive”.
- ◆ Two unions were involved in discussions about local organisation. Each used its own language to describe local institutions. One would talk about branch meetings and branch committees; the other would talk about general meetings and branch executives. These words conveyed completely different concepts. After many objections, in order to proceed, it was agreed that one of these institutions would be given the name “emu” and the other “ardvaark”. This experiment in using value neutral language enabled the discussions to go forward in ways which were consistent with the new union’s approach.

SUMMARY CHECKLIST – SECTION 7

- ◆ Do the stakeholders in your union understand why they feel unhappy and demotivated?
- ◆ Have you taken any initiatives to enable them to work together to manage the change process?
- ◆ Is the culture of the new union moving in a direction which gives people more or less autonomy?
- ◆ Have you been able to devise names for your new institutions which do not suggest that the values of one of the old unions have ‘won’?

Section eight

Formal merger

By this time, your outstanding projects will be well advanced but the fact that many may not have completed their work and the passage of time will have made tensions worse. It is common in merger situations for people in both organisations to believe that the other has 'won'. They will pick up signs and symbols which, to them, demonstrate this. To most activists, the identity of the branch secretary may be the important thing. To staff, it may be drawing conclusions from which offices are occupied by which people.

Physical signs and symbols are very powerful. Your unions will have come from different premises and if the new union is working from only one of these, there are obvious conclusions to be drawn. Even if this is not the case, the fact that union buildings display the artefacts of the old unions can lead stakeholders to draw conclusions about the extent to which the union is truly new.

There is a whole range of issues here for you to consider. In the box below are some questions which might help you to do so.



TABLE 12 SYMBOLIC MESSAGES

- ◆ When observing the buildings of your union, ask yourself what sort of interactions are supported and which are discouraged by the geography and layout.

- ◆ What symbolic messages do your members and staff working in them read in the design and décor of their surroundings?

- ◆ How do changes in social relations caused by the merger affect the way in which the buildings and their design and décor change and how do changes in the buildings and their design and décor, arising from the merger, influence social relations?

- ◆ How do your buildings and the cultural symbols in and outside them support, challenge or reinforce the cultural assumptions and values of the pre-merger unions which used to occupy them?

CASE STUDY HEAD OFFICE

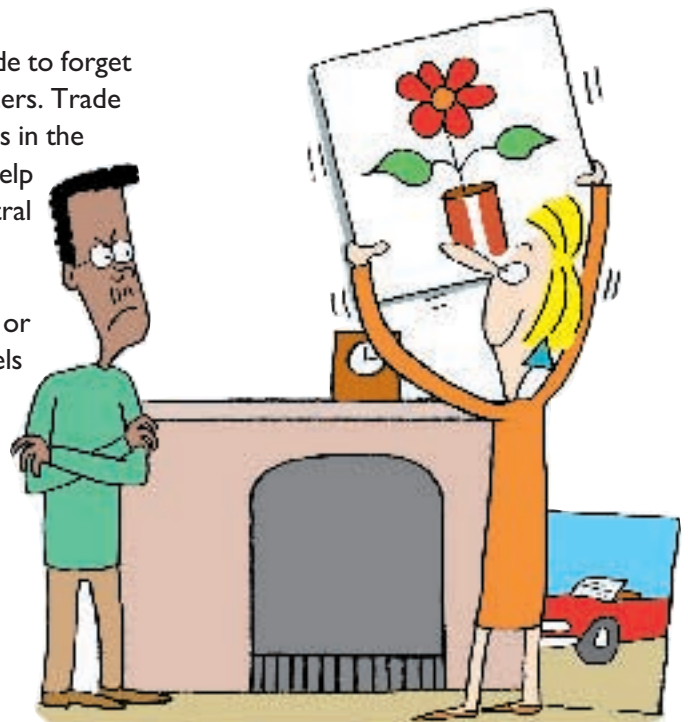
Two unions with very different traditions merged. One, in which lay members played a very significant part of decision-making, had an office close to transport interchanges so that lay members could come in and exercise their rights. The building was designed to give them free access to the General Secretary and the senior staff. The other union discouraged lay members from visiting offices. Their head office was many miles from a major transport interchange and with no facilities for lay members. On merger, the senior officers sought to get a new building which would reflect new values of the new union and in which people would work together. The activists of the first union were largely responsible for rejecting the proposal as they saw it consolidating the power of the staff and devoting resources to centralised power. Head Office functions were rationalised between the two buildings with the building close to transport interchanges becoming the de facto head office. The physical structure of that building imposed ways of working which were much closer to those of the union which had formerly occupied it and plans continue to find one in which the Head Office organisation of the new union can be built.

Local organisation

It is very easy when strategic decisions have been made to forget the feelings and emotions of union members and officers. Trade unions are the most significant voluntary organisations in the world. Millions of people give freely of their time to help their colleagues. Often the union is an absolutely central part of their lives and their identities.

Strategically, you will undoubtedly wish over a longer or shorter period of time to merge institutions at all levels as a new union. Difficult though this might have been at national level, at the local level there are far more people involved whose lives may be changed as a result of the structural changes in the union. People who are used to being significant figures in their local communities and work places may find that the democratic process works against them.

Whilst this is inevitable, it is still important for you to try to keep the skills, experience and good will of all the people who have served the partner unions over the years. Perhaps the speed with which you integrate local structures ought to take this into account. Speed of change is often seen as the litmus test of effectiveness. A change which involves people, which understands their difficulties and works consciously to overcome them may in the long term be more effective than change which is imposed. The fact that local activists are a long way from the centre and may have little influence over strategic decisions does not mean that the future of the union may not lie with them.



CASE STUDY LOOKING AFTER THE MEMBERS

The merger of two unions was carried out very sensitively at national and regional level with much attention to understanding and respecting the cultures of the partner unions. Eighteen months after merger, a target of three years after merger was set for the merger of all local branches. It was made clear that branches which did not merge would be forcibly merged. The target was achieved with only one or two overwhelming difficulties. However, participation by the members of one of the partner unions which had been largely unsuccessful in competing for posts in the merged branches dropped off substantially. There has been no research into the consequences but it is not difficult to appreciate that many people have been seriously bruised by the process. Their experience and the service they have given to the members may have been lost irrevocably.

SUMMARY CHECKLIST – SECTION 8

- ◆ How much of the identity of the old unions remains in the new union offices?
- ◆ Are your offices laid out and designed in ways which reinforce the cultural values of the new union?
- ◆ Does the pace of change reflect the aspirations of your members at workplace level?
- ◆ Have you put in place local structures in ways which have taken into account members experiences and maximised their participation in the new union?



Stages six & seven **Merger aftermath & Psychological merger**

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Section nine

Merger aftermath

One would expect that at this point, more people would have begun to accept the new situation even if in some places, hostility continues and some people have left the organisation. In any merger situation, there is a period of time when the new organisation performs less well than either of the old organisations would have done if they had remained in place. This is why taking a positive and informed approach to managing the merger can be of such importance. In organisations which are managed in this way, the quality of service to members is more likely to have been maintained.

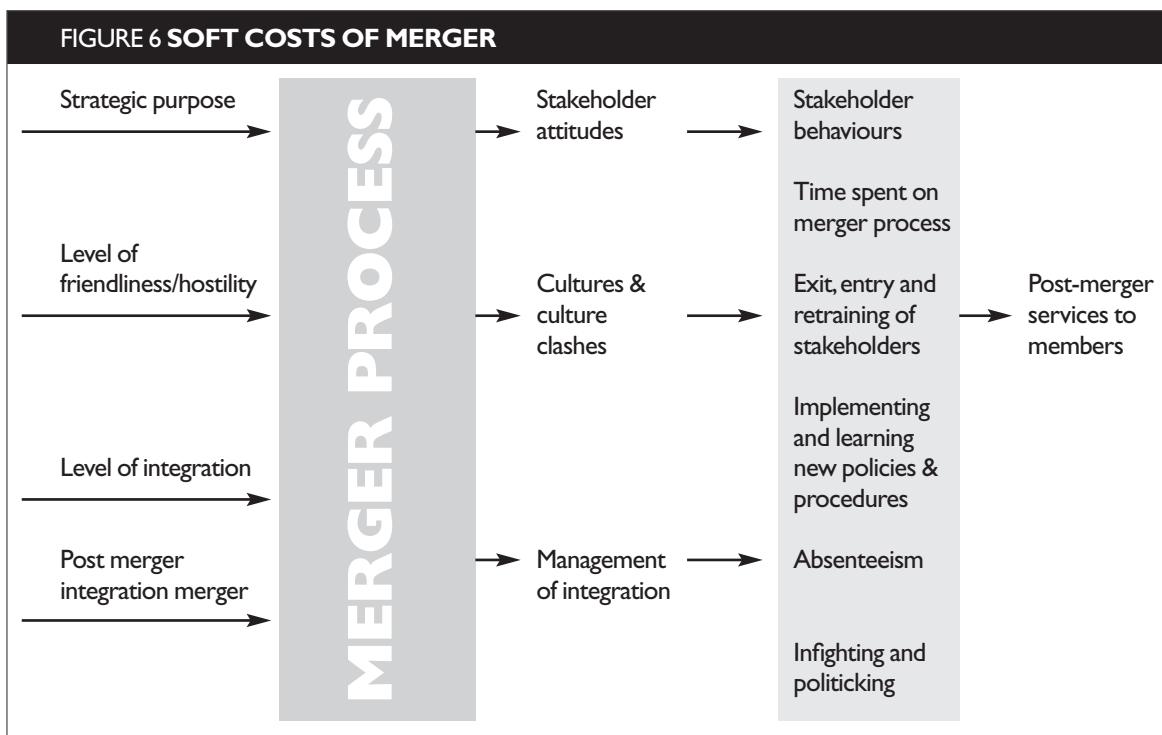
There is, however, the problem of “post merger drift”. It is like the post operative recuperation process experienced by patients who have undergone surgery. They are often unable to perform their usual tasks until their physical and emotional strength is recovered and they can mobilise their personal resources to deal with life. The severity and intensity of post merger drift, it has been suggested, will depend on the nature of the merger and how it has been managed.

It is easy in these circumstances to create a “blame culture”. The more you are aware of and can manage the process to help stakeholders in the union, staff activists and members, work towards the future, the quicker you can see the benefits beginning to flow. One of the ways of achieving this is to celebrate success. No matter how difficult the process of merger has been, there will be successes. Identifying them, praising those responsible and sharing in them can help people to put their difficulties into perspective.

CASE STUDY REVIEW

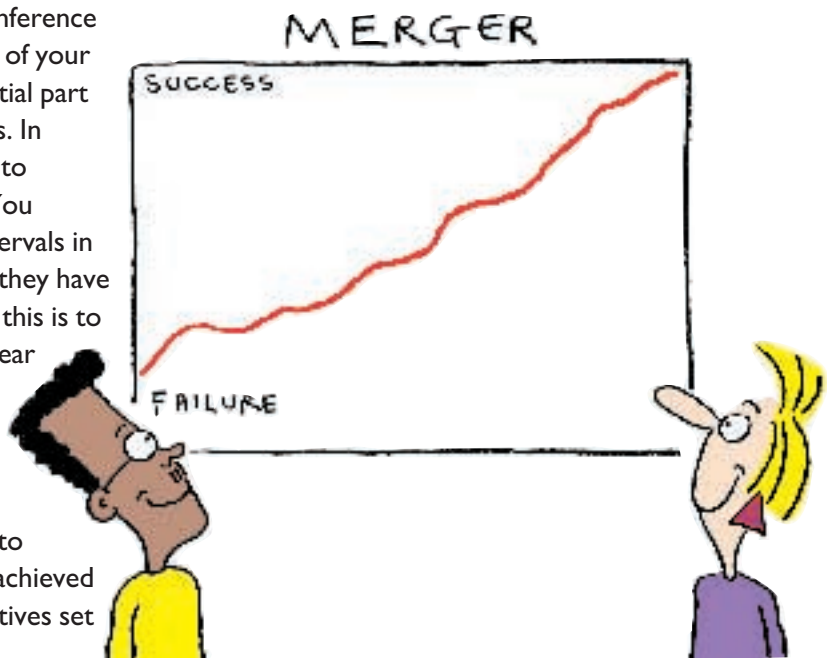
Two unions which merged recognised that they could take ten years to create the new organisation with a new culture which was free of many of the old assumptions and ways of behaviour. Five years after merger, it organised a conference looking at achievements and challenges for the future. Eleven papers were given, looking at the achievements for which the union had been responsible. These were compiled into a book which will be sold widely throughout the union. Initial worries that the conference would lead to depression and criticism were ill-founded and morale improved significantly as a result.

Figure 6 shows the relationships between many of the elements of merger which have been discussed in this handbook and the consequences which usually lead to a decrease in performance. The costs merging unions will have incurred in merger will not always be apparent. They may be 'soft'; that is, they may arise from the fact that, for example, people have been so busy working on the merger that they have not had the time or the inclination to concentrate on the members. The extent to which this may have been a problem may arise from many of the factors which have been identified in this handbook. How well you have managed the process may determine how 'expensive' the process has been to you. In fact, there is evidence of major difference in how long it takes to re-establish effective services based on the quality of management of the process.



Evaluation

You do not have to organise a conference to be able to evaluate the success of your activities. Self criticism is an essential part of the management of any process. In Activity 10 you were encouraged to identify the goals of the merger. You should review these at regular intervals in order to see the extent to which they have been achieved. A development of this is to set measurable objectives every year which will enable the union to assess the extent to which they have been achieved on an annual basis. You can survey your members to ask them the extent to which they believe the union has achieved the goals of the merger and objectives set in order to achieve them.



CASE STUDY EVALUATION

A merged union set up a procedure whereby its National Executive set annual objectives which were reviewed at a special day long session in the following year. That session looked at good news and bad news and asked members to give marks out of ten according to how successful the union had been in achieving its objectives. The following year's objectives were set after the process of evaluation had been completed.

SUMMARY CHECKLIST – SECTION 9

- ◆ Have you identified the factors which might be contributing to post merger drift?
- ◆ Have you been able to identify ways of improving morale and celebrating success?
- ◆ Have you evaluated the success of the merger against the goal set for it?
- ◆ Have you asked your members how successful you have been?
- ◆ Have you developed a process for using these evaluations to set fresh objectives which can be monitored?

Section ten

The future

Your objective is psychological merger – when the whole union is confident of itself and its new identity. It may take a long time to create a new organisation with a new culture free of the values and assumptions which existed in the old unions. One of the ways in which this might be achieved more quickly would be if the organisation had to pull together to meet a common crisis or to confront a new “enemy”.



CASE STUDY A NEW “ENEMY”

Two unions merged to form a diverse public service union, with professional and general membership causing institutional and occupational cultural clashes. Two years later, a further merger, with another broadly-based public service union, took place. The two-year old union pulled together and suddenly its identity and culture became an important factor in the new merger.

As long as you understand from the start that there is no “quick fix”, then the tribulations and difficulties which you may encounter along the road may seem tolerable. You can achieve your vision but how quickly and how effectively you do so depends on how you manage the process. That is the main lesson which can usefully be learned from this handbook.

The handbook has assumed an ambitious intention. It has started at the point where union members were having thoughts that their unions might achieve more if they worked more closely with other unions facing the same problems and has ended, perhaps many years forward, where those unions have merged into a new union with a new culture.

Just drawing attention to this illustrates the unlikelihood that any unions will pick up this handbook and work with it over 5 or 10 years through the process. What we hope that unions will do is to use it to understand the process they might be going into, appreciate the importance of managing the process effectively and gain ideas and insights from what they read. In the early stages, they might use the activities we have suggested for understanding their own unions and those with whom they are thinking of co-operating and then use it intermittently to remind themselves of issues which they might soon be confronting.

The point is that we are not saying that anything here is compulsory – merely that mergers in other sectors go on all the time, are usually managed badly, at least as far as the people are concerned, and that unions can increase the chance of success for their mergers from what good practice can be identified, particularly in mergers of other unions.

A final lesson from experience is shown on the next page – from Australia where the Australian Council of Trade Unions has facilitated a good deal of merger activity. If trade unions are to become more effective organisations – as the members deserve – then we have to learn from each other and from those who are working to help trade unions manage their affairs better. If we can do this, the future is bright indeed.

The intention of this handbook is to be at once thought-provoking and practical. We hope that it will therefore make a significant contribution to the development of trade unionism throughout the world.

Union mergers – the Australian experience

In Australia, merger activity has been co-ordinated by the Australian Council of Trade Unions. Here are some observations from an Australian affiliate of PSI about issues which unions should think about when considering and planning a merger.

Union mergers offer many opportunities for using resources more effectively, eliminating rivalry between unions and strengthening the influence of unions in the workplace. However, careful strategies need to be developed to ensure the promised benefits of mergers are realised. The experience of trade unions in Australia suggests that the following checklist provides a useful guide of issues to address in mergers:

- 1 Establish a new identity, name and structure so no union feels “taken over” by another and there is genuine merger rather than simply a federation of unions.
- 2 The new structure should fully integrate those functions that will deliver the benefits of better use of resources, eg shared staff and accommodation.
- 3 At the same time, the new organisation should have identifiable segments which are democratically controlled by members and are relevant to them.
- 4 Mergers provide an opportunity to extensively review policies and practices of the unions and bring in best practices especially issues of democracy and equity.
- 5 If agreement is reached to accommodate a surfeit of current staff and officials, there should be agreement about a time frame and transition process to slim down staff and officials numbers in the new organisation.
- 6 Any other agreements entered into, eg about control of finances or staffing levels, should also be for a specified period, not open-ended.
- 7 It is easy for a bigger bureaucracy to develop in the new union, and for extraordinary amounts of time to be taken up in implementing the management issues. This work can be at the expense of issues which members would consider a priority.
- 8 Unions have different cultures and politics. If mergers don’t take account of these or are based on political rather than industrial similarities, there may be problems.
- 9 Moving staff and officials around in the new organisation may break down some of the “them and us” thinking of the component unions.
- 10 There should be a process to review whether the merger has lived up to the promises made to members, and a way to rectify problems.
- 11 It may be wise to consider a mechanism for withdrawing amicably from the merger if there is agreement that it has not been successful.

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About CSTUM

The aim of the Centre for Strategic Trade Union Management is to help transform the management of trade unions, through the application of successful strategic management skills from world class organisations and through research to study the specific issues affecting unions and the union movement.

Our involvement in the strategic management of unions is based on two core beliefs:

- ◆ *That the trade union movement benefits employees, employers and society as a whole in developing rewarding and beneficial working environments.*
- ◆ *That union members and potential members have a right to expect that the organisations to which they pay their subscriptions are managed in a modern and effective way.*

Since 1992 we have extensively developed and disseminated knowledge of the strategic management of trade unions. This has included a range of programmes which have covered a variety of management disciplines including strategy, financial management, top team development and human resource management.

As the success and reputation of these programmes has spread, unions and union federations across Britain and mainland Europe have benefited from the same advantages that high levels of strategic management skills provide in other sectors and organisations.

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About PSI

PSI is one of the oldest international trade union organisations in the world. It was founded in 1907 to develop bonds of solidarity between workers in public utilities in Europe, but over its history has expanded to cover almost all areas of public services throughout the world.

PSI's membership currently stands at over 20 million with 603 affiliates in 147 countries worldwide (1st February 2002).

PSI's aims however remain much the same:

- To promote co-operation amongst the affiliated organisations with the objective of coordinating their activities directed at establishing social justice, and to promote reciprocal assistance in the pursuit of their aims and objectives.
- To represent and defend the interests of employees in the public service before international authorities.
- To ensure the right of those employed in the public service to form and join professional or trade union organisations for the defence of their rights and interests.
- To uphold the right of organisations representing public employees to participate in the determination of conditions of employment by means of free negotiations.
- To campaign for the implementation of ILO Conventions, Recommendations and Resolutions which have a bearing on the well-being of public service employees.

What does PSI do?

In carrying out the fundamental aims of the organisation, PSI organises an extensive programme of education and training for public service trade unionists at all levels. The objective is to help public service unions all over the world to develop into effective, independent organisations, so as to enable their members to play a full role in decisions that affect their work and life.

PSI engages itself in disseminating information on public service and trade union issues and organises a large number of meetings on vocational and technical subjects, including health and social services, energy and water, public administration, privatisation, trade union rights, globalisation, pensions, public utilities, multinational corporations, international financial and trading institutions, etc. Particular attention is given to women and young people in the public service.

Despite all the efforts of the free trade union movement over many years, there are still many countries where basic trade union rights and freedoms are not allowed or are being abused. PSI is consistently campaigning for the respect of human dignity, and the right to belong to a trade union.

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