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Analysis of the role of structural change in labor movement revitalization is presented as part of a multicountry comparative project. There are two interrelated causal chains that explain successful union restructuring. First, there must be sufficient environmental pressure to overcome institutional inertia. Second, unions need a clearly articulated vision that provides a basis for strategic decision making. Three viable motivations for restructuring are identified: aggressive, defensive, and strategic. Aggressive restructuring strengthens union leadership; defensive restructuring attempts to stabilize the union to assure survival. If the restructuring is merely aggressive or merely defensive, however, it will not contribute to a net increase in membership or power. Strategic restructuring involves substantial organizational change and promises to augment union power and contribute to renewal. This conceptual framework is presented in the context of comparative analysis designed to assess whether restructuring is essential for union revitalization.

Keywords

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Structural Change and Union Transformation

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Abstract

Analysis of the role of structural change in labor movement revitalization is presented as part of a multicountry comparative project. There are two interrelated causal chains that explain successful union restructuring. First, there must be sufficient environmental pressure to overcome institutional inertia. Second, unions need a clearly articulated vision that provides a basis for strategic decision making. Three viable motivations for restructuring are identified: aggressive, defensive, and strategic. Aggressive restructuring strengthens union leadership; defensive restructuring attempts to stabilize the union to assure survival. If the restructuring is merely aggressive or merely defensive, however, it will not contribute to a net increase in membership or power. Strategic restructuring involves substantial organizational change and promises to augment union power and contribute to renewal. This conceptual framework is presented in the context of comparative analysis designed to assess whether restructuring is essential for union revitalization.

As we look cross-nationally at labor movement revitalization, we observe a complex change process that varies depending on the sociopolitical/economic context. In most cases, the center (i.e., federation) plays a facilitating role, while the responsibility to implement reforms that collectively promote transformation devolves to the leaders of individual unions at the national and subnational levels. Inevitably, these leaders think of structural change as integral to revitalization; however, narrowly crafted structural modifications have limited potential. At its worst, restructuring is cosmetic, amounting to little more than renaming departments, reassigning staff, or combining districts. Organizational

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realignments based solely on a shift of resources to fund new priorities (especially organizing) are only slightly more promising.

In order to contribute productively to union revitalization, structural change must be part of a strategic realignment that simultaneously addresses:

1. Other aspects of technical operation, including staff and leadership skills, communication systems, and administrative efficiency.
2. Cultural change that adapts the organization to new priorities and modes of operation (e.g., member mobilization to support an organizing culture).
3. Internal union politics, a necessary focal point so that coordinated opposition to the change effort is minimized.

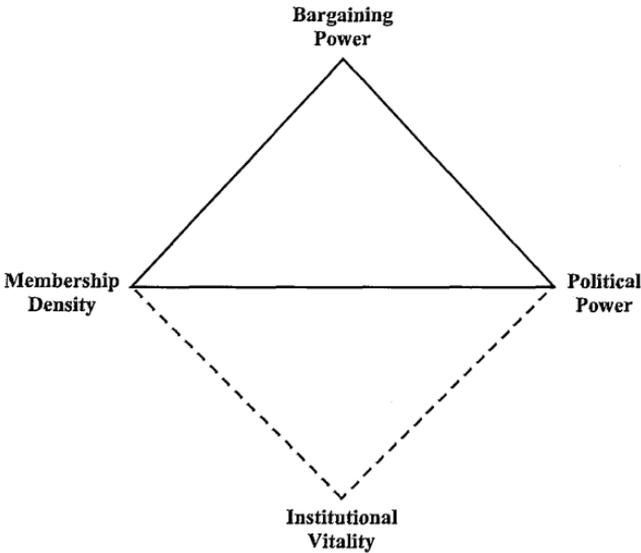
Although all of these aspects of the organic union must be considered as transformation is pursued, we largely limit our attention to restructuring per se. Where possible, we distinguish between strategic restructuring and approaches that amount to little more than an illusion of a "structural fix." Although we intend that our model apply to a range of national contexts, in this brief paper we will draw our examples from the United States.

What Is Union Revitalization?

Our analysis of the contribution of structural change to labor movement transformation is part of a larger effort that seeks to identify paths to union revitalization. But just what is revitalization? Consistent with the current literature on the development of national labor movements, we identify four factors that are commonly seen as indicators of union revitalization: *bargaining power*, *political power*, *membership density*, and a variable that we call *institutional vitality*, which refers to union innovation and openness to substantive change. The relative importance of these factors may vary depending on the national context (or, in the case of emerging European institutions, the multinational context).

The first three factors might actually be measured empirically to evaluate the effects of restructuring or other revitalization efforts, but *institutional vitality* is more qualitative. In Figure 1, we first construct a triangle with *bargaining power*, *political power*, and *membership density* at the three corners. When considering an individual country, the labor movement may concentrate on achieving one particular measure of revitalization. In the United States, for example, unions embrace *membership density* as the collective priority. In fact, many labor leaders argue that increasing density is a precondition for greater bargaining or political power. Union revitalization in the United States, then, is focused on the lower left-hand corner of the solid triangle in Figure 1. In other countries, labor emphasizes alternative measures of revitalization; where

FIGURE 1.
Indicators of Labor Movement Revitalization



bargaining power is a higher priority, the country is positioned at the top of the triangle, or if *political power* is emphasized, the country is at the lower right-hand corner.

The real world is seldom so simple, and most efforts at revitalization look to more than one indicator of success. Thus, it might be appropriate to place a country along one side of the triangle, or even somewhere within the triangle if the revitalization effort is truly multifaceted. No matter how complex our objective measure, however, if we limit ourselves to the solid triangle, we may be missing the crux of labor movement renewal. Are unions only trying to return to a time when density was higher and power was greater? Or are they truly embracing transformation and pursuing a new model of unionism?

Our fourth indicator of revitalization attempts to capture this essential subjective quality. We add *institutional vitality* to Figure 1 as a shadow triangle, with the broken lines indicating that this factor is difficult to measure but connected to the other three. True transformation requires that a labor movement overcome institutional and strategic rigidity and develop a capacity to learn and to change. Although we believe that *institutional vitality* is essential for revitalization, it is unclear exactly how it relates to the objective indicators. It may be that measurable progress in density or power is a precondition for willingness to innovate. Alternatively, *institutional vitality* may be a prerequisite for revitalization.

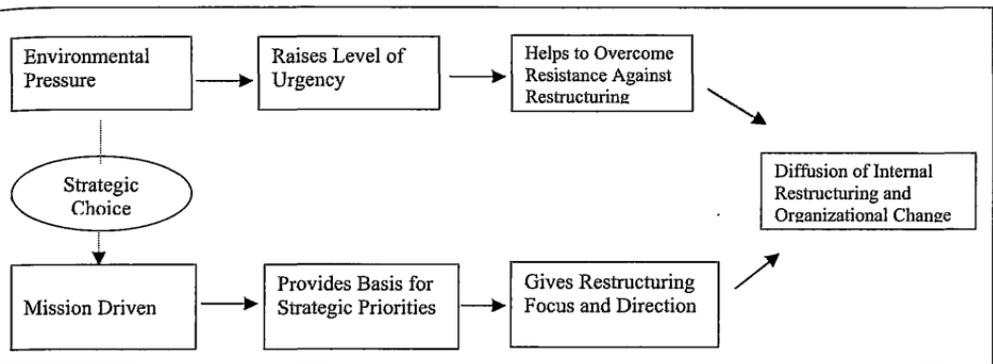
The Route to Comprehensive Restructuring

Before we consider the causal relationship between union restructuring and revitalization, we need to describe how comprehensive restructuring emerges. We argue that there are two mutually supportive causal chains that explain incidents of successful union restructuring (see Figure 2). Almost any kind of comprehensive restructuring of an organization faces internal resistance. In unions, resistance may come from members comfortable with the status quo and concerned about being disenfranchised, leaders worried about losing their political base, or staff members unsure where they will fit in the new organization (Fletcher and Hurd 2001). To overcome resistance, successful restructuring requires a sufficient level of environmental pressures to get initiatives moving. As shown in the upper section of Figure 2, such pressures raise the level of urgency within the union. It is often necessary for union leaders and staff to educate members about the existence and impact of environmental pressures in order to win support for organizational change.

Environmental pressures are not sufficient to cause comprehensive restructuring on their own. There are numerous examples of environmental pressures (e.g., employer opposition, deregulation, globalization) that caused labor to suffer but initially did not induce structural change. Although environmental pressure potentially enables unions to overcome resistance, we need a second element that gives direction and focus. As shown in the lower part of Figure 2, unions need a clearly articulated mission (or vision) that provides a basis for strategic priorities. If restructuring is not driven by mission, initiatives will stop short of transformation because they do not provide focus and direction. This is not to say that without a mission there would not be restructuring at all, but rather that such cases would result in a limited "structural fix" (Grabelsky and Hurd 1994; Behrens 2002).

Figure 2 leaves open the question of how innovation is promoted and diffused. In general, we expect that unions with a centralized structure and/or very strong national leaders can diffuse top down. Perhaps the best examples of this in the United States are the Service Employees International Union (SEIU) and the United Brotherhood of Carpenters (UBC). Those with a decentralized structure and/or democratic culture can diffuse by creating laboratories for change at the periphery, which with success will encourage innovation in other units. This is the approach being followed by the Communications Workers of America (CWA). Both methods of diffusion require a mission-driven strategic approach and environmental pressure. An appropriate mission alone is insufficient for effective organizational change; there must be a strategic plan with time-bound goals, and the mission and plan must be promoted aggressively by respected national union leaders. This is

FIGURE 2.
Organizational Change in Unions



essential to overcome internal political resistance and lay the foundation for a new union culture (Fletcher and Hurd 1999).

Motivation to Restructure

Restructuring takes a variety of forms. In some cases there are notable modifications in the relationship between different levels of the labor movement; specifically this might involve redefinition of the role of the federation vis à vis individual national unions, or a change in the authority exercised by a national union over its locals. Restructuring within a labor organization might relate to specialization of certain functions or reallocation of resources; alternatively, internal restructuring may be accomplished by reforming governance or the union's management system. External restructuring may result from altered arrangements among unions at the same level, in the most notable cases leading to mergers. Or, a union may unilaterally engage in external restructuring by, in essence, creating a subsidiary to enter a new industry, occupation, or geographic jurisdiction. Whatever the form, restructuring does not automatically contribute to labor movement revitalization, or even to an individual union's power in the economic or political arena. Unless there is strategic intent and execution, restructuring is only a sophisticated shell game. Thus, the motivation that prompts restructuring is particularly relevant.

We identify three viable motivations for unions to restructure: *aggressive*, *defensive*, and *strategic*. Because we are interested in labor movement revitalization, we consider neither cosmetic restructuring nor inconsequential steps with marginal impact. Table 1 summarizes the different motivations. *Aggressive* restructuring is designed to solidify and strengthen union leader-

TABLE 1
Motivation to Restructure

Motivation/Characterization	Internal Restructuring	Mergers
Merely Aggressive	Consolidation Increased power of leader(s)	Growth through acquisition Increased power of leader(s)
Merely Defensive	Downsizing Resource shift for survival	Stem decline Reduced rivalry
Strategic	Systematic union transformation Mission driven Net increased union power	Increased union power Economies of scale

ship (i.e., consolidate internal political control), and it may extend the presence of the individual union (and even increase membership); however, if the restructuring is *merely aggressive*, it does not translate into net membership growth for the labor movement as a whole nor to any notable enhancement of union bargaining power or political influence. *Defensive* restructuring is a reaction to declining fortunes and attempts to stabilize the union to assure survival. Although this may involve adaptation to economic change, if the restructuring is *merely defensive*, it does not offer any increase in union power per se. *Strategic* restructuring is tied to substantive organizational change and promises to augment union power along at least one of the dimensions identified earlier as indicators of revitalization. It may include aggressive or defensive elements, but they are pursued within the framework of the union's strategic plan. In essence the portion of Table 1 devoted to *strategic* restructuring relates back to the type of organizational change depicted in Figure 2.

The Impact of Restructuring on Revitalization (the U.S. Experience)

The U.S. labor movement's quest for revitalization has spawned restructuring at the federation and national union levels. With the election of John Sweeney as president in 1995, the AFL-CIO implemented internal reorganization of staff departments and made substantial progress in redesigning field operations. Efforts to redefine the federation's relationship with affiliates have been partially successful, although resistance from national unions has limited progress on this front. The effort to lead revitalization from the center continues, but we conclude that, to date, the Sweeney administration has not

achieved substantive success along any of the dimensions we specified, with the possible exception of creating an aura of institutional vitality. A number of national unions have engineered their own internal restructuring, largely aimed at elevating the importance of organizing. In addition, several unions have pursued mergers in efforts to consolidate power. We limit ourselves here to an overview of national union initiatives and concentrate on cases with strategic elements.

Internal restructuring has been modest in most national unions. Increased attention to organizing and political action has been accompanied by notable resource reallocation that has forced some reorganization and reassignment of staff in many unions. The impact of this reallocation has been most keenly felt in unions that have suffered absolute losses of membership and dues revenue. Although this type of structural modification has been accepted as necessary, in most instances it has been pursued based on a *merely defensive* motivation. The increase in organizing budgets and other aspects of reorganization often has not been part of a strategic mission-driven transformation effort. About a dozen unions have taken this process further, establishing a transformation-organizing priority and pushing change down to the local union level. The most notable cases are the UBC and the SEIU.

The SEIU now allocates 50 percent of its national budget to organizing and expects locals to follow suit wherever possible. To move the process along, the national is engineering mergers of locals it deems too small to pursue an effective organizing agenda independently. Although this intrusion into local union affairs has been questioned in some quarters within the union, support among elected leaders for the organizing priority has helped control opposition, as have carefully orchestrated trusteeships in several large locals with substantial resources (such as New York City and Boston). Removal of old-line, heavy-handed local leaders has been applauded in the media and the labor movement and has allowed SEIU president Andy Stern to appoint as trustees progressive unionists committed to organizing. Top-down structural change has been matched by an aggressive grassroots organizing approach, as the SEIU has continued its steady growth while other unions have struggled. The change effort is mission driven under the union's New Strength and Unity program and clearly fits our *strategic* category.

The UBC's top-down restructuring has been successful in a narrow sense, but has stirred controversy. Shortly after assuming the union's presidency in 1995, Doug McCarron cut national office staff by half, eliminated departments, outsourced some work, and rented out a substantial part of the national headquarters to generate revenues. These changes helped fund a shift of 50 percent of the union's resources into organizing. Subsequently, McCarron reorganized the union's regional and local structure, eliminating many locals and

shifting control of resources to regional councils dominated by his political allies. These *aggressive* changes have allowed the UBC to expand its organizing program dramatically. Membership increased from about 500,000 in 1996 to 536,000 in 2002. Although there are clear strategic elements to the UBC restructuring, in terms of labor movement revitalization there have been destructive components as well. On March 29, 2001, the UBC seceded from the AFL-CIO, ostensibly because the Sweeney administration compromised its commitment to organizing (Cleeland 2002). Although the steps taken by the UBC are extreme, they are consistent with the sometimes brutal and always troubling tendency of many unions in the United States to approach organizing from a narrow perspective tied to institutional preservation.

External restructuring has largely been limited to consolidation of national unions through merger. Since John Sweeney became president, the number of unions affiliated with the AFL-CIO has dropped from 75 to 66, and with two defections (UBC and United Transportation Union) balanced by two affiliations (United American Nurses and California School Employees), the decline in numbers is the result of mergers. Most of the mergers have involved a smaller union going through difficult times being absorbed by a larger union with deep pockets. These are clear examples of *defensive* restructuring. Others have been pursued by larger unions looking to extend or consolidate their presence in an occupation or industry.

Although the AFL-CIO has encouraged mergers as a way to strengthen unions, combine resources, and fund increased organizing, the most promising ones in terms of size and potential impact ultimately failed to materialize. In 1998, the proposed merger of the teachers' unions, the American Federation of Teachers and the independent National Education Association (NEA), failed in part because of resistance within NEA to affiliation with the AFL-CIO. Similarly, the widely anticipated "heavy metal" merger among the three largest unions in manufacturing—the Steelworkers, Autoworkers, and Machinists—fell apart. Although all three unions used a strategic rationale to defend the merger proposal, there were clear signs that a defensive motivation lurked just beneath the surface.

Some mergers do improve the ability of troubled unions to weather hard times, but they are typically followed by long transition periods and limited integration. It is often not clear that the merged organization has any more economic and political power than the sum of the two previously separate unions (Chaison 2001). There is evidence that for many unions the merger route has detracted from the objective of increased membership density by providing an easy way for individual unions to grow without expending resources on organizing. We conclude that, although mergers may be catalysts for further restructuring of a strategic nature, in the United States most

mergers preserve existing internal structures and become impediments to organizational change.

Restructuring and Revitalization

The effort by labor in the United States to overcome environmental challenges, build momentum, and begin to regain power and market share has not yet taken hold movement wide. Density continues to slip, as many important national unions resist organizational transformation. Although there are notable exceptions, based on this preliminary sketch, we conclude that structural modifications have not been sufficient to put unions on the path to renewal.

As part of a broader research project, the conceptual framework outlined in this paper will be applied to the experiences of labor movements in other countries, and a comparative analysis will assess whether restructuring alone or in combination with other strategies can contribute to union renewal. We will address two key questions: Can there be labor movement revitalization without restructuring? And can union restructuring succeed without substantive organizational transformation?

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