Reports from the Department of Psychology
Stockholm University

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Exploring the Hardships of Union Mergers

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Number 867
October 2006
REPORTS FROM THE DEPARTMENT OF PSYCHOLOGY, STOCKHOLM UNIVERSITY
(Founded in 1954)

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The Report series is issued by the Department of Psychology
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FAX: +46 8 15 93 42
homepage: www.psychology.su.se

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It’s Been a Hard Day’s Work:
Exploring the Hardships of Union Mergers*

Stephan Baraldi, Magnus Sverke, Gary Chaison**

A common approach for unions to face changes in the industrial environment is through merger. Although mergers can lead to economies of scales, broader membership representation, and greater bargaining power, studies of merger attempts show they are exceedingly difficult to implement, with a majority not completed. The merger literature presently fails to give a unified explanation to this phenomenon. With the aim of adding to the existing knowledge of the hardships of union mergers, this study investigates a failed merger attempt of four Swedish unions. The results show significant differences between, as well as within, the unions regarding members’ merger attitudes and knowledge of the planned merger. The results suggest that the campaigning process is crucial and that union leaders planning mergers should aim at enhancing members’ merger attitudes in order to minimize internal opposition.

Key words: Union mergers, barriers, motives, information

Introduction

The structure of labor organizations is shaped by their surroundings. Turbulence in the organizational climate means turbulence for the unions as well. During the 1960s and through to the beginning of the 1970s, the Swedish industrial community was characterized by corporatism, as reflected in tripartite relations between the state, employers and unions. In this era the public authorities and large firms strove for increasingly more centralized organizational structures and decision-making, and a similar trend could also be seen among the labor unions. The unions saw mergers as a way to achieve advantages of scale and strengthen their negotiating positions, while attracting new members (Hadenius, 1976; Kjellberg, 2001; Lewin, 1977). In a wave of mergers during the 1960s and 1970s, Swedish unions grew larger and more powerful, resulting in Swedish workers being represented by a smaller number of stronger unions (D’Agostino, 1987; Molin, 1991).

* The research reported in this study has been financed by the Swedish Council for Working Life and Social Research.

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Corporatism, a fundamental component of “the Swedish Model”, held up until the early 1980s when the Swedish industrial community began to undergo large-scale changes (Brulin, 1989). This reached its culmination in the early 1990s, with a series of crises within industry, government and municipal finance, and the real estate and labor markets. Toward the end of the 1990s, in somewhat of a rebound effect, the economy flourished and Sweden entered into the “new economy”, characterized by the predominance of the service sector. This new economy, however, was one of constant change. By implementing measures such as outsourcing and “just-in-time” production, companies were able to increase the efficiency of their operations while minimizing the number of permanent employees and maximizing temporary employees (Näswall, Hellgren & Sverke, 2002; Sverke & Hellgren, 2002). This has led to increased mobility on the labor market (Isaksson et al., 2003).

What effects could these changes in the working life have on the labor unions? Scholars have identified some challenges resulting from these environmental changes. For example, the overall increase of white-collar workers in combination with an overall decrease of blue-collar workers on the Swedish labor market reflects a need for adaptation, not only within unions, but also on confederation levels (Kjellberg, 2002; Viklund, 2002). Also, a passive negotiating stance on the part of the unions, among other things, led to slow wage development during the 1970s and 1980s, which contributed to decreases in labor union membership over the last decade (Kjellberg, 2001; Meidner, 1997; Viklund, 2002). Finally, the diversification of employment terms has led to changes in the representational needs of the individual member (Gallagher, 2002).

Aware of these problems, many labor unions, after setbacks in the 1970s and 1980s, took a second look at mergers as a potential remedy. They saw mergers as a possible way to adjust along with the changing world and the new economy (Chaison, Sverke & Sjöberg, 2001).

Union mergers can, according to Chaison (1986), occur in two different ways; amalgamations occur when two or more unions are dissolved in order to form a new union, and absorptions occur when a smaller union dissolves and is absorbed into a larger union. In the case of absorption, it is common for the dissolved union to be incorporated into the larger union as a branch or separate division. A distinguishing feature of union mergers is the fact that their implementation is contingent upon the consent of the membership – an important difference between labor organizations and corporations. Any decision concerning a merger is dealt with by a union council or through union congresses where delegates vote on the proposal. Union members may thus be aware that their opinions can actually affect the decision of whether or not to carry out an amalgamation or absorption. This is a striking difference in comparison with corporate mergers, in which opinions of most employees or stockowners have little effect on merger decisions.

It is uncommon for more than half of union mergers to get beyond the planning stages because the unions are unable to overcome merger barriers (Chaison, 1983, 1986). Given the significance of members’ opinions when it comes to union merger approval, it is important that intensive information regarding a merger be distributed throughout the entire organization. Chaison (1996) has suggested that the reasons why it is so difficult to carry out union mergers usually stem from existing differences between the merging unions in terms of diverging cultures, ideologies, and structures. Opposition
primarily comes from officers, but can quickly dilute to the membership who may feel their interests will be submerged in the larger union, and that they are not being given the opportunity to participate in merger approval and thereby play a part in resolving the differences that often exist between various labor unions, for example, about post-merger governing structure or the new union’s constitution (Chaison, 1996).

This study investigates a failed attempt to merge four of the unions within the Swedish Confederation of Professional Employees (TCO): the Social Insurance Employees and Insurance Agents’ Union (FF), the Salaried Employees’ Union (HTF), the Union of Local Civil Employees (SKTF), and the Union of Civil Servants (ST). In 2002 the approximate membership totals of the respective unions were 15,000 for the FF, 167,000 for the HTF, 177,000 for the SKTF, and 83,000 for the ST (TCO, 2005). The attempted merger went under the name “TriO”, and had it been completed, it would have resulted in the formation of a large-scale union for salaried employees in both the public and the private sectors and been composed of more than 400,000 members, thus making it the largest within the TCO.

We review the merger process, and investigate whether existing preconditions might have inhibited this merger from being approved. Our information derived from documented sources (minutes, membership publications, reports, etc.), interviews with union leaders, and questionnaires sent to 4,000 randomly selected members of the four unions (1,000 members from each union).

The Rise of the TriO Project

In the spring of 1999, the ST and HTF announced that they were exploring the possibility of merging with each other. This was prompted by an earlier question over whether a large group of “privatized” postal banking employees should be transferred from the ST to the HTF. This question exemplified the increasing jurisdictional fluidity and growing difficulties in distinguishing the boundaries of the two unions. Instead of settling whether these members should be transferred, the two unions decided to explore merger possibilities. At that time, an informal discussion network among the officers of ST, SKTF, HTF and the Swedish Union of Professional Industry Employees (SIF), known as “The Vertical Club”, was formed (TriO, 2001), where merger ideas began to arise. Also, it was widely believed that the labor union movement needed to strengthen its position in the salaried employee sector, because public employers increasingly resorted to privatization. Few probably suspected, at the time, that the surfacing of such sentiments would eventually lead to the very near creation of a new salaried employees’ union that would have been the largest union within the service sector and the TCO.

Despite an early interest, the SIF soon made it clear that it was not interested in a merger after all. In the fall of 1999, the first phase of the merger project was set into motion as the ST, HTF, and SKTF went ahead and began their initial investigations to determine if conditions were conducive to the forming of a new union. The decision was made in November to continue with the project, and the merger planning report was released in April 2000 (TriO, 2000). Work began on the drafting of a vision statement that would outline the framework for a future union. The Financial Union, which
organizes bank employees, joined in the discussions for a brief period but announced, in February 2000, that it was dropping out of the project (ST, 2000). The remaining three unions gave the project its temporary working name, “TriO.”

In April 2000, the TriO project entered into its second phase. The leadership of the unions approved the vision plan that had been developed. Six workgroups were formed: Democracy and Influence; World and Politics; Member Services, Availability and Organization; Member Interests and Sense of Community; Pay Policies and other Negotiation-related Issues; Opinion Building, Information and the Web. In the fall of 2000, the FF, which at that time was affiliated with the federation of blue-collar unions (the Swedish Trade Union Confederation LO), expressed its interest in TriO and officially joined the project in January of 2001.

The FF, which organized social insurance workers, had earlier on explored the possibility of merging with another union, but after an extended investigation in 1997 decided not to merge (FF, 2001). However, political decisions made in regard to changing the social insurance system helped preserve FF’s interest in the idea of a merger. An important step toward the realization of this idea occurred in connection with the FF’s planning to change its central affiliation. With the performance duties of FF’s members being all the more often of a service nature (TriO, 2001), partly due to the higher education levels among the new recruits of the insurance agencies, the suggestion to switch affiliation and apply for membership within the Swedish Confederation of Professional Employees (TCO) was made to FF’s delegates by its leadership in April 2001. The proposal to do this was approved and FF requested its withdrawal from the Swedish Trade Union Confederation (LO), which went into effect on January 1, 2002, as it became a member union of TCO. It appears that the union had increasingly come to realize that the sweeping changes occurring all around it were too much to deal with on their own. Within FF, it became apparent that a merger would be the only way to deal with its concerns, and, given that the union was relatively small, most likely it would be a question of absorption rather than amalgamation. Whichever the case, FF was headed for a dissolution.

The HTF, SKTF and ST have been traditionally cooperative with each other within the structure of the TCO, successfully working together in numerous projects (TriO, 2001). Belonging to the same confederation, these unions, including FF, also shared a prevalent focus on issues such as welfare, work environment, and improvement of qualifications. However, despite many similarities, important differences existed. Members of the ST and FF were mainly employed at relatively larger workplaces, which meant that these unions had larger divisions. The HTF, in contrast, had many of its members in smaller establishments where it either had small clubs or no local union representation at all. The SKTF had members evenly divided between large and small workplaces, with some members organized in small clubs and others in large union divisions.
The TriO Vision

The reports from the TriO project’s six study groups were summarized and presented at the joint meeting of the leaderships of the ST, SKTF, HTF and FF in Bålsta, Sweden, February 7-9, 2001 (TriO, 2001). The reports became the groundwork for the final vision plan for TriO. The new union would be based on the local level, resulting in better opportunities for member participation. TriO was also expected to attract younger people, including students. Because of its anticipated size, the merged union would work toward establishing “a more humane working life” (TriO, 2001) by raising members’ consciousness of issues relating to the work environment, equal opportunity, as well as training and development. An important aspect of this vision involved improving members’ relations with their union. The objective was to make it easy for individual members to identify with TriO, to invite members to become involved in labor issues as well as issues relating to work and society in general. An internet-based discussion forum was proposed so members and labor leaders could communicate on various union related issues. There was even a plan to create “TriO Live,” a daily telephone service, where members could call in and ask questions of labor experts (TriO, 2001).

One of the major challenges for the TriO project was to find a way to integrate the four unions into a single organizational structure (Oro för TriO-samarbetet, 2000). The structure of HTF was composed of a large number of small clubs, whereas the FF, ST, and SKTF were organized around a smaller number of large workplace connected divisions. This also carried with it work and culture related differences, as the terms “club” or “division” could bear a certain structural or cultural signification for HTF’s members, while an entirely different one for members of the FF, ST, and SKTF. For example, due to its size the ST/AMS, a division within ST that contains all of the ST members who work for the Swedish National Labor Market Administration AMS, can almost be regarded as an individual union, comparable in size to the FF. In contrast, the HTF has relatively few members at each workplace.

At the root of the problem, therefore, was that the creating of a homogenous TriO structure would involve either an integration of HTF’s small clubs into larger divisions (which would mean that some of HTF’s clubs would dissolve) or dividing FF’s, ST’s, and SKTF’s larger divisions into smaller ones. Concern over the unions’ structural differences also came from ST. The concept of TriO having a locally based structure was incompatible with the regional and branch-based divisions of ST. There was also concern that the influence of the members would be lessened in the new union (Stor och stark – men bra?, 2000). To solve the structural problem, it was proposed that the organization of TriO be based on a twofold structure: one section for geographical/regional divisions (comprising small clubs, as in HTF’s present structure), and a second section consisting of workplace connected divisions (for larger FF, ST, and SKTF divisions). This dual structure would have made it possible for the FF, ST, and SKTF to keep their large divisions, but the proposal was opposed by HTF, which feared that with its small clubs, it would be at a disadvantage. The ST and SKTF, with their large divisions, would dominate the HTF clubs at the congresses and at the divisional level (Ännu inget starkt stöd för nytt storfack, 2001).
Another major critique mentioned in the debate was that the merger process was driven in a top-down manner (*De säger nej till nytt storfack*, 2001), causing concern among delegates that the merger would be forced through without members’ support (*Här tas steget mot nytt storfack*, 2001). Also, the unions were of significantly different sizes. The FF was a relatively small union, while the SKTF and HTF were, respectively, the third and forth largest unions in TCO, with the ST somewhere in between FF and the other two unions (TCO 2005). The size differences were mentioned in the TriO debate as some delegates believed that differences in power and branch affiliation meant that the TriO unions were essentially incompatible (*Fackfusionen: Fortsatt ST eller eget förbund*, 2001).

The Fall of TriO

At the meeting in Bålsta on February 7-9, 2001, expectations were high that a positive decision would be reached. It became apparent, however, that union leaders were still not in agreement on a number of important issues, especially in regard to financial matters. A key issue was membership fees. The HTF had the lowest fees of the four unions and there were concerns that TriO’s membership fees, which would be lower than the sum of the fees of the four separate unions, would lead to decreased member service and financial deficits (*De säger nej till nytt storfack*, 2001). At the Bålsta meeting, it was decided that an economic workgroup would be asked to develop a plan for resolving the financial problem. After the Bålsta discussions, the aim was to further discuss TriO among the unions, creating support among union members (HTF, 2001). The economic workgroup submitted its report to TriO’s leadership committee in April 2001, and the report was later accepted by the four unions’ leaderships.

Although a number of questions still remained unresolved, the unions now focused on the extra union councils (congresses), in which the plans for a new large-scale union were to be finalized. A merger between labor unions requires that the unions be dissolved before eventual formation of a new joint union. According to the statutes of the TriO unions, two criteria must be fulfilled before the union may be dissolved. First, a vote to approve the decision to dissolve the union must pass at two consecutive union councils at which only representatives have the right to vote. Secondly, in order for the decision to be official, it must have the support of at least two thirds of the submitted votes.

All four unions planned to hold extra union councils in December of 2001. The HTF was first, convening their extra congress on December 5-6, 2001. After all the votes were tallied, it was confirmed that 59 of the delegates voted for TriO, while 33 delegates voted against it. Only 3 more votes were needed to attain the two-thirds majority needed, but it was enough to defeat the plans for a new super union within the service sector. After this, the other three unions each decided not to hold their extra union councils and, with this, the TriO plan had definitely collapsed.¹

¹ The FF together with ST, however, chose to push on with their merger plans, although this time in the form of absorption. The plans were realized on January 1, 2003, when FF officially absorbed into ST.
Method and Results

In 2002 (half a year after the HTF voted to reject the proposal), we administered a survey to 4,000 randomly selected union members (1,000 members from each union). In all, 2,305 persons provided useable questionnaires, which yielded a response rate of 58 percent (Eriksson et al., 2002). An analysis of non-respondents indicated that the sample could be considered representative for the memberships of the four unions (Baraldi & Sverke, 2003).

How many members knew about TriO?

Previous research has shown that it is crucial for a union merger to be supported by the membership (Chaison, 1986; McClendon et al., 1995). Consequently, it is important that adequate and consistent information regarding a planned merger be distributed to as many members as possible. Our initial investigations involved determining how many of the unions’ members were at all aware of the TriO plans. Included in the questionnaire was the question, “Before receiving this questionnaire, did you know that the FF, HTF, SKTF, and ST had well-advanced plans for a merger?” Members’ responses to this question are reported in Table 1.

A cross-tabulation showed that there were significant differences between the unions in terms of number of members who were aware of the TriO plans ($\chi^2 = 194.9$, $p<.001$). The FF was the union with the greatest number of members who knew about TriO (74 percent). The union with the smallest number of members who knew about the TriO plans was the HTF (43 percent). 47 percent of SKTF’s membership knew about the plans, while 53 percent of ST’s members were aware of their unions’ planned merger.

Differences were also found between the sexes (Table 1). A significant difference was detected among FF’s members ($\chi^2 = 16.0$, $p<.001$). Seven out of every ten women in FF’s membership knew that FF was involved in TriO, whereas nine out of every ten men knew about the merger plans. In the other three unions, the level of awareness was rather evenly distributed among men and women, however generally lower than FF’s.

Differences in awareness levels were also found with respect to where respondents lived. The regional affiliations of members were divided among cities, major cities, and

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2 After excluding those persons who were not included in the original sample (e.g., persons who were no longer members in any of the unions), the sample was reduced to 3953 persons. Each questionnaire was enclosed with two cover letters (one from the labor union, signed by the union president, and one from the Department of Psychology) with a description of the research project and its aims, along with a self-addressed stamped envelope. In the cover letter it was explained that all responses would be treated confidentially and that participation in the investigation was voluntary. Members were asked to fill in the questionnaire and return it in the envelope provided. In FF’s sample, the average age was 52, and 85 percent were women. The average age in HTF’s sample was 44, and, of these, 60 percent were women. SKTF’s sample consisted of 77 percent women, and the average age was 48. 67 percent of the persons in the ST sample were women and the average age was 49.
rural districts. In sum, the results reveal that the only union to show a significant difference between the regions was ST, as approximately 19 percent more of its members from cities and rural districts knew about the TriO plans compared to its members from major cities ($\chi^2 = 18.5, p < .001$); the other unions did not differ significantly in regard to regional affiliation.

One factor that would appear to be of likely importance in this context is the size of the members’ workplaces, since this could have had an effect on how information about TriO was spread down through the labor organizations. We compared the number of people who knew about TriO at small workplaces to that of larger workplaces. As Table 1 shows, there was a significant effect of workplace size in three of the four unions. Within FF, there was a significantly larger proportion of members ($\chi^2 = 6.1, p < .05$) who knew about TriO at small workplaces (approximately 80 percent) than at larger workplaces (approximately 71 percent). The same pattern was found for the ST, where approximately 60 percent of those who knew about TriO worked at small workplaces, compared to the approximately 51 percent at large workplaces ($\chi^2 = 4.5, p < .05$). Within SKTF, however, the opposite relationship was detected. A significantly greater number ($\chi^2 = 8.7, p < .01$) of the members who worked at large workplaces (approximately 54 percent) knew about TriO as compared with those who worked at small workplaces (approximately 42 percent). The only union to have an even distribution between large and small workplaces was the HTF.

The greatest difference, in regard to members’ awareness of the TriO plans, was found between representatives and the rank-and-file. As can be seen in Table 1, all throughout, awareness of the merger plans was significantly higher among representatives in comparison to non-representatives. In FF, nearly all of the representatives were aware of the plans (98 percent), which was significantly more than among the other members ($\chi^2 = 26.6, p < .001$). In HTF, nearly nine out of ten representatives knew about TriO, which was also significantly more than among the other members ($\chi^2 = 43.8, p < .001$). The same relationship was to be found among SKTF and ST members ($\chi^2 = 33.5, p < .001$ and $\chi^2 = 39.3, p < .001$, respectively). It is worth noting that there were almost as many among FF’s non-representatives (70 percent) who knew about TriO as there were among the representatives of the other three unions (74-87 percent).

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3 The divisions into areas are made according to what is known as H-regions (see Statistics Sweden, 2004). Included in the area categorized as “Major Cities” are the Stockholm/Södertälje A-region (H1), Göteborg’s A-region (H8), and Malmö/Lund/Trelleborg’s A-region (H9). Within the category of “Cities” (H3) are municipalities with more than 90,000 inhabitants within a 30 kilometer radius of the municipality’s center (the most populated community in the municipality). Included under “Rural districts” are the types of areas also known as Intermediate-sized Districts (H4), i.e., districts with more than 27,000 and less than 90,000 inhabitants within a 30 kilometer radius of their centers or with more than 300,000 inhabitants within a 100 kilometer radius of that point; Densely Populated Rural Districts (H5), i.e., districts with more than 27,000 and less than 90,000 inhabitants within a 30 kilometer radius of their centers or with less than 300,000 inhabitants within a 100 kilometer radius of that point; as well as Sparsely Populated Rural Districts (H6), i.e., districts with less than 27,000 inhabitants within a 30 kilometer radius of their centers.

4 Workplaces with fewer than 50 employees were classified as small in this study, while workplaces with more than 50 employees were classified as large.
Table 1. Proportions of members who knew about the TriO plans; in total and divided by gender, region, workplace size, and member status.

<table>
<thead>
<tr>
<th></th>
<th>FF</th>
<th>HTF</th>
<th>SKTF</th>
<th>ST</th>
<th>$\chi^2$</th>
</tr>
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<tbody>
<tr>
<td><strong>Total</strong></td>
<td>73.5</td>
<td>42.6</td>
<td>46.9</td>
<td>52.8</td>
<td>134.9***</td>
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<tr>
<td><strong>Gender</strong></td>
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<tr>
<td>Among Women</td>
<td>70.6</td>
<td>41.6</td>
<td>47.3</td>
<td>51.3</td>
<td>90.2***</td>
</tr>
<tr>
<td>Among Men</td>
<td>90.9</td>
<td>44.4</td>
<td>45.2</td>
<td>56.1</td>
<td>59.0***</td>
</tr>
<tr>
<td>$\chi^2$</td>
<td>16.0***</td>
<td>0.4</td>
<td>0.2</td>
<td>1.1</td>
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<tr>
<td>Major Cities</td>
<td>69.4</td>
<td>41.2</td>
<td>51.9</td>
<td>41.1</td>
<td>43.5***</td>
</tr>
<tr>
<td>Cities</td>
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<td>44.7</td>
<td>60.0</td>
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<td>Rural Districts</td>
<td>79.1</td>
<td>48.7</td>
<td>45.5</td>
<td>59.8</td>
<td>48.3***</td>
</tr>
<tr>
<td>$\chi^2$</td>
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<td>1.4</td>
<td>2.2</td>
<td>18.5***</td>
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<td>Small</td>
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<td>43.5</td>
<td>41.6</td>
<td>60.2</td>
<td>84.9***</td>
</tr>
<tr>
<td>Large</td>
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<td>42.4</td>
<td>54.3</td>
<td>50.6</td>
<td>56.0***</td>
</tr>
<tr>
<td>$\chi^2$</td>
<td>6.1*</td>
<td>0.1</td>
<td>8.7**</td>
<td>4.5*</td>
<td></td>
</tr>
<tr>
<td><strong>Member Status</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Among Representatives</td>
<td>97.5</td>
<td>87.2</td>
<td>74.0</td>
<td>77.6</td>
<td>19.9***</td>
</tr>
<tr>
<td>Among other Members</td>
<td>70.1</td>
<td>37.1</td>
<td>41.6</td>
<td>45.7</td>
<td>133.9***</td>
</tr>
<tr>
<td>$\chi^2$</td>
<td>26.6***</td>
<td>43.8***</td>
<td>33.5***</td>
<td>39.3***</td>
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</tbody>
</table>

Notes: * $p<.05$, ** $p<.01$, *** $p<.001$

Members’ general attitude toward union mergers

An important aspect of organizational change, especially when it comes to union mergers, is members’ attitudes toward the change that is to take place (Baraldi, 2003; McClendon et al., 1995), particularly in relation to the support-building process itself. From this perspective, the process of building support involves more than just information. The membership has to be convinced that a merger is necessary and good for the union. It is therefore crucial for a planning process to address what members actually think about a merger proposal. Should there be opposition to a merger among a union’s membership, union leaders must address it directly, either by reconsidering their own opinions or by thinking of ways to convince the members that the merger is good for the union and its members.
In order to get an initial understanding of the attitudinal climates within the four TriO unions, we asked members what they thought of union mergers in general. Figure 1 provides an account of the results.

An analysis of variance (ANOVA) showed there were significant differences in the members’ general attitudes toward union mergers among the unions ($F_{[3,2142]} = 98.33$, $p<.001$). Pairwise comparisons (Bonferroni adjusted) between the unions revealed that FF’s members had significantly more positive general attitudes toward union mergers than the members of the other three unions, and that the other unions’ members, in turn, did not differ significantly. The members of FF were the only ones to have positive attitudes toward union mergers in general (mean = 3.51, on a five degree scale). The members of the three other unions, however, had more negative attitudes toward union mergers; HTF’s members were the most negative (mean = 2.68), followed closely by SKTF (mean = 2.75) and ST (mean = 2.85).

Figure 1. Mean values for the general attitudes toward union mergers among the members of TriO unions (scale 1-5).

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5 This measurement was based on the mean values from five items regarding the general attitudes toward union mergers. The five items were: 1) "In general, I am positively disposed to union mergers" 2) “I believe that mergers are necessary in order for unions to develop” 3) “I think that mergers are a good way for unions to strengthen their positions” 4) ”I think that members’ interests easily become overlooked when several unions join together“ (reversed item) 5) "Personally, I would like to see my labor union join together with another union.” Members answered by checking off on a response scale of 1 (Strongly disagree) to 5 (Strongly agree). The reliability of the five items (inter-item) was assessed by calculating Cronbach’s alpha. The five items included showed good reliability ($\alpha = .90$). A mean value index was formed (after the oppositely worded item was reversed) and then used in the analysis.
Expected outcomes of TriO

An attitude can be described as a number of attributes that a person connects with a certain object (Eagly & Chaiken, 1998). Therefore we can assume that a member’s attitude toward union mergers consists of a series of attributes that members associate with union mergers, for example, anticipated outcomes of a proposed merger. If a member expects that a specific merger will lead to deteriorated member service, this would constitute a negative attribute. In other words, to expect that a specific merger will bring about negative effects is to have a negative attitude toward that merger. It should be noted that a specific attitude need not necessarily follow a general attitude.

Thus, a member might have a positive attitude toward union mergers in general, while simultaneously harnessing a negative attitude toward a specific merger.

We asked members to assess whether they believed that TriO would have led to improvements or deteriorations in six specific areas. These areas were negotiating leverage, membership services, members’ influence over union operations, the union’s economic situation, the unity among the members, as well as members’ union participation (e.g., Stratton-Devine, 1992). For each aspect, members responded to a statement (e.g. “The negotiating leverage of the union would have improved after the merger”, 1 = Strongly Disagree, 5 = Strongly Agree). Since these questions were relevant only to those members who actually knew about the TriO plans, the analysis includes only those respondents who responded “yes” to the question on whether they knew about TriO. Figure 2 illustrates members’ expectations regarding effects of the planned TriO merger.

A multivariate analysis of variance (MANOVA) showed an overall significant effect of union affiliation on the expected effects among members (Pillai’s Trace \( V = 0.11, F_{[18,3597]} = 7.85, p<.001 \)). This indicates that there was an overall difference between the unions in respect to members’ expectations.

In order to determine how the unions differed on the specific subquestions, pairwise comparisons (Bonferroni adjusted) were carried out between the unions. The pairwise comparisons demonstrated that there was a significant difference between the FF and the other unions (\( p<.05 \) for all subquestions), while HTF’s, SKTF’s, and ST’s members did not differ significantly in their views on how TriO would have affected union operations.
We conclude that FF’s members were generally more positive toward the TriO merger’s possible results than the members of the other three unions, a finding which accords with members’ general merger attitudes. All members did share in the belief, however, that TriO would have resulted in increased negotiating leverage and a better economic situation in relation to the other aspects of union operations. All of the members believed that membership services, the influence of the members, member unity, and member participation would have suffered if the merger had been carried through. There were, on the other hand, a couple of exceptions: FF’s membership was of the opinion that a merger would have improved services but left members’ influence unchanged. We note that those aspects that members believed would have deteriorated with TriO – service, influence, and unity – relate to the members personally; in other words, they are individual-related aspects. Those aspects members thought would have improved with TriO – negotiating leverage and economic situation – are more relevant to the union as an organization.

**How would members have voted?**

In attitude theory, attitudes have been described as consisting of three components (Ajzen & Fishbein, 1977; Eagly & Chaiken, 1998; Rosenberg & Hovland, 1960): an affective (feelings, emotions, and moods triggered by a certain object), a cognitive (attributes that one associates with a certain object), and a behavioral component (the way in which one intends to behave, or actually behaves, toward a certain object).
Therefore, in addition to the general attitude toward union mergers (which can be likened to the affective component) and the expected effects of the TriO merger (which can be likened to the cognitive component), we also took a closer look at members’ attitudes toward the TriO merger from a behavioral perspective. We asked officers and non-officers respectively how they would have voted (“Yes”, “No”, or “Don’t know”) if the merger had actually been put to a vote among them (cf. McClendon et al., 1995). In this case as well, only those members who actually knew about TriO were included in the analysis.

An initial cross-tabulation comparing all members in each union showed overall significant differences among the unions when it comes to the distribution of ‘yes,’ ‘no,’ and ‘don’t know’ vote intentions, respectively ($\chi^2 = 158.6, p<.001$). Common to all four unions was that around three out of every ten of their members (FF: 28.4 percent; HTF: 29.3 percent; SKTF: 26.2 percent; ST: 31.2 percent) were unsure of how they would have voted. There were, however, large differences among the unions in terms of members’ intentions to vote in favor or against TriO. 63.9 percent of FF members would have voted in favor, while a little over three out of every ten members in the other three unions would have voted yes (HTF: 32.1 percent; SKTF: 34.1 percent; ST: 34.2 percent). The reversed pattern can be seen for intention to vote against TriO. Only 7.8 percent of FF members would have voted against, while three to four out of every ten of members in the other unions would have voted no (HTF: 38.6 percent; SKTF: 39.7 percent; ST: 34.6 percent).

In order to investigate any discrepancies between representatives and rank-and-file, we calculated cross-tabulations for each union, comparing vote intentions among officers and non-officers. These results are shown in Figure 3.

The analysis showed a significant difference in the distributions of vote intentions among FF officers and non-officers respectively ($\chi^2 = 17.7, p<.001$). Eight out of every ten of FF’s officers would have voted in favor of the TriO merger, slightly more than among FF’s rank-and-file, where six out of every ten would have voted yes. Intention to vote against TriO did not differ between officers and non-officers in FF. However, the proportion of unsure members was considerably higher among the rank-and-file (32 percent) than among officers (9 percent).

The differences in distributions of vote intention were marginally significant between officers and non-officers among SKTF members ($\chi^2 = 5.49, p=.064$). The amount of unsure members was about the same in both groups (23 and 28 percent respectively). However, among SKTF officers 45 percent would have voted yes and 32 percent would have voted no, while the pattern was almost perfectly reversed among non-officers. In HTF and ST, the vote intentions were distributed quite evenly between representatives and rank-and-file.
Was TriO an unnecessary project?

To plan a merger on a scale as large as TriO requires a sizable administrative apparatus and a great deal of economic investment. With so much to be invested, mergers invariably involve a certain degree of economic risk. In those cases where prolonged merger talks end up in failure, there remains a question over whether the unions involved can nonetheless gain something from the experience. In the wake of a rejected merger, it should be of importance that members do not regard the attempted project as a waste of time and their fees. Members’ perceptions of whether their union, despite the failed merger attempt, are able to still benefit from the experience of working on the project can thereby be interpreted as a reflection of their continued confidence and commitment in their union. We asked officers and non-officers respectively if they thought that their union, despite the failed merger, could have still benefited from the work that was invested in the TriO project (“Yes”, “No”, or “Don’t know”). Once again, only members who knew about the TriO project were included in the analysis.

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6 The following response alternatives were given in the questionnaire: 1 = Yes, the union can benefit greatly from it, 2 = Yes, the union can benefit somewhat from it, 3 = No, the union can only marginally benefit from it, 4 = No, the union cannot benefit at all from it, 0 = Don’t know. Response alternatives 1 and 2 are reported as "Yes,” 3 and 4 as ”No,” and 0 as ”Don’t know".
An initial cross-tabulation was calculated comparing distributions between unions. There was a significant overall difference ($\chi^2 = 28.18, p<.001$) between the union distributions of whether members thought that their unions will benefit in the future from the TriO experiences. Common for all four unions is that slightly more than half of the members thought that these experiences will be of use in the future (FF: 60.7 percent; HTF: 57.7 percent; SKTF: 52.6 percent; ST: 57.5 percent). Two to three out of every ten members (FF: 31.2 percent; HTF: 21.4 percent; SKTF: 32.1 percent; ST: 27.7 percent) were unsure on this issue. However, only 8 percent of FF members thought that the union will not benefit from its TriO experiences, while 20.9 percent of the HTF members were of the same opinion. 15.3 and 14.7 percent of SKTF and ST members respectively did not believe the TriO experiences will be of good use for the unions in the future.

As in the vote intention issue, it is of interest to investigate whether there exist discrepancies between the representative staff and the rank-and-file concerning opinions about whether the TriO project was a good investment of time and money. Separate cross-tabulations were computed within unions comparing officers and non-officers. These results are presented in Figure 4.

![Figure 4](image_url)  

**Figure 4.** Frequency distributions for whether members of the four unions believe that the union could have benefited from the work done on the TriO project, divided into representatives and other members.

There was a significant difference between FF officers and non-officers ($\chi^2 = 14.41, p<0.1$). The difference lies in that 77.9 percent of officers thought that FF would benefit from the experience, while 57.3 percent of non-officers were of the same opinion. Also, only 13 percent of the officers were unsure on this issue, while 34.8 percent of non-officers were unsure. Similar results were found in SKTF ($\chi^2 = 10.39, p<0.1$). Here also, more officers thought that SKTF would benefit from the experiences, while more
among the rank-and-file were unsure on the issue. In HTF and ST we see similar patterns as in FF and SKTF. However, the analyses failed to reach significance levels ($\chi^2 = 5.01, p = .08; \chi^2 = 2.07, p = .36$ respectively).

In sum, very few members thought that the TriO experiences were in vain. However, substantially more officers thought that the unions would benefit from them in the future compared to non-officers, while substantially more among the rank-and-file were unsure in this matter compared to the representative staff.

**Discussion**

The planning and implementation of a merger is often a challenging and lengthy process. Many of today’s labor unions are facing a variety of similar problems, such as declining membership and financial deficits, which can be combated by entering into a merger with another union. Despite these common factors, unions often have trouble finding suitable merger partners, and when they do, they must overcome significant barriers.

Research indicates that more than half of all planned mergers are never completed (Chaison, 2004). An obvious follow-up question would be why it is so. This study contributes to some understanding of why the TriO project in particular, and mergers in general, do not succeed in reaching the point of implementation. The results suggest that if a merger is to be successfully completed, it is important that the members stand behind it, that they are convinced it is good for the union, and that they believe it will bring about a number of positive effects. It is therefore of great importance that clear information is distributed at an early stage so that as many members as possible get the opportunity to take a stand on the proposed merger.

Chaison (1986) suggests that the completing of a planned merger is dependent on the intrinsic levels of motivation within the interested unions. Earlier research suggests that this motivation is reflected in members’ attitudes toward a merger (Baraldi, 2003). If the members of a union have positive attitudes toward a proposed merger, the union is “motivated” to overcome barriers and enter into a merger. An earlier study of the TriO merger showed union commitment to be positively correlated to attitudes toward mergers in general, the planned TriO merger, as well as to how one would have voted had the decision to merger been open to all members (Baraldi, 2003). It is also conceivable that this relates to the support-building process. If members have to actively seek out information about a merger themselves, it is likely that only the committed members will do so. The representatives are presumably committed, but in their capacity as entrusted representatives, they still need to vote according to the general will of the membership. As this study shows, this might not always be the case.

As is evident from the present results, few members knew about TriO. In other words, the membership was largely tainted with uncertainty regarding the planned merger. By surveying the attitudinal climates within the four unions, the uncertain individuals could
have been identified and, with the help of adequate information, convinced that the
merger would be a good option. The role of the representatives is of crucial importance
here. Union leadership relies on them that information goes out to the entire
membership. What is not certain from this study, however, is where the breakdown
occurred in TriO’s chain of communication – whether it was between the leadership and
the representatives or between the representatives and the other members.

Our results thus indicate, as Chaison (1986) has suggested, that a merger’s
implementation is, to a great extent, dependent on the intrinsic levels of motivation
within unions entering a merger. In general, the difficulties surrounding the
implementation of a merger can, in part, stem from a general fear of change that most
union members are likely to be familiar with, the “we know what we’ve got but not
what we’ll get” sentiment. This sentiment also embodies the very challenge that union
leaders must meet in order to successfully carry through a merger. It asks that members
be kept accurately apprised of what can be expected and stresses the importance of
convincing them that the merger will end up being good for the union as well as its
members.

The support-building process seems to be very fragile in this respect. Above all, merger
discussions should probably not be dominated by the higher-ups if members are to be
involved and feel that they have a say in the decisions leading up to the merger. In the
case of TriO, FF’s membership was clearly more positive toward mergers in general,
expected more positive outcomes from the merger, and was more apt to vote in favor of
it. The positive attitudes of FF’s members could stem from a variety of factors. Due to
the discussions that were held on FF’s transitioning from LO to TCO, a broader basis of
discussion emerged within FF than within the other TriO unions. The FF’s size may
have made it easier for them to reach out to many of its members, resulting in a stronger
basis of support for the reasons behind FF’s interest in TriO – the members truly
understood that a merger would be necessary for the union’s survival. The FF’s
members could thus have voted in favor of TriO, convinced of the fact that it would be
in the best interests of their union.

According to this study, it appears that TriO’s greatest enemy was the widely spread
uncertainty that existed among members. It would be inaccurate to say that the HTF
voted down TriO because it was a bad idea. Our results point more toward the
explanation that TriO’s failure was due to too many members (including
representatives) simply not being able to take a position on the matter.

Although the sample in this study has been shown to be representative for the respective
unions, there are still certain methodological aspects that may have affected the results.
When it comes to the expected outcomes of TriO, we have presented examples of what
would have been improved or made worse if TriO had been realized. It is likely that
there are other aspects of union operations, important to the members, that could have
been improved or impaired, and that were not represented among the response
alternatives in the questionnaire. Furthermore, the questions concerning both the
expected outcomes as well as the voting on the TriO issue were retrospective in such
that respondents were made to speculate on what the effects of TriO would have been
and how they would have voted. Another possible problem involves the fact that the
data was collected after HTF had voted against the project. It is possible that the respondents from all four unions may have been influenced by HTF’s rejection of TriO.

Another possible complication is that the data for the study were collected on one occasion, which means that we cannot comment on the significance of the results over time. The members of FF had positive attitudes toward mergers while members of the other unions had more negative attitudes toward mergers. The cross-sectional nature of the data makes it unattainable to envision how members’ attitudes may have altered compared to before the information about TriO went out. It is possible, for instance, that FF’s members were initially negative toward mergers but, due to the information received from the union, became convinced that the TriO project was a good idea. Similarly, the members of HTF, SKTF, and ST could have been positive in the beginning, before their attitudes shifted in conjunction with receiving information about TriO. It is, however, difficult to reach any clear conclusions regarding these questions, partly because the study is not longitudinal, but also because such a small portion of the sample knew about TriO. Accordingly, a longitudinal study with measurements prior to and after a planned or implemented merger would be called for in order to study the changes that occur over time in attitudes toward mergers, which would also allow these changes to be associated with the merger process itself with greater certainty. Thus, the issues of how members’ attitudes are affected over time and what the long-term effects of mergers are on members are some of the questions that future studies should focus on.

Despite certain limitations, the present study offers a unique opportunity to investigate a planned, yet unsuccessful, merger from a psychological perspective. It is the first of its type, involving four separate unions, a failed merger attempt, as well as the measuring of attitudes on three separate levels. The study provides an opportunity to improve our understanding of how the merger process is affected by factors such as information processes and members’ attitudes, all complex factors on the long winding road toward successful union mergers.

References


