

Title

Trade Union Power Resources within the Supply Chain: Marketisation, Marginalisation, Mobilisation.

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Abstract

This article examines how pressures stemming from the structure and dynamics of supply chains shape employment relations at the workplace level. Using qualitative data from two organisational case studies operating within the same supply chain, it highlights that supply chains can constrain or enhance trade unions' capacity to organise and mobilise. Supply chain rationalisation is found to be a key determinant in the reconfiguration of labour and labour process with significant consequences for working conditions. However, trade unions can also use supply chain structures to effectively mobilise and defend the interests of their constituents. The article finds that trade union effectiveness develops against the articulation of an agenda that goes beyond the workplace and transcends organisational boundaries. In particular, strategies that rely on building coalitions and lobbying different actors across the supply chain are found to be effective and contribute to better working conditions.

Keywords

Employment relations, mobilisation, power resources, supply chains, trade union

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1. Introduction

Supply chains have gradually become the prevalent form of industrial organisation around the world, expanding not only geographically but also in terms of the economic activities that they organise (Wright and Kaine, 2015). While the growing importance of supply chains creates opportunities for firms to increase profits and outsource some of the production to lower cost locations, it also generates pressures for labour (Marchington et al., 2005). These pressures emerge from the structure of the supply chain: they relate to the way in which leading firms monitor suppliers in order to control product specification through various mechanisms such as quality and quantity standards, delivery dates and prices. In doing so, firms may attempt to co-ordinate inter-firm relations through the use of monitoring and auditing practices, changing customer demands and price pressures (Gereffi et al., 2005) or setting rules over specific aspects of production (Robinson and Rainbird, 2013). Although existing research documents the detrimental effects such pressures have on working conditions (Lloyd and James, 2008; Newsome et al., 2013; Moore and Newsome, 2018; Wright and Lund, 2003), much less attention has been paid to how the trade unions' agency is constrained or enabled by supply chain dynamics and, specifically, to whether trade unions are able to utilise their strategic position within the supply chain to regulate employers' behaviours and effectively represent workers' interests (Riisgaard and Hammer, 2011). To address this gap this article asks how does the power of organised labour vary within a supply chain context? Furthermore, it asks which factors explain union success or failure in defending workers' interests in such a context?

To answer these questions, the article explores two different but interrelated processes through which supply chains structure capital-labour relations and the workers' agency at the workplace level. First, it examines how supply chain pressures driven by cost-efficiency and flexibility rationales are cascaded down and have important implications for the labour process and labour relations at the workplace level (Newsome et al., 2015). Employer attempts to cut down costs and respond to supply chain demands result in work degradation,

intensified precariousness, flexibility and increased levels of control. Second, by resorting to mobilisation theory (Kelly, 1998) the article highlights the fate of organised labour does not have to follow a predetermined path. On the contrary, the structural organisation of the supply chains opens possibilities for trade unions to articulate an agenda that transcends the workplace. In cases where trade unions use their power resources to build coalitions across the supply chain, they maintain their relevance in the workplace. By locating the examination of the trade unions' agency at the supply chain level, this article contributes to the current debates on labour as an active constituent of the global economy (Newsome et al., 2015; Riisgaard and Hammer, 2011).

The article is organised as follows: the next section embeds our argument in the current literature by focusing on the effects of supply chain pressures on working conditions. It also discusses the links between trade union power resources, supply chain pressures, and opportunities for mobilisation. The following section describes our methods and presents our case selection. The findings section examines the variation in outcomes across the two cases and explores the factors that explain it. The final section reviews the main findings of the article and outlines its contribution to the literature on supply chain rationalisation and on trade union strategies.

2. Supply chain dynamics and the impact on working conditions

The ways in which one firm can influence working conditions in other firms across the supply chain has been consistently analysed within the employment relations literature (Wright and Kaine, 2015). Although some suggest that supply chains may generate the conditions for new and better employment opportunities (Beaumont et al., 1996; Scarbrough, 2000), the vast majority argue that supply chains change the nature of production dynamics and create downward pressures that ultimately require supplier firms to rationalise production. In the Australian food and grocery industry, Wright and Lund (2003) note that large supermarkets increasingly squeezed their suppliers through auditing and monitoring activities in a bid to control costs and enhance the reliability of deliveries. These pressures had direct implications for workers who witnessed an erosion of their terms and conditions through direct monitoring of the labour process, increased levels of work intensification, unstable patterns of working

time and precarious contractual arrangements (see also Lloyd and James, 2008 and Newsome et al., 2013).

The labour process theory tradition has also identified critical developments within contemporary supply chains that saw firms and managers leverage new technologies and availability of insecure employment to augment their control over the workplace (Price 2016). New technologies are employed to reduce the indeterminacy of labour. An emphasis on the indeterminacy of labour recognises that the purchase of labour power alone does not secure a predefined quantity and quality of labour and that the employer needs to extract the latter through mechanisms of control (Thompson and Newsome, 2004). The way in which employers achieve this varies across time and is relative to the context within which the capital-labour relation is embedded (Thompson and Van den Broek, 2010). Within the supply chain context, where it is argued that the ‘locus of control’ has shifted from workplace to inter-firm level (Thompson and Van den Broek, 2010), technology has been identified as a key mechanism used by dominant firms to control the labour process. New information and communication technology (ICT) is not only used to monitor and forecast production and consumption patterns but also to legitimise the extension of control and surveillance (Bonacich and Hamilton, 2011). On a slightly different note, Newsome (2015) adds that the pressures resulting from the application of complex technological systems transform invisible parts of the supply chain into visible ones whereby workers are tracked and their performance tightly monitored in order to ensure a smooth and reliable production.

Furthermore, the literature has discussed the role that workforce reconfiguration and fragmentation into core and peripheral groups have in the context of supply chains. Although flexible working practices have the potential to benefit employers, employees or both (Karlsson, 2007), employers’ efforts to remove unproductive labour and adjust labour costs to meet growing demands may result in temporal and numerical flexibility that is conducive of their particular business and supply chain needs (Price, 2016). For instance, Moore and Newsome (2018) emphasise how firms in the parcel delivery industry responded to supply chain pressures through the use of differentiated contractual statuses that allowed them to minimise costs. In particular, firms externalised non-delivery costs to self-employed workers while also using insecure contracts as a strategy for minimising labour costs.

2.1 Trade union power resources and supply chain dynamics

While the organisation of the supply chains provides the structural conditions that shape labour and the labour process, it is the capacity of workers to organise, mobilise and strategically use power resources that ultimately matter for employment outcomes at the workplace or wider organisational level. Mobilisation theory (Kelly, 1998) provides a valuable entry point into theorising the workers' agency by highlighting the conflicting interests between workers and management and the factors that allow workers to build and mobilise their power resources.

Drawing on a subset of social movement concepts (Gamson, 1992; McAdam, 1988; Tilly, 1978), Kelly (1998: 24-38) argues that collective action is the result of a sequence of interrelated processes involving interests, mobilisation, organisation, opportunity and action. Particularly important within the analysis of the workers' agency in the context of supply chain rationalisation is the definition of interests and the degree to which groups of employees see themselves as similar, different from or opposed to other groups in the workplace. Mobilisation theory asserts that 'collective organisation and activity ultimately stem from employer actions that generate amongst its employees a sense of injustice or illegitimacy' (Kelly, 1998: 44). It is this sense of injustice that will define similar interests amongst the workforce. Once interests are defined, factors internal to the group (how a group is structured and its capacity to collectively utilise its power resources) as well as the relative power resources of management and workers are essential for the success of collective action. Recent debates within the mobilisation theory argue that mobilising and organising are two conceptually distinct phenomena that embody different strategic choices of trade unions; whereas mobilising is an exercise in using existing power resources, *deep organising* describes a continuous effort to activate latent members or workers outside the union who can challenge injustices within the workplace (Holgate et al., 2018).

Power resources provide unions the strategic capacity to further their own interests and to regulate work by empowering workers through their representative function (Hyman, 1975; Lévesque and Murray, 2010). Trade unions can tap into or develop various power resources to effectively pursue and defend the interests of their constituencies. These can be either resources that are rooted in the institutional arrangements that govern the economy or in the trade unions' own characteristics (Gumbrell-McCormick and Hyman, 2013).

Institutional power is generated by the location of unions within different national regulatory contexts with historically different roles assumed by organised labour. In the UK, institutional power has been on the decline since the 1980s with the employment relationship becoming ever more individualised and unions accepting partnership agreements with employers which has contributed to their declining capacity to effectively protect the interests of workers (Badigannavar and Kelly, 2011; Heery, 2016). The emergence of these local agreements was driven by the desire to mend the growing antagonistic employment relations that emerged during the 1980s and to generate a two-way channel of communication between unions and employers. However, the demise of voluntarism and the growing systemic hostility towards organised labour have ultimately led to an unequal power relationship at the local level which saw employers gain the upper hand in collective bargaining. Indeed, while the partnership agenda broadened the role of the unions to include informal consultation and ongoing dialogue on a wide range of issues (Wilton, 2011), in reality trade unions lost the institutional lever of power that proved effective in securing better wages and working conditions. The corollary of the above is Kelly's (1996) argument that forming partnership agreements with management can weaken the trade union, suggesting that the partnership was born out of the necessity of trade unions to find alternative ways to re-institutionalise collective bargaining in the context of growing state hostility and employer unilateralism.

By comparison, structural power is defined as the 'power that results simply from the location of workers within the economic system' (Wright, 2000: 962). Wright (2000) further distinguishes between two subtypes of structural power: workplace bargaining power which is the power that workers possess because of their location, and marketplace bargaining power which is the power that workers can derive from tight labour markets. Within the context of supply chains, workplace bargaining power is influenced by the specific position that firms occupy within the production process and is essential for whether or not trade unions can activate other forms of power (Silver, 2003). The effectiveness of workplace bargaining power depends on the local capacity to acknowledge the location of the firm within the supply chain and the potential to cause disruptions. For instance, Bonacich and Wilson's (2008) study demonstrates that rationalised supply chains can provide workers with the opportunity to use stoppages in specific 'choke points' to advance their interests. By comparison, marketplace power is enhanced when firms cannot secure their labour needs through external recruitment. The situation can be caused by a variety of reasons: low levels of labour market segmentation, low levels of unemployment and underemployment, skill

mismatches generating an undersupply of specific skills in particular sectors of the economy, the capacity of workers to exit the labour market or emigration (Flecker et al., 2013; Silver, 2003). These conditions enhance the power of workers and trade unions in as much as firms will seek to retain existing employees in the absence of external recruitment opportunities.

Associational power encompasses ‘the various forms of power that result from the formation of collective organisations of workers’ (Wright, 2000: 962) and refers to the ability of unions to recruit and represent workers. It encompasses the array of resources that trade unions can utilise through their membership and is therefore ‘grounded most directly in worker solidarity’ (Doellgast et al. 2018: 19). Since associational power depends on the ability of workers to organise a broad membership base, exclusive union strategies that give up to the rationalisation agenda and exclude non-standard workers will weaken it (Doellgast et al. 2018; Wright and Lund 2003). In Kelly’s (1998) terms, a fragmented workforce gives employers the upper hand in setting terms and conditions since they can leverage existing divisions to prevent the articulation of common interests. Therefore, the ‘egalitarian commitments’ that can generate workplace solidarity become more difficult to articulate (Hyman, 1997: 521).

The common conjecture of these approaches is that the control and contestations over the labour process have consequences not only for working conditions but also for the capacity of workers to organise collectively. Thus, struggles at workplace and supply chain level underlie the balance of power between employer and workers. The following sections examine these issues through a detailed analysis of the power relations and outcomes across two firms that operate within the same supply chain. The case studies reveal that despite similar structural pressures, working conditions outcomes and union-management power relations differ substantially between the two firms. In addition, the two case studies provide insights into the role of workers as crucial agents of change at workplace and industry level.

3. Methodology and Case Selection

This paper is based on eighteen months of fieldwork in the Scottish Spirits Industry (SSI) undertaken between July 2013 and January 2015. The industry was traditionally producer-driven, with large spirits manufacturers playing a dominant role in setting the rules and

requirements within the supply chain (Marks et al., 1998). However, in the last twenty years this dominance has diminished. The internationalisation of the sector went hand-in-hand with the expansion of national and international markets prompted by discount-driven global supermarket chains (Scotch-whisky.org.uk, 2012). The intense concentration and consolidation of large supermarkets has enabled them to establish the entry requirements for the consumer market through mechanisms of influencing production and distribution processes across supply chains (Lichtenstein, 2009). Given these pressures, cost control compounded by lead and delivery targets has become a key concern for management of spirits manufacturers.

This study focused on medium and large-sized workplaces (with over 100 employees), since these are more likely to have established supply chain and human resource management practices with formalised approaches to employment relations. To control the heterogeneity of practices across different sectors and businesses, two workplaces operating within the same supply chain were selected. In addition, the case selection allowed for the isolation of the impact of lead firm policies across different suppliers as well as the effectiveness of strategies that trade unions used in response.

Data were gathered from two firms where different styles of trade unionism prevails. The first workplace, BottlingCo, is a spirit bottling site owned by an established medium-sized Scottish spirit manufacturer. The company employs 900 employees in the UK, with around 200 working in BottlingCo. BottlingCo bottles and packages different types of spirits and ships them to supermarkets both in the UK and around the world. The human resource management and employment relations strategies are managed centrally from the company's headquarters and practices are enacted by the managers at workplace level. The trade union in BottlingCo signed a partnership agreement in the late 1990s in order to avoid derecognition.

The second workplace, HaulageCo, is a well-established medium-sized logistics provider based in Scotland and owned by a larger investment group. The company employs 220 employees, the majority of whom are drivers. The company is managed through its headquarters where route controllers and office staff control and monitor the labour process and implement management practices with the purpose of further integrating the company within supply chain processes. These management practices were requisite for securing high-value contractual services to a number of spirits manufacturers, including BottlingCo. The trade union in HaulageCo had been recognised by management four years prior to the start of

fieldwork and since then has been able to successfully increase membership density within the workplace.

This article draws on qualitative data from 39 semi-structured interviews as well as focus groups, union meetings, observational fieldwork and documentary data. The themes of the interviews and focus groups included supply chain and market characteristics, the nature of work, the labour process and trade union activities. In both case studies all interviews were recorded and lasted at least 45 minutes with workers and line managers and more than one hour with senior managers and union representatives. In BottlingCo, 23 semi-structured interviews were conducted, including eleven shop-floor workers (of which seven were contracted on permanent, full time contracts and four on precarious contracts), seven senior, middle and line managers, one HR member of staff, the HR director and three union representatives. In addition to these interviews, two focus groups were conducted involving a total of eleven participants including senior and middle managers. At HaulageCo a total of sixteen semi-structured interviews were conducted with thirteen informants, including three union representatives and ten drivers (seven were union members). Primary data were also secured from four union branch meetings where union representatives and members discussed themes relevant to this research, particularly those related to management responses to supply chain dynamics and requirements and trade union recruitment and mobilisation strategies. In both case studies, data were also drawn from direct observation where long hours spent on companies' premises enabled the observation of informal interactions between employees and the ways in which they experienced working conditions. Secondary data were derived from official documents such as staff policy, HR documents, employment contracts, service level agreements, union-employer agreements and union meetings.

Following Miles and Huberman's (1994) interactive model, the data was thematically analysed in Nvivo using codes and sub-codes which were linked to specific topics such as supply chain rationalisation, labour process and the worker agency (Richards, 1999). In addition to these no other theme that might emerge from the data was excluded. Data reduction was utilised to systematise and analyse interviews, focus groups, meetings transcripts, observation notes and documents. A process of open, axial and selective coding was used to de-codify data, identify links and relationships between themes and produce integrative categories (Saunders et al., 2009). Throughout the analytical process, triangulation

of different data sources was used to refine and strengthen interpretations. Interviews and union meetings in different workplaces were particularly important to confirm and/or refute informants' recollections of events.

4. Findings

The analysis presented in this section is organised into two sub-sections. The first section covers the inter-firm dynamics and how these shape labour and the labour process in both case studies. The second covers how trade unions are constrained, or not, by supply chain pressures and how they are able to utilise their power resources.

4.1 Inter-firm power dynamics and labour process control

The two suppliers faced similar supply chain pressures. The inter-firm relations between BottlingCo and retailers were characterised by constant tensions rooted in supermarkets' strict product requirements. These were predicated upon achieving established targets related to price, quality and reliability of supply which could vary depending on the supermarkets' decision to offer unplanned promotions to consumers. Interviewees consistently reported problems associated with juggling the various, sometimes contradictory, pressures as the site manager commented:

With retailers we are constantly being told what specifications to follow. They pretty much set the standards for entering the consumer market. They'll set the price... they'll hold you against any label that is slightly off... they'll set arbitrary dates to put an order out and then change it for no apparent reason. I mean, this (...) will drive the way we organise work, the way we hire employees... it will also set the relationship we have with people working on the shop-floor. (Site Manager, BottlingCo)

Failing to meet such demands would result in financial penalties and ultimately being unlisted from the supermarkets' list of suppliers: 'There's always a threat if you let them [supermarkets] down... because you risk losing [business] to somebody else' (Supply Chain Manager 2, BottlingCo).

These pressures required management to rationalise the supply chain through policies that increased labour casualisation. Managers consistently justified the increasing reliance on numerical flexibility through the use of non-standard and precarious contracts for responding to fluctuations in demand. Documents from the HR department showed that temporary and annualised-hour contracts became so widespread that during demand peaks 70 percent of workers were employed on these non-standard contracts. Each non-standard contract had its purposes and its own terms and conditions. Temporary contracts were used to cope with predictable supply chain fluctuations since they could only be terminated after a week's notice period. In contrast, annualised-hour contracts allowed management to respond to sudden and unplanned changes since workers could be called in to work or sent home according to the needs of the firm. Moreover, workers employed on annualised-hour contracts could see their annual working hours shift depending on the forecasted demand for the upcoming year. In addition to these practices, the firm emphasised temporal flexibility that saw the replacement of the standard 38-hour working week coupled with overtime and shift rotation with varying shift patterns and unpredictable changes in shifts and rostering.

All workers highlighted the increasing precarious conditions in the workplace. For instance, one temporary worker reported that although individuals were offered fixed-term employment, oftentimes management terminated contracts before the end date in order to adjust staffing levels and control labour costs. Annualised-hour workers also reported unpredictable working time because 'management can take your hours like that' (Employee 9, BottlingCo). All workers also emphasised the increasingly uncertain nature of shift allocation, where many experienced 'last-minute calls to work' (Employee 5, BottlingCo) and others were 'sent home after two hours of getting to the bond, because demand was that low' (Employee 10, BottlingCo).

In HaulageCo, the inter-firm relations with spirits manufacturers, including BottlingCo, were also predicated on imbalanced power relations. HaulageCo competed directly for service agreements with another logistics provider operating within the same supply chain. The allocation of service agreements was contingent on whether companies complied with set supply chain requirements such as lead times, reliability of supply and cost competitiveness. Supply chain rationalisation meant that deliveries became increasingly unpredictable, a situation reported by interviewees in HaulageCo. This situation was also described by supply chain managers at BottlingCo, who typically stated that 'we are their [HaulageCo] biggest

customer, so if we suddenly have a peak and say “we really need that extra spirit”, we expect [HaulageCo] to respond promptly’ (Supply Chain Manager 3, BottlingCo). As a result, two union representatives at HaulageCo reported increasing managerial control over the labour process and drivers. One union representative commented:

They [HaulageCo management] have been pushed into providing more transparency and more traceability across the supply chain so that [BottlingCo] and others can optimise their production and further decrease labour costs. What’s been demanded at times is the requirement to diminish non-productive time which means finding solutions to better control drivers’ positions and movements.

(Union Representative 2, HaulageCo)

Practices implemented by HaulageCo management to cope with supply chain pressures created unintended consequences for drivers’ working conditions. Due to all drivers being contracted on a permanent full-time basis due to the ‘lack of certificated lorry drivers in the local labour market’ (Union Representative 1, HaulageCo), management had to rely on temporal flexibility to accommodate supply chain demands. All drivers and union representatives reported having to work more non-standard working hours and to accept unpredictable changes to schedules. Interviews were rife with accounts of drivers reporting changes in working time schedules, shift extensions or extra weekend shifts so that HaulageCo could respond to supply chain demands.

Interviewees also reported the introduction of tracking technology to provide detailed monitoring of drivers’ positions, establish more efficient routes and accurately plan and coordinate the loading and schedule of lorry movements. During interviews and union meetings, the majority of drivers emphasised that the system gradually stripped out the tacit knowledge acquired by experienced drivers and constrained them to comply with automation. In addition to this system of labour process control, union representatives reported that rationalisation had also generated poor working conditions and hazardous health and safety standards. According to one union representative, the pressures imposed on HaulageCo to provide more and better services at ever lower costs have led the company to ‘neglect the most basic health and safety standards if that means more return at the end of the year’ (Union Representative 1, HaulageCo).

4.2 Workers capacity and resources for regulating and shaping working conditions

Documents provided by the HR department and union representatives revealed that in BottlingCo, the trade union density rate was 56 percent and that it varied depending on contractual statuses. Nearly one hundred per cent of the permanent full time workers were union members, while only 10 percent of temporary workers and 56 percent of workers on annualised-hour contracts were unionised. Despite the relatively high level of union membership in the workplace, interviewees indicated that the union's associational and structural power resources remained low which reduced the union's capacity to mobilise workers around an inclusive agenda. The principal cause of weakness was the partnership agreement. Although it guaranteed recognition, the agreement proved detrimental for the interests of workers and was used as a means to rationalise working conditions and to recast the employment relationship along market principles.

Managers and union representatives recounted how the market would be the ultimate driver of change within the workplace. This rule was presented to the union and workers as an unavoidable characteristic of the business model. During an interview, one line-manager commented:

One of the biggest challenges in here is to actually make workers understand that we need to be prepared to adjust to the needs of the business. For me it's kind of common sense, but I need to constantly remind them [workers] that's beyond our control. (Line Manager 5, BottlingCo)

The union representatives legitimated management's discourse and defended the rationalisation agenda as part of the partnership approach the union adopted. Most workers highlighted that the union accepted the extensive use of flexible employment contracts justified on the grounds of having to follow the exigencies imposed by the supply chain. As one worker explained during an interview:

[During union meetings] what we are asked is if there are any legitimate reasons not to accept changes in shifts or things like that, then the line manager and the company expects us to accept these changes. Management requires a certain level of flexibility (...). We are asked to understand that and that's pretty much what reps try to explain. (Employee 5, BottlingCo)

These accounts show that the union response to growing pressures for flexibility has been to defensively align itself with management. Acting within the confines of the managerial agenda, the union implicitly consented to increasing casualisation of the workforce which, in turn, limited its capacity to recruit and organise precarious workers. For example, one union representative highlighted that contractual precariousness created ‘real barriers to engage with flexi[ble] workers’ (Union Representative 2, BottlingCo). The union representative elaborates on how numerical and temporal flexibility constrained the union to recruit new members:

Flexi[ble] workers are here for very short periods of time which makes it difficult to engage with them. And many of the times they are jumping from shift to shift, they don’t have fixed hours, which means we don’t know exactly when they’re here... the union struggles a wee bit to keep track of them, in a nutshell, really.
(Union representative 2, BottlingCo)

Recruitment constraints were compounded by workers’ perceptions that contracts were becoming increasingly precarious, which ‘laid bare their vulnerability towards the employer’ (Union Representative 2, BottlingCo). Non-standard workers backed the union’s view by discussing how precarious contracts were being used as a basis for subtle threats that intensified the feeling of vulnerability. One temporary worker commented during the interview that ‘you are often told that we get much better conditions than in other bonds (...) we get told “wake up and smell the coffee”’ (Employee 4, BottlingCo). Another temporary worker reported how she felt dependent on a relatively well-paid job ‘to boost finances, even for a short period of the year’ (Employee 2, BottlingCo). Workers also emphasised how the union was mostly focused on defending the interests of permanent, full-time workers but not those of the flexible workers. An annualised-hour worker discussing his involvement with the union in previous jobs, draws a comparison with the union at BottlingCo:

I used to be involved in the union in my previous job, I was a shop steward. But once I came into this company, the union doesn’t care much about the workers in here. They are full-timers’ orientated. They negotiate for us the pay and all that, but they don’t really care about the flexis [non-standard workers]. So I just went like that, cancelled my membership. (Employee 3, BottlingCo)

The inability of the union to articulate a common interest and pursue an inclusive agenda around workplace issues ultimately divested it of associational power. With mobilisation

becoming an impossibility, the union retreated into a defensive stance that relied entirely on an exclusive strategy (Doellgast et al., 2018). The narrowing associational resources impacted on the marketplace bargaining power of workers since management found it easier to access a large pool of non-standard workers to cope with fluctuations in demand.

In HaulageCo, despite being recognised by the employer only recently, the union organised 85 per cent of the workforce. Nevertheless, drivers and union representatives emphasised how supply chain rationalisation functioned as a repressive mechanism against drivers' agency. Half of the interviewed drivers and all union representatives reported that the implicit requirements to take on weekend shifts and longer working days constrained drivers' availability to participate in union meetings (which took place on Saturdays) and to 'properly carry out union rep tasks in a timely manner (...) from simple things like writing up meetings' agendas, to more complex... setting up training events and all that sort of stuff' (Union Representative 2, HaulageCo). Interviewees highlighted the role of the newly implemented tracking technology used by management to control and monitor drivers' positions and delivery times and establish more efficient routes as a key mechanism that constrained their capacity to exercise agency and control the labour process. One driver commented:

We are at a point where they [management] want to have all the control over work for the sake of hitting [supply chain] targets. We had control over work but with the sat-navs it's like taking away all that was ours and making us work like machines. (Driver 4, HaulageCo)

Another driver made it clear that repression was achieved because the satellite navigation system replaced any input drivers may have had during work:

What essentially sat-navs do is to silence folks out there (...). There's no voice anymore since the machine does that for you. (Driver 1, HaulageCo)

Despite these constraints, interviewees consistently emphasised the union's strategy to attract and engage with prospective new members by framing health and safety issues as a key problem in the workplace. Union representatives reported a range of health and safety training events aimed not only to develop drivers' skills, but also to promote associational power.

[Health and safety] training activities give drivers who are members another reason to stay in the union, because it's like realising that trade unions is [sic] not only about pay and they are also into training. To non-members we do ask for their feedback at the time they are attending these sessions, we ask them: 'are you a union member ... has it changed your perception of trade unions?' (...) we find people are increasingly joining the union because we are actually doing something about it, they see changes. (Union Representative 1, HaulageCo)

Union representatives further highlighted the way in which the union used its workplace bargaining power to improve the working conditions at HaulageCo. They acknowledged the strategic position that the union occupied within the supply chain and the ripple effects that industrial action could have since 'if industrial action would go forward it would halt the whole industry throughout Scotland.' (Union Representative 2, HaulageCo). The same union representative further stated:

The threat of industrial action is something we have used to our advantage to push [management] to sign a number of agreements (...) as soon as [spirit manufacturers] know we want industrial action they are right on at [HaulageCo's] Managing Director 'get it sorted or you can give up'. (Union Representative 2, HaulageCo)

Using its associational and structural power resources, the union articulated a broader view of the workplace that emphasised the commonalities across different firms and the need to mobilise coalitions and lobby for change at the sectoral level. Owing to the poor working conditions outlined above, union representatives often described the necessity to tackle this issue within and beyond HaulageCo's organisational boundaries. According to one union representative, union action was particularly focused on intermediating with other actors in the SSI to improve health and safety conditions across distilleries and bottling sites, where drivers frequently suffered injuries due to inconsistent working practices or hazardous facilities. After proposing a motion to the Scottish Whisky Association (SWA) requiring logistic companies and spirit manufacturers to upgrade the system of loading and unloading spirit tankers, the SWA issued a non-compulsory directive asking companies to do so by 2024. Agreements were signed by multiple actors at industry level with the aim of updating facilities across sites and eliminating unsafe work practices. One senior supply manager from

BottlingCo, confirming this intervention, elaborated on the role of the drivers' trade union in the process of negotiating agreements across the supply chain:

[HaulageCo] drivers have always been concerned with safety issues and they've put their case forward. So we were working with them [to introduce] the solera vat¹ which is a different way of working and operating. They [drivers] have flagged that up and rightly so. So whenever we are building new equipment we don't really want to wait for 2024 so we build it with this new system. (Senior Manager 4, BottlingCo)

The consequence of the agreement was twofold. First, it contributed to better working conditions at industry level by creating binding regulations for the whole industry. Second, it bolstered the legitimacy of the trade union by cementing its role as a relevant actor within and beyond their organisational boundaries.

5. Discussion

The aim of this article is to examine how pressures emanating from supply chains shape working conditions and industrial relations at workplace level. It contends that the current organisation of supply chains have several consequences for workers and organised labour. First, it shows that supply chain dynamics have a *disciplining effect* over labour, an effect that is driven by the enhanced capacity of management to secure workplace discipline and to shape working conditions. Therefore, the organisation of supply chains strengthens the management prerogative and diffuses the rationalisation agenda. This serves as a narrative to promote the harmonisation of employment and working practices in order to improve the flow of goods and services. A complex set of organisational changes, including the use of precarious work and the promotion of numerical and temporal flexibility is used to respond in a more cost-efficient and reliable manner to the demands of the markets.

Second, our findings also suggest that the labour process was shaped by the risks associated with highly volatile markets that existed *within* the supply chain. Similar to Moore and Newsome's (2018) study, this article shows that supply chain pressures intensified precariousness by forcing employers to externalise unproductive labour through early

termination of temporary contracts, unpredictable cuts of working time or unexpected changes in shifts and rostering. Therefore, as found in Moore and Newsome's (2018) and Price's (2016) studies, the evidence presented in this article shows that in the absence of powerful trade unions, efficiency and price rationales take precedence over concerns for workers' welfare. In addition, rationalisation also drove employers to implement technology that was used to increase control and transparency within the labour process in an effort to reduce the indeterminacy of labour. Technology in this study was not used solely to further integrate inter-firm relations (Bonacich and Hamilton, 2011) but also as a means of monitoring the invisible spaces within the supply chain (Newsome, 2015). In turn, the increasing demand for greater oversight and regulation over all aspects of the labour process resulted in workers being increasingly monitored and their discretion and involvement in the labour process being further curtailed. These findings enrich Price's (2016) and Wright and Lund's (2003) evidence on the mechanisms that link supply chain pressures, cost competition and the intensification of the labour process.

Third, the article discusses the broader implications of rationalisation for organised labour. It shows that trade unions can utilise their power resources to advance their interests (Gumbrell-McCormick and Hyman, 2013). Yet, as the two case studies show, success is neither easy to achieve nor a certainty even in the context of a relatively well-organised trade union. The BottlingCo case study suggests that despite relatively high levels of associational power, unions can be co-opted into promoting and defending managerial policies which results in weakness and a loss of legitimacy. The low institutional support (Badigannavar and Kelly, 2011; Heery, 2016) combined with slack local labour markets and a highly rationalised supply chain weakened the local trade union which ultimately internalised the managerial agenda.

The expansion of precarious labour observed in BottlingCo collides directly with the precondition of power balance that Kelly (1998) identifies as a crucial factor for mobilisation. While making the articulation of a sense of injustice more difficult, the growing number of precarious workers also reveals the limits of local trade unions and the difficulties associated with a *deep organising* approach (Holgate et al., 2018). It is therefore no surprise that the union's *exclusive* strategy (Doellgast et al., 2018) increasingly alienated both permanent and atypical workers.

This article also demonstrates that local partnerships acted as channels for rationalisation policies. In this sense, findings give weight to arguments that describe the partnership agenda as a symptom of trade union weakness (Kelly, 1996). Caught between competing goals, unions end up functioning rather as active advocates of management interests (Wilton, 2011). A related contribution is to stress that associational power is not solely a matter of union membership, density or legitimacy but it is also an outcome of the ways in which the unions' and their representatives' actions are shaped by the wider context in which they are embedded. The partnership agreement present in BottlingCo localised the potential conflict stemming from increasingly precarious contractual conditions and disabled union's capacity to frame a more encompassing agenda around precarious issues. In HaulageCo, in an attempt to reduce the indeterminacy of labour, management implemented new technological control which not only augmented the surveillance over the labour process but also restrained the drivers' input and agency over their own work (Thompson and Newsome, 2004). These findings demonstrate that control over the labour process is being shifted from the workplace to supply chain level (Thompson and Van den Broek, 2010), thus limiting the effectiveness of local union strategies.

However, in supply chain configurations where trade union regulation is possible, the strategic position of the workplace may enable and enhance specific power resources. In HaulageCo the local union strategically used health and safety standards as a platform to empower the process of mobilisation, organisation and creation of opportunities for action which enhanced its legitimacy amongst workers (Kelly, 1998). Most importantly, the HaulageCo case study shows that trade unions can be successful in defending workers' employment rights by exploiting the opportunities provided by the architecture of the supply chain. Even with weakened institutional support, the workplace strength combined with strong associational power provided the foundation for the local trade union to strategically take advantage of supply chain "choke points" (Bonacich and Wilson, 2008) and improve working conditions.

Key to this outcome is the central role that trade unions have in asserting coalitions with other organisations with the aim to regulate working conditions in highly pressurised supply chains. In HaulageCo, the union's successful attempt to reframe poor health and safety standards as an industry issue (rather than restricting it to their workplace) provided the opportunity for workers to enhance their bargaining power and to promote multi-sited governance

compromises. Therefore, the union compensated for the lack of institutional support with an *inclusive* strategy (Doellgast et al., 2018) that framed health and safety issues as a sectoral rather than workplace issue. In doing so, the union used its associational and structural power resources to make credible threats and promote the interests of its constituents. While this does not bode well for workers that do not occupy a strategic position within the supply chain, it serves to further highlight the need for broad multi-sited coalitions as well as innovative strategies to further workers' capacity to defend their interests.

This article identifies supply chain rationalisation as a form of control of the labour process and argues that it intersects with precarious forms of employment and the use of technology to give rise to indirect control strategies over worker agency. In doing so, this article contributes to current debates on union renewal by arguing that it is the detailed examination of the intersection between the supply chain dynamics (macro-level) and workplace outcomes (micro-level) that are crucial for understanding the factors that impact workers' capacity to organise and mobilise.

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Notes

1. Solera Vat is a container, which can be used in the whisky industry in the process of ageing and blending spirits.

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