Sleeping beauties? Exploring the dormant value of IR theory for understanding union mergers

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1. Introduction

In recent decades union mergers have fundamentally transformed the structure of many national labour movements. Most obviously, mergers have greatly reduced the total number of unions in countries such as Australia (Hose and Rimmer, 2002), the UK (Undy, 2008), and Germany (Waddington and Hoffmann, 2000), to name but a few. Concomitant with this has been the growing prevalence of huge, multi-industry 'conglomerate unions' (Streeck and Visser, 1997). The significance of these developments is apparent from the sizable literature on union mergers. However, a key criticism of much of this work is that it has not adequately theorized union mergers. As Baraldi, Sverke and Chaison (2006) recently put it: 'considerable research is needed in order to arrive at a generalizable theory of the union merger process' (p.500). This quote, in turn, echoes the long-standing concern that the field of industrial relations as a whole is theoretically underdeveloped (Marsden, 1982; Wilmann, 2005). Consequently, the explanatory power of IR theory is said to be, at best, modest (Kaufman 2010, p.75). This is the starting point for our paper, which seeks to explore both whether and how existing industrial relations theory can contribute to a more theoretically grounded understanding of union mergers.

The remainder of the paper is structured as follows. In section 2 we briefly review the existing literature to identify some of the key lines of inquiry in union merger research. Next, section 3 probes some of the most prominent theoretical frameworks in industrial relations for answers to key questions about union mergers. In particular, we consider John Kelly's (1998) 'mobilization theory', Richard Hyman's (1994, 1996, 2001) work on 'union identity', and the 'behavioural theory of labor negotiations', famously formulated by Richard Walton and Robert McKersie (1965). In section 4 we test the value which industrial relations theory can add to debates about union mergers by applying the most promising framework to two empirical cases drawn from Germany: the merger of the textile workers union GTB with the metalworkers union IG Metall, and the decision by the education union GEW to remain independent following merger talks with other unions. Finally, section 5 concludes by highlighting the significance of our approach for shedding new light on union merger phenomena.

2. Explaining union mergers: the need for a broader perspective

Since the pioneering works of authors such as Graham (1970) and Chaison (1982, 1986) a rich literature on union mergers has developed. While much of the earlier work tended to focus on merger incidents (i.e. two or more unions completing a merger) and the motivations for mergers, more recent studies have also emphasized issues of post-merger integration and the impact of mergers on union performance (Moody 2009). With respect to merger incidents and motivations, research has identified a range of explanatory factors. Rather than apply major existing industrial relations or union theories, however, many scholars have decided to draw on or develop interpretative frameworks tailored specifically to the union merger context.

One very popular, and indeed powerful, framework relies on the distinction between the role of "external" and "internal factors" in explaining merger phenomena (Waddington 1995: 2f ; Undy 2008: 16). While external factors refer to general economic cycles, technological developments as well as the role of political structures, most prominently the state and its agencies (Waddington 1995), internal factors include a union's leadership (Undy 2008. 16) but also focus on the character of unions' merger activity (for example differentiating between defensive, consolidatory and aggressive mergers) (Waddington 1995: 4).

Both sets of factors have been found to be important in the literature on German union mergers, our empirical case at hand. In terms of external factors, illustrative examples include the role of industry development (e.g. the blurring of traditional sectoral boundaries in the media industry) in creating new economic structures and thus demand for new systems of employee representation (see Keller 2001:9). It has been argued that the privatization of postal and telecommunication services along with the growing popularity of electronic forms of communications have challenged traditional forms of union representation.

Researchers have also examined a range of internal factors, highlighting in particular unions' considerations about remaining viable in deteriorating operating environments. From this perspective merger provide a solution to a union's membership decline and / or deteriorating financial position (see Waddington and Hoffmann, 2000). Other internal factors found to motivate union mergers include the desire to reduce inter-union competition or to re-calibrate power relations vis-à-vis the peak union confederation Deutscher Gewerkschaftsbund (DGB). For example, the merger which created the large German service sector union ver.di served both to reduce rivalry with the white collar union DAG (which had long competed with DGB unions) and to bundle the strength of its five founding unions against the dominating influence of IG Metall in the DGB (see Keller, 2005). It has also been argued that unions' political orientations have been an important factor shaping their merger choices (Kahmann, 2005).

While this work provides valuable insights into union merger incidents and their underlying motivations, it has less to say about how different explanatory factors interact and, more importantly, why some mergers succeed while others fail to materialize in often similar circumstances. Indeed, systematic analysis of failed mergers is a notable gap in the literature on German union mergers.

To better understand these processes, we propose an analytical approach which looks beyond different 'factors' to focus on merger decisions. Rather than just identify a set of external and internal 'factors' which may provide some explanatory value, we suggest it might be more fruitful to conceptualise union mergers as the product of a sequence of three logically distinct decisions. These decisions provide answers to the following questions: whether, with whom, and under which conditions should a union merge?

The first question (whether to merge at all) is the result of a union estimating its need to merge. Here many of those 'factors' identified in existing merger research play a crucial role If this first question is answered in the affirmative, the second decision that needs to be made concerns potential merger choices. This gives rise to the second question, with whom to merge? Even in Germany, a country with comparatively few unions, there is still some choice of merger partners. Finally, once a union has identified its preferred merger candidate, the next question is under which terms and conditions, or how, the two (or more) unions will merge. This third question thus concerns the issues which are negotiated in a merger

agreement. Effectively, the answer to this question will shape whether a merger constitutes an 'amalgamation' or an 'absorption / transfer' (Waddington 1995, Undy 2008).

By shifting the analytical focus from different 'factors' to the dimensions of the merger decision process, our approach also broadens the scope of union merger research. In particular, by investigating the merger decision process we can potentially gain novel insights not only on successful mergers (i.e. where negotiations between two or more unions result in them becoming a single organisation) but also about cases of failed mergers (where two or more unions engage in merger talks but ultimately decide against merging). To see whether the three dimension of the merger process we have identified can be grounded in existing union theory, we now turn to consider some of the most prominent frameworks found in the IR literature.

3. Union theory: Can it contribute to a better understanding of union mergers?

As the preceding review of the literature showed, to date IR scholars have developed and / or used an only limited range of theory to explain union mergers. In particular, we found that the merger research has been slow to draw on more 'general' IR or union theories. In this next section we therefore seek to assess the potential of such theories to advance our understanding of union mergers, focusing on three prominent approaches: John Kelly's (1998) 'mobilization theory', Richard Hyman's (1994, 1996, 2001) work on 'union identity', and the 'behavioural theory of labor negotiations' formulated by Richard Walton and Robert McKersie (1965). In particular, we draw out the conceptual implications of these three frameworks for thinking about key merger decisions: whether to merge, with whom to merge, and under which terms and conditions to merge.

'Rethinking Industrial Relations': John Kelly's (1998) mobilization theory

The publication of John Kelly's (1998) 'Rethinking Industrial Relations' arguably marks one of the most important theoretical developments in contemporary IR scholarship. Specifically, Kelly (1998) elaborates 'mobilization theory' as an innovative approach for thinking about union action and member participation. Since the book's publication mobilization theory has proven highly influential, representing one of the dominant frameworks referred to by labour scholars in recent years (Heery, 2005). Given its apparent significance, however, it is surprising that there have been no systematic attempts to apply mobilization theory to union mergers. This raises the question of whether mobilization theory can in fact shed new light on union merger phenomena?

In brief, Kelly's (1998) key concern is to understand *'how individuals are transformed into collective actors willing and able to create and sustain collective organization and engage in collective action against their employers'* (p.38). He looks to social movement theory for answers to these questions, synthesizing a subset of ideas and concepts from this literature to theorise collective action as the result of a sequence of interrelated processes involving five key factors: *interests*, *mobilization*, *organization*, *opportunity*, and *action* (Kelly, 1998, pp.24-38). Central to setting in motion the processes of collectivisation are workers' perceptions of injustice: '*Mobilization theory argues that collective organization and activity ultimately stem from employer actions that generate amongst employees a sense of injustice or illegitimacy'* (Kelly, 1998, p.44).

Having elaborated how individuals come to act collectively, Kelly then seeks to account for macro-level trends in collective action. He does so by linking changes in the levels and forms of collective action to 'long wave theory'. Put simply, long wave theory posits long-run fluctuations in economic development, whereby each 'wave' spans approximately 50 years and comprises roughly equal periods of both growth ('upswing') and decline ('downswing'). Kelly (1998) argues that the turning points between growth and decline cause ruptures to prevailing industrial relations arrangements, giving rise to heightened conflict between labour and capital (p.86). Mobilization theory serves as a means of accounting for these phases of significant industrial relations conflict (Kelly, 1998, p.107).

In developing his argument, Kelly traces historical variations in a range of macro-level level industrial relations phenomena, focusing primarily on levels of strike activity in a number of major capitalist economies. Importantly, however, Kelly (1998, p. 86) explicitly identifies union mergers as one of a number of other IR indicators also associated with long wave dynamics. He goes on to briefly examine data for Britain, Sweden and the Netherlands, suggesting an association between elevated levels of union merger activity and long wave ruptures which he identifies across these three countries. This observation is significant because it suggests that mobilisation theory may help to account for *merger trends* at the macro-level. In particular, based on Kelly's (1998) logic the general propensity of unions to merge will vary in line with long-run fluctuations in economic development.

Notwithstanding its potential contribution to the development of *macro-level* merger theory, Kelly's (1998) framework is less relevant for explaining merger decision processes at the level of *individual* unions. In particular, while mobilisation theory might help to account for a union's positive disposition to merge (as part of a broader, movement-wide trend resulting from long wave dynamics), it tells us nothing about the other aspects of merger decisions, i.e. a union's choice of merger partners (with *whom* it merges) or merger details (the *terms and conditions* necessary for merger).

Richard Hyman's 'union identity' framework

The second theoretical approach we consider is Richard Hyman's work on 'union identity'. In a series of important contributions he developed and refined an analytical framework which relies on the concept of union identity to distinguish different 'ideal types' of unionism (Hyman, 1994, 1996, 2001). In particular, he identifies different union identities which prioritize the pursuit of particular union functions, and which derive from different underlying ideological orientations. He sees unions as capable of exercising a degree of choice over which identity they assume, which in turn provides them with some scope to adapt to changing environments by re-orienting their strategies.

Hyman's most comprehensive formulation of union identity theory to date is found in *Understanding European Trade Unionism* (2001). In this book he posits that the different *national union movements* in Europe can be located along the sides of an 'eternal triangle' of union identity. The three points of the triangle represent competing ideological orientations ('market', 'class', and 'society'), each associated with its own ideal-type model of unionism ('business unionism', 'agencies of class', and 'social partners'). In practice, a union movement's identity will tend to be shaped by two of the three ideological dimensions (Hyman, 2001, pp.4-5). Much like Kelly's (1998) mobilization theory, however, Hyman's (1994, 2001) 'union identity' framework has not been used to systematically examine union

merger phenomena. Thus, we next consider whether and how union identity theory might in fact shed light on merger decision processes.

Turning first to the question of *with whom to merge,* we suggest that Hyman's framework can help to account for a union's choice of merger partner. In particular, it seems likely that union identity is one of the key criteria by which unions select potential merger partners. Simply put, a union contemplating merger is more likely to favour unions with similar or matching identities as possible candidates. This can be illustrated using his earlier (1996, p.70) five-fold typology of union identities ('guild', 'friendly society', 'company union', 'social partner', and 'social movement') (Hyman, 1996, p.70). For example, while there might be some scope for a merger between unions of the 'friendly society' and 'guild' variety, there would seem to be far less common ideological ground for a merger of 'social partner' and 'social movement' unions. More generally, union identity is likely to form one of the considerations shaping a union's shortlist of potential merger candidates, with preference given to those unions with matching or similar identities.

However, union identity theory tells us little about a union's general disposition towards merger, i.e. *whether or not* to merge at all. Similarly, the theory sheds no light on the terms and conditions *under which* a union will consider merging. Thus union identity theory falls short of providing a comprehensive framework for analysing key merger decision processes.

A behavioural theory of merger negotiations? Interrogating Walton and McKersie (1965)

Having discussed two more recent IR theories, the paper now turns to examine one of the discipline's 'classics', Walton and McKersie's (1965) 'behavioral theory of labor negotiations', in relation to union merger phenomena. Walton and McKersie's (1965) primary aim was to develop a framework to capture the complexities of collective bargaining negotiations. Emphasizing the significance of negotiators' choices and the interaction of distinct elements of the bargaining process, the impact of their framework has extended well beyond the analysis of collective bargaining negotiations, and indeed industrial relations more generally. For example, the authors themselves have subsequently used their approach to explain negotiations in the arena of civil rights and international affairs (Walton and McKersie, 1965: 382ff), while others have applied it in the areas of dispute resolution policy (Susskind 2003) or environmental issues (Bazerman/Hoffman 2003). Given the theory's widespread appeal, and the prominent role of negotiations in the union merger process, it is perplexing to find that union scholars have not drawn on Walton and McKersie's (1965) framework for explaining union merger phenomena.

Central to Walton and McKersie's (1965) approach is the idea that bargaining negotiations involve four distinct but interrelated 'systems of activity' ('distributive, integrative, and intra-organizational bargaining', as well as 'attitudinal structuring') each of which has 'its own function for the interacting parties, its own internal logics, and its own identifiable set of instrumental acts or tactics.' (p.4). This confronts negotiators with a series of dilemmas as they juggle to reconcile the often competing objectives of the four concurrent bargaining processes. The way they decide to manage these challenges during negotiations will be reflected in the outcomes of bargaining.

Given its focus on negotiation, Walton and McKersie's (1965) framework has important implications for conceptualising merger activity. In particular, mergers are essentially the outcome of negotiations between different unions. Earlier, we identified three fundamental

decisions as central to explaining union merger activity (*whether*, *with whom*, and under *which conditions* to merge), and all are likely to involve negotiations. For example, an internal debate between a union's leadership about the relative merits of merger is likely to precede any decision to consider merging with another union. Similarly, once potential merger candidates have been identified, the leaders of the respective unions can be expected to negotiate the terms and conditions on which they might reach a merger agreement.

[table 1 about here]

Taking stock of the preceding survey of the three IR theories, table 1 above briefly summarises their respective potential to explain merger decision processes. It shows that, on balance, Walton and McKersie's (1965) framework offers the greatest prospects of providing answers to the three key questions which shape a union's merger activity. Thus it is Walton and McKersie's (1965) theory that we put to the test empirically in section 5. Before doing so, however, we outline the context of union mergers in Germany, from which our empirical data is drawn.

4. Politics of union merger and of independence

[figure 1 about here]

Figure 1 shows the development of the German union structure in the post WWII period. After its consolidation in the 1950s there was hardly any change to the movement's structure for the next four decades. Indeed, with the exception of the Police union GdP joining the DGB in 1978, the number of unions affiliated to the main national confederation remained steady at 16/17 until the late 1980s. (Streeck/Visser, 1997). This is remarkable because during the same period, the union movements in others European countries were subject to multiple waves of mergers and restructuring. In Germany, no mergers occurred until 1989, when the small artists union Gewerkschaft Kunst merged with the printers union IG DruPa. It was only from the mid-90s that merger activity increased dramatically. In 1996 the construction workers union IG BSE joined forces with the small agricultural workers and florists' union GGLF to create a new union called IG (IG BAU). Also in 1996 the powerful IG Metall absorbed the textile workers union GTB, followed in 2000 by the wood and plastics union GHK. In 1997 the chemical workers merged with the small Leather workers union (Gewerkschaft Leder) as well as the declining but still wealthy mineworkers union (IG BE) to form a new union named IG Bergbau-Chemie-Energie (IG BCE). The biggest merger to date came in 2001, when the United Service Sector Union ver.di was borne from the merger of five unions: the above-mentioned IG Medien along with the retail and banking union (HBV), the postal workers union (DPG), the public services union (ÖTV) and the white collar employees union DAG which, unlike the other four unions, had not been affiliated to the DGB. At the time of writing (Spring 2012) no new mergers had occurred since 2010, when GDBA, the union of civil servants employed by the German railways, amalgamated with the DGB-affiliated rail industry union Transnet to form EVG (Eisenbahn- und Verkehrsgewerkschaft – Rail and transport union). Thus most union mergers in Germany took place between 1996 and 2001, at a time when German unions had suffered prolonged membership decline and financial hardship.

[figure two about here]

While this high level of merger activity over a relatively short period of time is striking, the picture becomes even dramatic when the cases of unsuccessful merger are added. Figure 2 provides an overview of those cases where pre-merger cooperation agreements or actual merger talks were entered but which ultimately failed to result in a union amalgamation or absorption. This information is drawn from various published sources. Given that not all peak-level talks and negotiations were made public, we assume that the picture is likely to underestimate rather than exaggerate the true level of merger activity. Dotted lines indicate merger or cooperation negotiations/agreements between two participating unions. The letter in brackets indicates whether a merger or cooperation was publicly proposed (V), talks about a merger had been under way at the peak level (G), union leadership had voiced its intent to pursue a merger in public (A), or a cooperation agreement has been signed (K). If available, the figure also displays the Month and year of those activities.

As the figure also displays, there were multiple initiatives whereby more than two unions agreed to/entered talks for further cooperation or even a merger. Unions involved in those initiatives are highlighted by rectangular structures. The most famous of those cooperation-agreements/negotiations is the so called "five little tigers" project, whereby five rather small DGB affiliates agreed to share important resources such as offices and staff and cooperate on a variety of aspects. When considering both actual mergers and failed merger attempts two things stand out: First, overall merger activity – though restricted to a rather brief time period – was extensive, halving the total number of the DGB's affiliates from 16 to 8. Second and even more striking, unsuccessful merger incidents outnumbered actual mergers by two to one.

[table 2 about here]

Put differently: the odds are much higher that merger negotiations fail than that they result in an actual merger. Even so, both outcomes (merger success and failure) result from a negotiation process that can be conceptualized using Walton and McKersie's (1965) seminal framework.

5. Negotiating union mergers: What can we learn from Walton and McKersie (1965) ?

As already indicated, we argue that mergers (successful and failed) can be understood as the result of negotiations between two or more independent unions. We have suggested that these negotiations are framed by three questions: whether, with whom, and under which conditions to merge. Arguably, the three questions follow a sequence. If a union decides against entering negotiations for a merger, it will not need to pick a partner (question two) or negotiate the terms and conditions of the merger (question three). As will be shown in the case study of GEW below, however, these questions might be circular. Specifically, if two unions negotiating the terms and conditions of a merger (question three) fail to reach an agreement, they might decide to refrain from pursuing mergers altogether (thus revising their earlier decision on question one), or they might enter talks with an alternative merger partner (thus revising their earlier decision on question two). Viewed through the lens of Walton and McKersie's (1965) framework, these three questions emphasize or de-emphasize different aspects of the negotiating process ('distributive, integrative, and intra-organizational bargaining', as well as 'attitudinal structuring').

To begin with, the first question in the merger process - whether to merge at all - is beyond the scope of Walton/McKersie's (1965) framework because it takes the form of a (unilateral) decision by the union, and thus is not negotiated. However, the two remaining questions both involve important elements of negotiation. Specifically, the question under which conditions to merge is subject to distributive bargaining. Unlike in collective bargaining where profits

are divided up between the negotiating parties, union merger negotiations involve the distribution of organizational assets. In particular, the two or more unions negotiating a merger each have assets such as strike-funds, property, offices, organizational structures and staff to bring to the bargaining table, which can be used in different ways within the new, combined organization.

As far as 'integrative bargaining' is concerned, both unions are likely to have many problems to solve – hence considering merger in the first place. This search for solutions is, once again, closely associated with the question of terms and conditions under which a merger ought to take place. The unions involved in the negotiations have to agree on a general model of unionism for the merged organization. For example, the unions need to decide whether they will emphasize member servicing or organizing, or whether they will rely primarily on enterprise-level works councils or paid union staff. While these different preferences are not necessarily mutually exclusive, there is nonetheless a need to agree on the general focus for the new, merged organization.

'Attitudinal structuring', Walton/McKersie's (1965) third system of bargaining, is strongly related to the question with whom a union seeks to merge. While the importance of general union attitudes such as 'left-wing' versus 'right-wing' or 'militant' versus 'moderate' has frequently been overstated in the literature , it would be hard to dismiss that such general orientations play a part in shaping a union's self-understanding and its public image. In the context of union mergers, attitudinal similarity or closeness between two unions might be considered a factor in choosing merger candidates.

Finally, the system of intra-organizational bargaining strongly resonates with the question of with whom to merge, but might also have implications for whether a merger is a consideration in the first place. Walton and McKersie (1965) understand intra-organizational bargaining as involving negotiations involving peak-level representatives of the union and the employer side on the one hand and their respective constituents on the other hand. However, union mergers involve internal negotiations between multiple different actors at various levels in the organizations involved. At the basis of this hierarchy of internal negotiations are the delegates representing members at union conventions. According to German law, it's not the union members who are required to take a vote on a merger proposal, but rather their convention delegates. A second important group involved in internal merger negotiations, albeit indirectly, are the paid union officials in the field. These include full-time representatives in the local offices but also officials employed in the union's state-level structures. Thirdly, there are officials employed in the national headquarters who, although not elected, exercise significant control over the union's day-to-day operations. Finally, there is the union peak leadership, primarily comprised of elected board members paid by the union. In most German unions the core group of the peak leadership is comprised of the union's president, vice-presidents and in many cases the secretary treasurer. In short, intra-organization bargaining during union merger negotiations can be complex, involving negotiations between various types of honorary, paid, and elected union officials across various levels of the organization.

Following Walton and McKersie (1965) we expect these four sub-processes of merger negotiations to occur concurrently and to shape each other. We explore the nature of these interactions empirically in the following case studies of GTB (successful merger) and GEW (failed merger).

A) The case of the textile workers' union GTB

Background and merger context

With coverage of a persistently declining local industry, by the late 1980s the textile workers' union GTB had suffered prolonged membership losses. Even at times when other unions in the DGB were able to consolidate or expand their membership, GTB kept losing members. Starting with more than 409,000 members in 1950, by the time of the German unification in 1990 its membership had declined to 250,000. While unification brought a temporary spike in new members as 100,000 former East German textile workers joined GTB's ranks, its membership continued to decline significantly in subsequent years. By 1997, the final year of the union's existence, GTB's membership had shrunk to 180,000. Given that the German textile industry was in almost terminal decline, it was difficult to see how GTB could reverse this development by recruiting new members. According to some of the union's key representatives, GTB had little hope of remaining independently viable.

Yet while merger appeared inevitable, GTB still had some choice about when and, more importantly, with which other union to join forces. Starting in 1992, one year after the union's expansion into eastern Germany, it began talks about a possible cooperation or merger with the chemical workers union CPK, and later considered partnering up with the small leather workers GL. In particular, the GL merger option was considered a potential means of becoming part of the newly formed chemical, engineering and mining industry union BCE (that union was created in 1997 through the merger of the leatherworkers', the mineworkers' and the chemical workers' unions). Indeed, merger negotiations between IG BCE and GTB ensued in 1996, with the leadership of the chemical workers believing that there were reasonably good prospects of soon welcoming the 180,000-strong GTB into its ranks. However, BCE's hopes were dashed when IG Metall made GTB an alternative offer, which ultimately gained the support of the majority of delegates to the 1997 textile workers' union convention.

From the vantage point of merger negotiations these developments are remarkable in two key ways: first, GTB's position was such that it had no choice but to merge – at least this was how its leadership perceived the situation. Faced with ongoing industry decline in Germany, with many jobs shifting to low wage countries in Asia, Eastern Europe and Central America, there was little hope of organizational recovery. Second, the union had some choice of merger partners, with both IG Metall and IG BCE representing viable options.

Above all else GTB saw its merger with IG Metall as the best way to ensure the survival of union representation in its former jurisdiction. For the metalworkers, the absorption of GTB meant not only an influx of 'new' members and therefore resources, but also a favourable shift in the balance of power within the DGB. Specifically, with GTB on board, IG Metall was able to consolidate, at least temporarily, it's leading role within the DGB, keeping IG BCE and the public sector union ÖTV at bay. This is the general context in which merger negotiations took place. As will be shown next, this process involved multiple interrelationships between Walton and McKersie's (1965) four sub-systems of bargaining.

Distributive and integrative bargaining

At the heart of the analysis of GTB's merger negotiations with both BCE and IG Metall are the two systems of distributive and integrative bargaining. The major assets to be distributed between the two unions were staff and offices. At the time of merger negotiations, GTB still operated 32 local union offices throughout the country and employed about 220 full-time

union representatives. Historically, GTB had established its offices close to its members, in or near centres of textile production. Many of these had been in non-urban areas, with little manufacturing industry other than textiles. By the mid-90s the remnants of the German textile industry were unevenly distributed around the country, clustering within a few regions in the federal states of Bavaria and Lower Saxony, and more generally in a very small number of areas elsewhere (e.g. Möchengladbach). For GTB, a key issue in negotiations was that its members in these locations would continue to be effectively serviced after any merger. This turned out to be a key issue in distributive bargaining with BCE.

Similar to GTB in its jurisdiction, BCE had invested much of its resources in the creation of 60 union offices proximal to the major chemical plants which employed the bulk of its members. However, there was little geographical overlap between the sites of textile manufacturing and chemical processing in Germany. GTB wanted its offices and full-time representatives to be where its remaining members were. This created a dilemma, as maintaining both 'sets' of local offices after the merger would have been costly, basically reducing potential economies of scale from joining the two unions. Even more off-putting for GTB was the prospect of workplace activists and union officials having to drive long distances to the nearest union office or textile factory respectively, reducing interaction between officials and the shop floor and thus potentially alienating members from their union. By contrast, IG Metall had about 180 local offices at the time of the merger negotiations, suggesting that it would be able to better accommodate the textile workers' expectations of post-merger support and servicing at the local level.

As envisaged by Walton and McKersie (1965), distributive bargaining was closely connected to the processes of integrative bargaining in GTB's merger negotiations. In particular, concerns about the allocation of union resources to ensure a meaningful local union presence and effective member servicing reflected the broader challenge of achieving the right balance between professional union support and self-sufficient workplace union organization after the merger. While the debate about the relative merits of the 'servicing' and 'organising' models of unionism has never been as prominent in Germany as in the US, it nevertheless has some implications for conceptualizing union behavior in Germany. In particular, GTB operated in an industry comprised largely of small and medium sized firms, and thus could not rely on strong and professional works councils for support at the establishment level. Notably, German law provides greater support to works councils in larger establishments, especially by requiring employers to provide material support to fund the exemption of full-time works councilors from their regular work duties. While unions in other industries (most prominently the chemical and metal workers) can rely on a large number of full-time, highly skilled works councilors to take care of issues at the establishment level, GTB had to rely on full time officials to perform much of the day-to day servicing of members in plants. Accordingly GTB officials were renowned for spending most of their workday 'on the road', visiting workers at the coalface and assisting local works councilors in resolving members' grievances (Interviews).

While GTB officials took considerable pride in providing members and works councilors with hands-on support, IG Metall's approach focused more on educating and supporting works councilors and shop stewards to service members autonomously. This is not to say that IG Metall did not provide extensive professional support and guidance at the local level where necessary, but rather than it was reluctant to tell each and every local activist what to do. In terms of Walton and McKersie's (1965) negotiation theory, the tension between IG Metall's more 'managerial' or 'hands-off' approach and GTB's more 'proactive' or 'hands-on' approach to servicing members and activists constituted an issue for integrative bargaining.

Attitudinal structuring and intra-organizational bargaining

As the above review of the literature noted, unions' political orientations have been found to be a factor in shaping merger phenomena. Walton and McKersie's (1965) bargaining process of *attitudinal structuring* provides a useful way of conceptualizing the role of political ideologies in union merger negotiations. In German debates unions' political orientations have frequently been described in dichotomous terms. For example, unions have been variously described as either 'forces of order' (Ordnungsfaktor) or 'countervailing forces' (Gegenmacht), 'social partners' (Sozialpartnerorganisation) or 'fighting unions' (kämpferische Gewerkschaft), 'moderate' or 'militant', or more broadly as either 'left-wing' or 'right-wing'. Both popular and academic analysis has tended to classify unions as belonging to these contrasting camps. Applied to our analysis, the chemical workers BCE (and its predecessors) and GTB were considered more moderate unions, while IG Metall, the media union (IG Medien), the retail and banking employees union (HBV) and the wood and plastics workers union (GHK) were considered part of the more militant wing within the DGB. When focusing on matching union-ideology, the obvious choice for GTB would have been the chemical workers' union BCE, rather than IG Metall. Apparently, a close match of union attitudes was not a factor to drive the GTB's choice of a partner for merger.

Finally, Walton/McKersie's (1965) treatment of *intra-organizational bargaining* suggests that multiple organizational tiers need to be considered when trying to make sense of union merger negotiations. Unlike in collective bargaining where peak negotiators and union leaders tend to be key players, the picture is typically more complex in union merger negotiations. In the case of GTB, the union's leadership drove merger negotiations while paying particular attention to the views of senior officials within the union's national headquarters in Düsseldorf. As one interviewee explained, many of the elected members of the GTB's executive board were close to their retirement age at the time of the merger negotiations.[1] Taking the view that 'it's you who'll be running the union after the merger, not us', GTB's leadership thus afforded particular priority to the merger preferences of the union's administration. While GTB's executive board (including the union's president) had a clear preference for merging with the chemical workers, a strong majority within the national peak administration preferred IG Metall as a merger partner.

For GTB's president Willi Ahrens and his board the more moderate chemical workers were the ideal partner due to the close ideological fit between the two unions. By contrast, the merger preferences of many senior officials in the union's administration were shaped by distributive rather than by attitudinal considerations. In particular, while IG Metall operated about 180 local union offices, the chemical workers had only 60 local offices. Thus, on a practical level many senior GTB officials considered IG Metall the better choice for ensuring appropriate member support through an expansive network of local union offices. This option also appealed to many officials on a more personal level since it reduced the likelihood of them having to relocate as a result of any post-merger consolidation of local union offices.

The final factor causing distributive bargaining issues to prevail over attitudinal considerations was regional particularity. Specifically, within IG Metall its Baden-

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[1] In Germany there is a mandatory retirement age at 65 which, even given that they would not be legally bound to it, is obeyed by the unions. Usually, officials do not run for another term in office if they should turn 65 at some point during their term. This rule was even enforced after the unions have voice strong opposition against the government's plan to extend the retirement age to 67.

Württemberg district is traditionally among the most powerful branches (being home to major companies such as Bosch, Mercedes, Porsche and many producers of machinery with large local production facilities), and its local leadership at the time of merger negotiations was more moderate than that of many of the metalworkers' other district branches. Indeed, the leaders of GTB and IG Metall in Baden- Württemberg were close in terms of union politics, and thus agreed to jointly attempt to convince the metalworkers' national leadership to make a merger offer to GTB. At that point GTB's national executive was already in negotiations with BCE, so that IG Metall effectively entered into a competitive bidding process with the chemical workers. Presented with this opportunity, GTB issued a catalogue of 10 key demands to both BCE and IG Metall, asking them to provide their respective positions on these issues. While the chemical workers were at first somewhat reluctant to concede all of GTB's demands, in a somewhat surprising move IG Metall launched a 'blitz attack' and agreed to all the textile workers' demands.

By setting out ten key demands to both its potential merger candidates, GTB effectively adopted a negotiating strategy of 'firm commitment' (Walton and McKersie, 1965). By quickly agreeing to these demands, IG Metall basically 'bumped' the chemical workers out of the game. Moreover, GTB's early firm commitment strategy effectively sped up the process of merger negotiations, thereby reducing the scope for integrative bargaining. As Walton and McKersie (1965) emphasize, successful integrative bargaining tends to take time. Indeed, tensions between IG Metall's more 'hands-off' and GTB's more 'hands-on' approach to local union services were not reconciled in merger negotiations. Finding a mutually acceptable solution would have required more time to allow both parties to adopt a problem-solving attitude and communicate better. Given that IG Metall sought to out-bid BCE, this longer time-frame was not available. This contrasts with the merger process in the case of ver.di, where negotiations spanned several years to make sure the negotiated outcome addressed the major concerns of all parties involved.

B) The case of the teachers' union GEW

Background and merger context

GEW's membership development in many respects followed the pattern of its fellow affiliates to the DGB. When the German union movement was reconstructed after WWII, GEW started out with a rather low membership of 61,000 (1950). While other unions grew along with the expanding German economy of the 1950s and 60s, the teachers' union GEW grew along with the expansion of the German education system throughout the 1970s, reaching 180,000 members in the late 1980s. Membership had remained stable throughout the 1980s, but began to decline continuously shortly after the country's unification in 1990 had brought close to 200,000 East German teachers into the union. While most German unions have been unable to halt ongoing membership decline to date, GEW reached its low point in 2007 when numbers dropped to 248,000 members. However, from 2008 onwards GEW recovered lost ground, and by 2011 it had increased its membership to 263,000.

Generally known as the 'teachers' union' GEW was long considered the 'odd child' within the DGB. This was the case for two reasons: First, GEW stood out because of its strong focus on only one occupation. While most affiliates within the peak confederation organized their members along the lines of entire industries, GEW focused solely on representing school teachers. Its 'occupational unionism' stood in contrast to the 'industrial unionism' characteristic of most other DGB unions. Second, and again untypical for DGB affiliates,

GEW faced serious competition from rival unions in other confederations. In particular, the Deutscher Beamtenbund (Confederation of Civil Servants, DBB) had established seven separate unions to compete with GEW for members in each of the different school types comprising the German education system. Unlike its competitors, GEW organized not only teachers with life-time civil servant status, but had more recently opened its ranks to the growing number of teachers working in regular employment relationships, too. Nonetheless, both GEW and its DBB rivals had memberships principally comprised of teachers with life-time civil servant status. As far as union politics and union profile are concerned, this is important because civil servants' wages, hours and working conditions are not regulated through collective agreements but unilaterally defined by the state (Länder) governments. In practice, the states have for decades used this power to voluntarily extend the collectively agreed standards of 'regular' public sector employees to also apply to civil servants. The principal union negotiating collective agreements for the public sector was ÖTV. Effectively, GEW played no autonomous role in collective bargaining, but instead depended on ÖTV to negotiate wage increases which then flowed through to its members, too.

This pattern changed dramatically when the German unification in 1990 brought a substantial number of teachers from the 'new' eastern states into the union, many of which were employees rather than civil servants. This divergence in employment status arose because the governments of the eastern states had faced severe budget constraints and thus decided to engage teachers as regular employees, rather than granting them the more expensive status of civil servants. Technically, this meant that GEW was suddenly responsible for representing this new membership segment in collective bargaining, a role with which the union had very little previous experience. Although GEW was unable to assume the primary responsibility for negotiating teachers' wages, it nonetheless began to participate in collective agreement-making through a bargaining alliance with ver.di (ÖTV's successor). In recent years GEW has sought to expand its collective bargaining role, illustrated by its push for the introduction of a separate wage classification system for teachers in the public sector framework agreement. Consequently, GEW is becoming more similar to its fellow DGB unions in both form and function, gradually shedding its status as the confederation's 'odd child'.

The merger option: internal divisions

Although GEW suffered ongoing membership losses in the years after its expansion to eastern Germany, the union nonetheless held fast to its organizational independence. In 1996, when most DGB unions were heavily engaged in merger talks (see above), GEW bucked the trend and simply watched proceedings from the sidelines. Indeed, in December 1996 GEW's executive board passed a resolution declaring that the union was not interested in participating in merger talks (Luz 2008, p. 21). However, less than a year later GEW substantially revised its position, now considering merger a feasible strategic option. The reason for this sudden about-face was strongly related to a change in the union's leadership. Specifically, at GEW's national convention in Mai 1997 the union's long-time president Dieter Wunder was replaced by Eva-Maria Stange. Hailing from Saxony, one of Germany's new eastern states, Stange was enthusiastic about the prospect of merging. Shortly after she took office, Stange participated in one of the first of a number of 'inofficial' meetings with other unions (ÖTV, HBV, IG Medien, GdED, DPG, NGG and DAG) to discuss the possibility of merging to create a huge, single new union for the service sector.

While parts of GEW were in favour of merging, this move was highly contested within the union. Ultimately, the internal debate was resolved at an extraordinary union conference held in Mai 1999 in Würzburg. After four of the GEW's state branches put forward a merger proposal, this was rejected by a 58 percent majority of delegates, ensuring the union's

continued organizational independence. The conference also passed a separate resolution entitled "GEW – The education union" (GEW – Die Bildungsgewerkschaft), which amounted to a policy program for GEW's independent future. It developed the vision of a union for all workers in the wider education system, including schools, childcare, university and research institutes, open not just to civil servants and employees but also to retirees, apprentices, tertiary students, and the unemployed. This involved a new emphasis on collective bargaining alongside its traditional role as a political actor dedicated to the development of the education system.

Merger negotiations engender ongoing independence – a paradox?

In contrast to the case of the textile workers discussed above, GEW's involvement in merger talks did not result in an actual merger. Rather, the very prospect of merger generated an internal dynamic which paved the way for continued organizational independence.
In particular, from the perspective of union-president Stange and the other advocates of a GEW merger, the union's rejection of this option clearly constituted a case of failed merger negotiations. This camp had aimed to lead GEW into the proposed larger service sector union but their efforts were thwarted by the overwhelming rejection of the merger option by the delegates to the Würzburg convention. Yet GEW's proponents of continued organizational independence had an agenda that extended beyond the mere cessation of merger talks. For this rival camp, halting merger negotiations went hand-in-hand with re-creating GEW as a major independent union. Unlike in typical merger negotiations, this involved not a carving up of the assets between two or more unions planning to combine (distributive bargaining), nor the identification of merger partners with similar political orientations (attitudinal structuring). Instead, GEW's re-positioning as an independent education union involved an emphasis on the internal development of new and improved ways of worker representation.   In other words, re-inventing GEW as a new, encompassing education union involved intra-organizational bargaining to secure integrative outcomes. In particular, GEW added a new element to its repertoire through its growing emphasis on collective bargaining for both 'regularly employed' public school teachers and childcare workers.[2] Not surprisingly, GEW's attempt to reposition itself as an encompassing education sector union has led to tensions with the main service sector union ver.di, which has overlapping coverage in childcare, universities, and research facilities. Indeed, an important argument made by GEW's merger proponents was that joining the proposed service sector union (which ultimately became ver.di) would reduce inter-union competition. In this sense, GEW's negotiations for merger (or independence) were also about developing a general understanding of the education union's role: Should GEW predominantly act as a collective bargaining agent, developing unity and maximising resources and power for bargaining, or rather place more emphasis on giving educators greater voice in shaping the structure and content of their product: training and education? After GEW rejected the merger option, internal negotiations helped to clarify these matters, resulting in integrative outcomes (i.e. a new vision).
Closely connected to these integrative negotiations over the independent union's direction was a process of attitudinal structuring. Again, the concept requires adaption to the GEW's context of failed merger. Unlike in the case of merger negotiations between two unions, e.g. the case of textile workers above, the challenge for GEW was not to align and or / reconcile more 'moderate' with more 'radical' racial union traditions and ideologies. Rather, for GEW the fundamental consideration in attitudinal structuring was about *how* political the new,

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[2] There are two unions to organize childcare workers: ver.di, the large service sector union is mostly in charge of organizing employees of public childcare facilities while the GEW is focusing on the private part of the market. This split jurisdiction is subject to some rivalry between both unions.

encompassing education union ought to be. In essence, this process was about clarifying or redefining the union's identity.

The reality of intra-organizational bargaining: reconciling different interests?

As we have outlined GEW's decision to remain independent involved considerable intra-organizational bargaining. While Walton and McKersie's (1965) account of collective bargaining negotiations focuses mainly on interactions between peak-negotiators on the one hand and a union's rank-and file on the other hand, we found that GEW's intra-organizational bargaining over its merger choices was a more multi-level process. In Germany, union merger negotiations have primarily involved union leadership while affording very little participation to rank-and-file members. Given that German unions hardly ever hold membership referenda – except in the case of strike votes – it is perhaps not surprising that the rank-and-file have tended to have no involvement in merger negotiations. We found this to be true for GEW, too. However, GEW's decision on whether to merge or remain independent nonetheless involved three important layers within the organization: The executive board led by the unions' national president, the state branches with their powerful presidents, and finally the delegates to the union's national convention. While it was up to the delegates to finally decide on this dispute, much of the initial conflict had already been played out between the national executive board and state-level power holders. One important dimension of this conflict was the strong difference between the union's branches in eastern and western Germany.

GEW 's recently elected national president Eva-Maria Stange, supported by the state branches in eastern Germany as well as some of the western state branches, wanted to place greater emphasis on the union's collective bargaining function. For her camp, merging with other unions would increase GEW's bargaining power. This was a crucial consideration for the state branches in eastern Germany, because most of the teachers in their jurisdiction were 'regular employees' rather than civil servants. By contrast, the state branches in western Germany organized mainly civil servants, and thus saw their role more as that of a political organization looking to shape education policy, rather than as collective bargaining agent. Many of these 'older' GEW branches in western Germany took considerable pride in being perceived as a competent voice in education policy, given that they were frequently consulted on issues of training and education by state-level ministries and political parties.
We also found evidence of intra-organization bargaining over GEW's internal power structure, most notably the balance between centralization and decentralization. In Germany, education is primarily regulated at the state level, and thus this has also tended to be the locus of power in GEW (Luz, 2008, p. 25). During merger negotiations, the union's national leadership was therefore unable to act unilaterally, but needed to gain the support of a majority of state branches. When GEW's national president entered negotiations with other unions to form a new service sector union, many of the state branches feared that their power and autonomy vis-à-vis the union's headquarter would be eroded. By rejecting the national leadership's merger ambitions, GEW's state branches voted for 'dual independence': not only did they vote to keep GEW an independent union, but they also voted to retain their relative independence and power from the union's national leadership.
At the end of the day, what was driving this case of the GEW's decision for independence was the strong nexus between intra-organizational bargaining (most prominently the east/west divide and state leaders' fear of loss of power) and the unions' search for a new mission of the union (being the 'education union' or rather than this a powerful collective bargaining agent). Different to the GTB's case, issues of distributional bargaining did not turn out to be a major factor.

5. Conclusion

As our analysis reveals, successful merger negotiations represent only the tip of the iceberg of all union merger activity. Focusing on developments in Germany since WWII, we found that cases of failed merger negotiations outnumbered those of successful mergers by more than 2:1. Yet scholars examining union merger activity in different countries have primarily sought to account for those cases in which merger negotiations resulted in actual mergers. The much more common scenario of failed merger negotiations, however, has not been subject to systematic analysis. Our findings suggest that the conventional research, by focusing on the factors leading to mergers but ignoring the counter-factual of failed negotiations, misses out on an important part of the story.

We have proposed an alternative analytical approach which directs attention to the merger decision processes as comprising three key decisions. From this perspective, unions need to consider whether to merge at all, with which candidate to merge, and under which conditions a merger is supposed to take place. Within each of these three dimensions a failure of merger negotiations is a possible outcome. Applying this view of union mergers as a decision process, we have explored the value of existing industrial relations theory for understanding both successful mergers and failed attempts. While we found the frameworks of both Kelly (1998) and Hyman (2001) useful for generating some new insights on particular aspects of these important union merger phenomena, we identified Walton and McKersie's (1965) negotiation theory as most helpful for answering the three questions at hand. Our application of Walton and McKersie's (1965) framework to the empirical cases of GTB and GEW confirmed it to be useful in shedding new light on the dynamics of both successful and unsuccessful union merger negotiations.

In particular, we found evidence of all four subprocesses of bargaining (distributive, integrative, and inter-organization bargaining, as well as attitudinal structuring) during union merger negotiations. More importantly, we found these four subprocesses to interact and shape each other, shedding new light on the dynamics of union merger negotiations. For example, in the case of GTB distributive bargaining considerations 'crowded out' processes of both integrative bargaining and attitudinal structuring when IG Metall launched a 'blitz attack' offering it a merger deal too good to refuse. We also found evidence of the complex interactions amongst different negotiation processes in the case of GEW, where intra-organizational bargaining ultimately resulted in the union deciding against the merger option.

In addition, our analysis of the teachers' union GEW showed that a focus on decision processes helps to explain why so many union merger negotiations fail to result in actual mergers. This is an area that is at present insufficiently understood in the union merger research. Perhaps counter-intuitively, in the case of GEW failed merger negotiations drove efforts to strategically reposition the union to ensure its ongoing viability as an independent organization. This involved the union broadening its purview from only school teachers to encompass the entire education sector. In effect, GEW sought to develop from a 'teachers' union' into an inclusive 'education union'. An important aspect of this shift was the emphasis which GEW placed on developing a greater role in collective bargaining.

While our findings highlight the value of Walton and McKersie's (1965) framework for generating new knowledge on union merger phenomena, we have not sought to champion its predictive capacity. Indeed, we suggest that the framework is as unsuitable for predicting the outcomes of merger negotiations as its creators sought it unfit to forecast the results of

collective bargaining negotiations. We suggests that the way in which union merger negotiations play out will be shaped by the specific context in which the parties involved make decisions. To summarize, our perspective points to the importance of examining the complex processes of merger decision-making. It constitutes a general analytical framework by which specific merger incidents can be examined.

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Table 1: Explaining union merger phenomena: comparison of three IR theories

		Merger Decision Processes		
		Whether to merge	With whom to merge	Under which conditions to merge
Explanatory potential	Mobilization theory (Kelly, 1998)	Medium (macro-level)	Low	Low
	Union identity theory (Hyman, 1996, 2001)	Low	High	Low
	Negotiation theory (Walton and McKersie, 1965)	High	High	High

Table 2: Mergers and not-to-be mergers since 1990 (DGB affiliates only)

Union	Number of mergers	Number of failed / unrealized mergers/cooperations
IG Medien	1	6
HBV	1	6
DPG	1	5
ÖTV	1	1
NGG	0	5
GEW	0	1
GTB	1	4
GHK	1	2
IG Metall	2	3
BSE	1	2
GGLF	1	0
Leder	1	1
CPK	2	3
IG BE	1	0
Transnet	0	1
GdP	0	0
Total	**14**	**40**

Figure 1

Figure 2

Figure 2 diagram labels:

IG BCE — Leder, CPK, IG BE
IG BAU — BSE, GGLF
IG Metall — GTB, IGM, GHK
1991
1992
(A) Dienstleistungsgewerkschaft 10/1997
02/1996
02/1996
Ver.di
ÖTV
(V) 09/1996
DAG
(K) 1992
(A)   Verbundgewerkschaft
private DL 05/1997
HBV
(V) 9/1996
NGG
(A) 2/1996
(K) bis 9/1996
(V) 09/1996
IG Medien
Post
1996
(K) 1996
(K) Fünf kleine Tiger 1994
GEW
(V) 9/1996
Kunst   DruPa
GdP
EVG — GDBA, Transnet (GdED)