

Temp workers benefit from union-management tension, says research

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Temp workers see a 21% increase in average wages when employed by a company with a unionized workforce, according to new Cornell University research.

"What is surprising is that wage premium only holds for unions that go

head-to-head, battling with employers," said Adam Seth Litwin, associate professor of labor relations, law and history in the ILR School and lead author of the study. "Those unions that 'cooperate' or 'partner' with employers do not achieve wage gains for temps."

According to the research by Litwin and ILR Ph.D. student Or Shay, unions that work constructively with employers do a lot of good for core union members and the economy at large—but may be doing so on the backs of contingent workers.

In their paper, "What do unions do ... for temps? Collective bargaining and the wage penalty," published Dec. 14 in *Industrial Relations*, Litwin and Shay study the effects of [collective bargaining](#) on the "temp wage gap"—the substantial wage penalty attached to temporary workers' fixed-term contracts.

The authors expected unions to reduce the pay penalty for temps. They found strong evidence of this—but only when the employment relationship is adversarial from both labor and management's perspectives.

"The findings may rankle some 'progressive' unionists," Litwin said. "Old-school, adversarial, non-cooperative unionization is out of vogue. And there may be a number of good reasons why. But at least with respect to helping non-traditional or non-core workers, unions are much more helpful when going head-to-head with management, rather than partnering with them."

By analyzing British [employer](#)-employee data from 2,500 workplaces, Litwin and Shay found that the pay gap between temps and regular workers shrinks in unionized workplaces if the union's relationship with management is adversarial. When a union instead partners with management, the core rank and file benefit, but both the union and

employer appear to deprioritize the needs of non-core workers, such as temps.

Litwin and Shay build on existing research to explain why. They theorize unions that approach employers in an adversarial manner are more likely to see themselves as representing the needs of all workers—not just their core members. As a result, they work to raise wages for their own members first and foremost, but not at the expense of non-core workers.

An adversarial orientation between unions and employers also provides economic explanations for the researchers' findings. By maintaining [higher wages](#) for temps, the union reduces the likelihood that employers will want to substitute temps for permanent workers. And employers in adversarial relationships can highlight their temps' higher wages to show that their workers need not be union members or pay dues in order to be well treated.

Interestingly, Litwin and Shay found that a cooperative employment relationship does not shrink the temp [wage](#) gap; in these instances, "the union does not need to mitigate the threat of rank-and-file substitution by angling for higher wages for temps," they write. Also, partnering employers don't have to bolster pay for temps as a show of strength to the [union](#) or as a deterrent to unionization for those who are not unionized.

More information: The research paper is available as a PDF at [deliverypdf.ssrn.com/delivery. ... 1&EXT=pdf&INDEX=TRUE](https://deliverypdf.ssrn.com/delivery....1&EXT=pdf&INDEX=TRUE)

Provided by Cornell University

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