What Forms of Representation do American Workers Want? Understanding How Workers Think About Labor Organization[1]

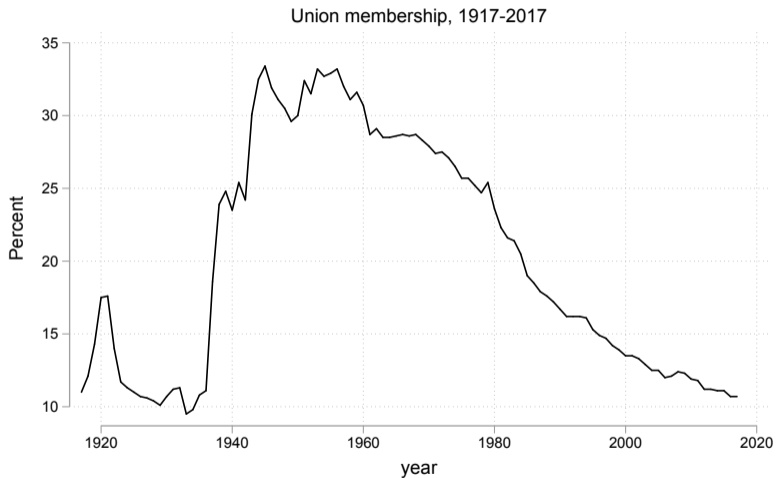Alex Hertel-Fernandez[†]   **William T. Kimball**[‡]   Thomas A. Kochan[‡]

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Columbia University

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MIT Sloan

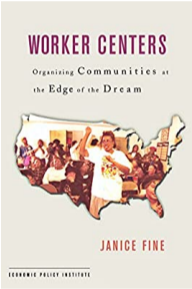Allied Social Sciences Association
January 3rd, 2020

Decline of unions

Union membership, 1917-2017

Sources: Gordon (2013) and BLS (2018)

Rise of alternative labor and labor activism

Debates about how to revive labor representation

- Academia (e.g. Andrias 2016; Dimick 2012; Harvard Labor and Work Life Program 2019; Kochan 2011)
- Think tanks (e.g. Andrias and Rogers 2018; Madland 2016; Rolf 2018)
- Labor movement (e.g. AFL-CIO 2019; Olen 2019)
- Candidates running for president in the 2020 election (e.g. Greenhouse 2019)

The decline of unions, labor activism, and the debate around reviving labor representation

1. Decline of unions

2. Rise of alternative labor and labor activism

3. Debates about how to revive labor representation

Interest in Unions Has Increased

Share of nonunion workers who would vote for a union
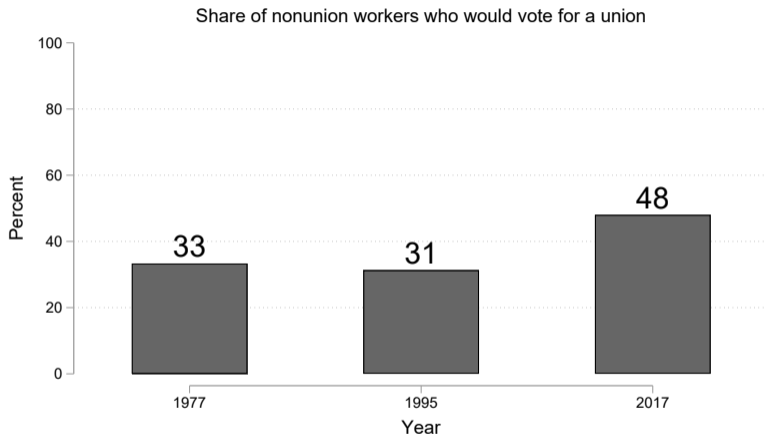
Notes: Each survey sample is restricted to those employed who are 18 years or older, work 20 hours or more per week, and who are not self-employed. Both the 1995 and 2017 samples exclude those in 'upper management' or ownership. The 1995 sample also excluded public-sector workers and those at small firms (24 or fewer employees).

Sources: Authors' analysis of QES (1979), WRPS (1999), and WVS (2018) data.

Research Questions

- Given the representation gap, what features of labor representation do workers value?

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- How do these preferences for labor representation vary across workers?

Preview of Findings

- Given the representation gap, what features of labor representation do workers value?
    - Strong support for collective bargaining and selective benefits
    - Some support for input on firm strategy and work structure
- How do these preferences for labor representation vary across workers?
    - Relatively little heterogeneity
    - Greater variation on political activity and use of strike
    - Exceptions
        - Political polarization on strikes and political activities
        - Occupation groups and input on firm strategy and work structure

Models of Labor Organizing

- Traditional employer-centered model
  - Collective bargaining, employer- and occupation-based, and political activity
  - e.g. Service Employees International Union, International Brotherhood of Teamsters, and United Auto Workers
- Individual services model
  - Selected benefits (e.g. administer health insurance, retirement plans) and labor market mobility (e.g. mobile membership, labor market assistance)
  - e.g. Worker centers, Ghent system
- Participation and voice model
  - Formal representation in corporate decision-making
  - e.g. Works councils, co-determination models
- Political mobilization model
  - Political activity, strikes, and "swarming" techniques
  - e.g. Fight for $15

Data

- National Opinion Research Center (NORC) AmeriSpeak Panel, national probability-based sample
- Sample: Employees working for pay, 18+ years old, non-owners and not part of upper-level management
- Structure of survey
  - Web-based survey, median survey time: 14 minutes
  - Questions on labor force characteristics, political affiliation, and basic assessment of influence and comfortability in current workplace
  - Conjoint experiment treatment
- NORC generated study-specific base sampling weights
- Exclude self-employed
- n=4,203

Instrument

Conjoint experimental design (Hainmueller, Hopkins, and Yamamoto 2014)

- Key components
  - ▶ Respondents consider two **profiles** representing labor organizations
    - ★ Varying on nine, randomly assigned, **characteristics**
    - ★ Respondents complete four of these **tasks**
    - ★ Two outcomes: discrete choice-based (join) and rating-based (dues)
    - ★ $\rightarrow 4,023 \times 2 \times 4 \approx 32,000$ observations
- Advantages
  - ▶ Nonparametric identification of average effects of each characteristic
  - ▶ Testing multiple characteristics on same outcomes: efficient, realistic representation, less error from social desirability

Dimensions and values

- Membership details
  - Who can join
    1. Workers in firm, not mobile
    2. Workers in firm, mobile
    3. Workers in occupation, not mobile
    4. Workers in occupation, mobile
  - Dues
    1. All workers required to pay dues
    2. Only if they receive benefits from the organization
    3. Dues are voluntary
- Benefits
- Voice/Grievances
- Strategy

Dimensions and values

- Membership details
- Benefits
  - Negotiation with your employer
    1. No collective bargaining
    2. Collective bargaining for all workers
    3. Collective bargaining for only dues-paying members
    4. Collective bargaining for all workers in your region and industry
  - Extra services/benefits
    1. Does not offer any extra benefits
    2. Provides health insurance and retirement savings accounts
    3. Provides extra unemployment insurance benefits
    4. Offers training on skills for current job
    5. Offers training on skills needed for other jobs
    6. Offers help finding and applying for new jobs
    7. Offers discounts on products and services
- Voice/Grievances
- Strategy

Dimensions and values

- Membership details
- Benefits
- Voice/Grievances
    - How you do your work
        1. Does not get involved
        2. Offers workers opportunities to recommend improvements on how work is done
    - Legal help and representation
        1. Does not deal with legal issues governing worker rights
        2. Offers information on worker rights
        3. Offers legal representation to ensure organization upholds workers' rights
        4. Offers legal representation to workers with individual workplace problems
        5. Offers legal representation to workers with common non-workplace legal problems
    - Input to management
        1. Does not advise top management on strategy
        2. Advises top management on strategy
        3. Represents workers in joint committee with top management to decide on strategy
        4. Formally represents workers on board of directors to have voice in strategy
- Strategy

Dimensions and values

- Membership details
- Benefits
- Voice/Grievances
- Strategy
  - ▶ Political activities
    1. Not involved in elections or lobbying
    2. Campaigns for pro-worker politicians
    3. Campaigns for pro-worker policies
  - ▶ Use of strikes
    1. Never uses the threat of a strike or direct mobilization
    2. Uses the threat of a strike or direct mobilization if needed

Conjoint task example

Labor organization 1	Characteristics	Labor organization 2
Workers in your business or organization can join	**Who can join**	Workers in your occupation can join and you can keep receiving membership services and benefits if you change employers
All workers required to pay dues	**Dues**	Dues are voluntary
Does not negotiate with employer over compensation, hours, or working conditions	**Negotiation with your employer**	Negotiates with employer over compensation, hours, and working conditions for all workers
Does not offer any extra benefits	**Extra services/benefits**	Provides extra unemployment insurance benefits to workers who lose their jobs
Does not get involved in how you and your coworkers do your work or in organizational improvement efforts	**How you do your work**	Offers you and your coworkers opportunities to work with management to recommend improvements in how you work and in organizational practices
Does not deal with legal issues governing worker rights	**Legal help and representation**	Offers legal representation to ensure that the company upholds all workers' rights
Not involved in elections or lobbying	**Political activities**	Not involved in elections or lobbying
Formally represents workers on your organization's board of directors to have a voice in how the organization should operate, including how to use technology or opening and closing plants, stores, or facilities	**Input to management**	Does not consult with management on how the company should operate, including how to use technology or opening and closing plants, stores, or facilities
Never uses the threat of a strike or direct mobilization by workers	**Use of Strikes**	Uses the threat of a strike or direct mobilization by workers if needed

Which of these organizations would you be more likely to join?
1. Labor organization 1
2. Labor organization 2

In a few words, please explain why you selected Labor Organization [INSERT IF Q26=1: 1; INSERT IF Q26=2, 2] as the one you'd be most likely to join.

Assuming you had a pre-tax annual salary of $50,000, or about $4,200 per month, select the amount below that you would be willing to pay PER MONTH in dues to belong to each labor organization.
A. Labor organization 1
B. Labor organization 2

Analytical strategy

- Specification
    - Ordinary least squares
        - Reference categories omitted from regression
    - Cluster standard errors on individual, i
- Assumptions
    - No carryover effects
   - No profile-order effects
    - Complete randomization of profiles

Average marginal percentage-point effect on worker willingness-to-join

Which labor organization would you join? (0/1)

Average Marginal Causal Effect
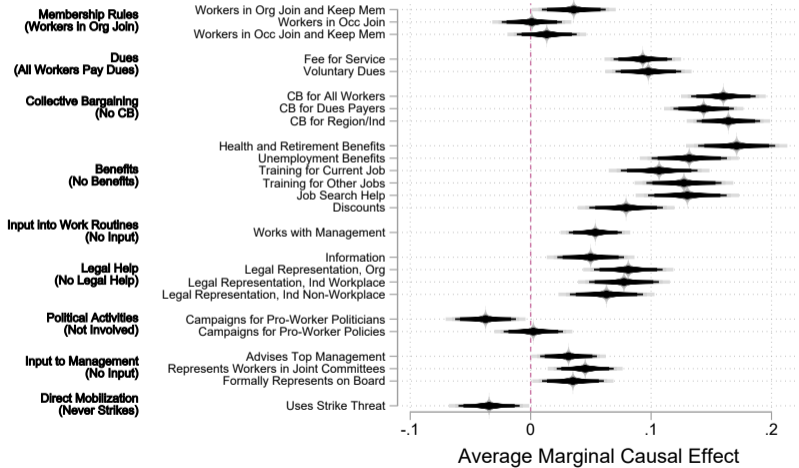
Average marginal percentage-point effect on worker willingness-to-pay

How much would you be willing to pay in dues? (1-5)

Distribution of dues   Binary, any dues
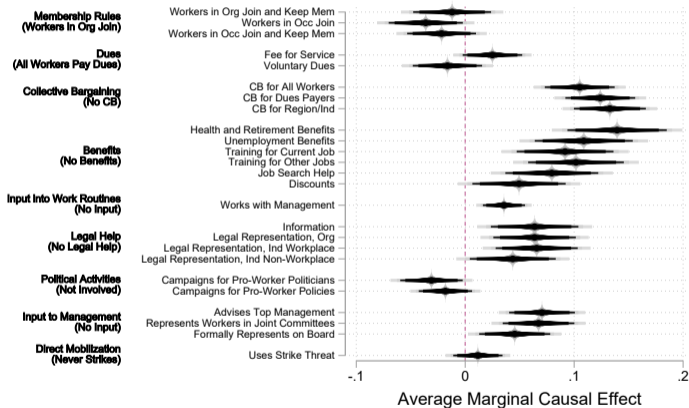
More educated workers want more formal representation in employer decision-making and less interest in benefits

Which labor organization would you join? (0/1), by Education

o High school or less   □ Some college   ◇ College or more

By level of influence   By political affiliation
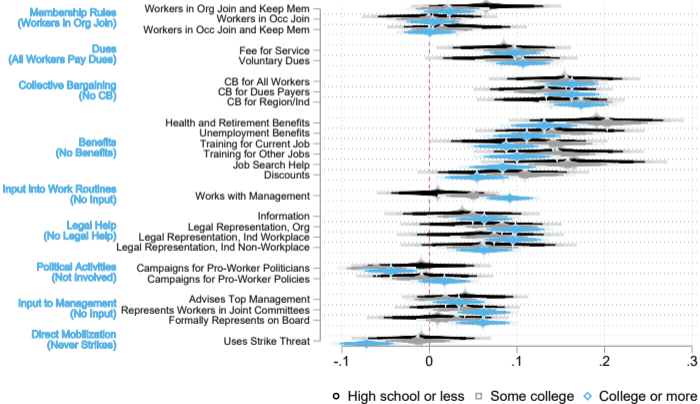
Heterogeneity across other groups

- Unanimous support for collective bargaining and benefits
- Exceptions
  - Women and black workers: pro-worker policies
  - Older workers: highly value input into work routines
  - Present/past union members: Indifferent on compulsory dues, highly value input into work routines, and slightly positive on strikes
  - Management occupations: more passive on collective bargaining but more supportive of working with and advising management
  - Republicans and independents: unfavorable towards strikes and political activity

Characteristics of organizations along distribution of willingness-to-join

Predicted Willingness to Join Organization and Their Associated Characteristics, by Percentile
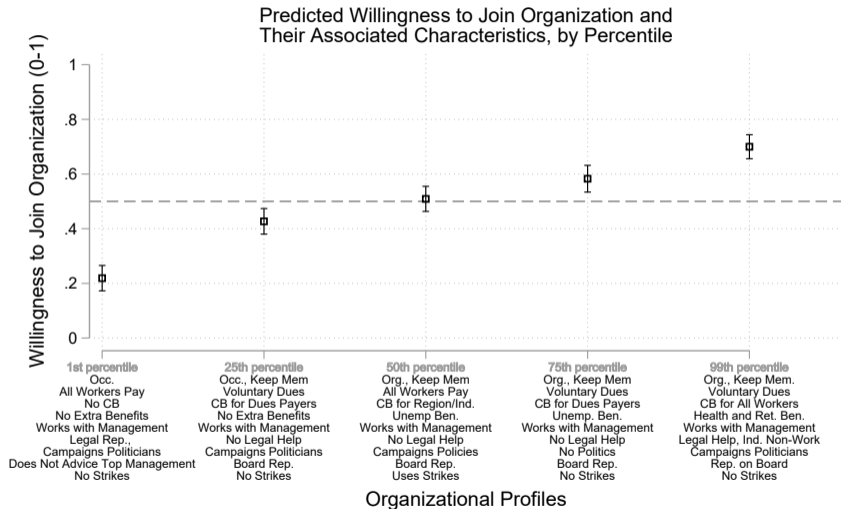
Note: Lines reflect 95% confidence intervals. Because the question was forced choice, the baseline probability of joining an organization is indicated at 0.5.

Characteristics of organizations along distribution of willingness-to-pay

Predicted Dues Workers Are Willing to Pay for and
Their Associated Characteristics, by Percentile
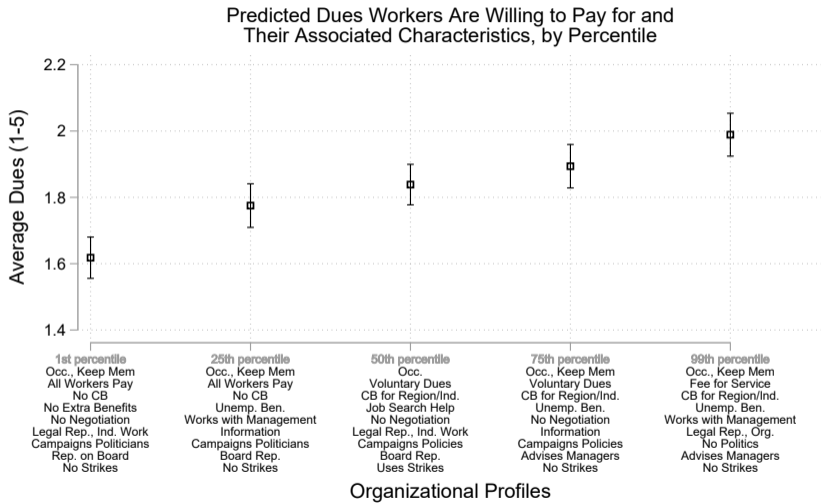
Lines reflect 95% confidence intervals.

Discussion

Assumptions and robustness checks

- Assumptions
  - No carryover effects ↦ Carryover
  - No profile-order effects ↦ Profile Order
  - Complete randomization of profiles ↦ Randomization
- Robustness checks
  - Attention and salience ↦ Open Ended Responses
  - OLS vs. Logit ↦ Logit
  - Binary dues variable ↦ Any Dues

Discussion

- Issues/Areas for future research
  - Salience
  - External validity (randomization restrictions)
  - Standardization and rule-by-majority
- Implications
  - Workers are ahead of labor law and labor movement
  - Workers do not want to choose between traditional model and alternatives, but a mix
  - Changes to accommodate these preferences would require fundamental changes to labor law

Thank you!

Questions?
Contact: wkimball@mit.edu

Appendix - Contents

- Union questions
  - Who would vote for union? (⇥ Vote for Union)
  - Who supports agency fees? (⇥ Agency Fee Support)
- (⇥ Average Marginal Causal Effect)
- Subgroup analyses
  (⇥ Sex) (⇥ Race/Ethnicity) (⇥ Education) (⇥ Political Affiliation) (⇥ Union Experience) (⇥ Occupation Group)
- Robustness
  - No carryover effects (⇥ Carryover)
  - No profile-order effects (⇥ Profile Order)
  - Complete randomization of profiles (⇥ Randomization)
  - Attention and salience (⇥ Open Ended Responses)
  - OLS vs. Logit (⇥ Logit)
  - Binary dues variable (⇥ Any Dues)
  - Randomization of characteristics? (⇥ Randomization, by Sex)
  - Workers' open-ended responses (⇥ Text Analysis)
- (⇥ Distribution of dues)

Appendix

Union vote (excludes undecided)

Share of nonunion workers who would vote for a union, by worker demographics
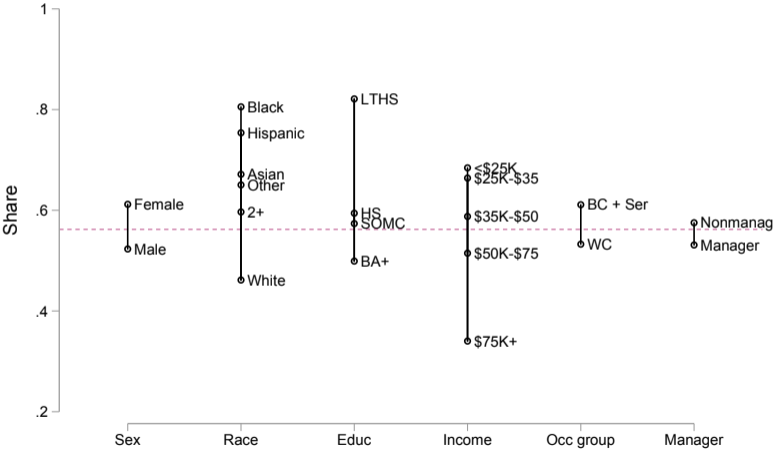
Notes: Excludes undecided votes. Dashed line indicates overall mean.

Appendix

Agency fee support

Share of nonunion workers who would vote for a union, by worker demographics
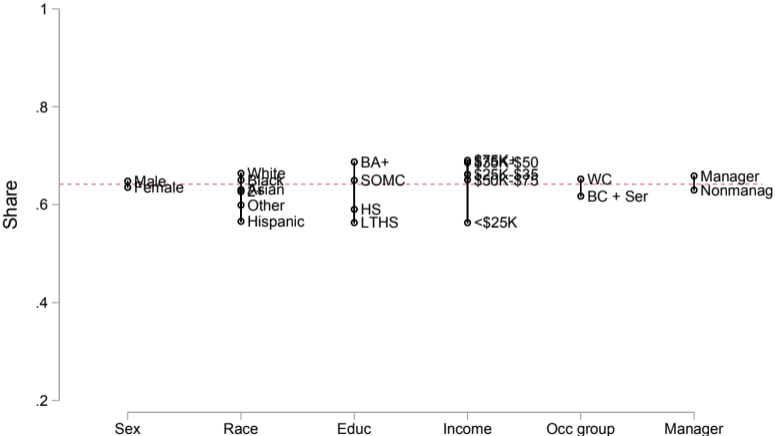
Notes: Agency fee support equals one if respondents agreed with the statement 'Workers who benefit from union collective bargaining and job protections should have to pay at least some dues to the union'. Dashed line indicates overall mean.

- Parameters
  - Outcome Y
  - Treatment T
- Indexing
  - Respondent i of N respondents
  - Task k of $K = 4$ tasks
  - Profile j of $J = 2$ profiles
  - Dimension l of $L = 9$ dimensions

Average Marginal Causal Effect

Potential outcomes framework – Average Treatment Effect (ATE):

$$T = \mathbb{E}[Y_t|S = t] - \mathbb{E}[Y_c|S = c]$$

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ATE: treatment of a particularly set of characteristics compared to another "control" set

$$ATE = \sum_{(t, \mathbf{t})} \Big[\mathbb{E}[Y_{ik} \mid T_{ik} = t_1]$$
$$- \mathbb{E}[Y_{ik} \mid T_{ik} = t_0]$$

Average Marginal Causal Effect

Potential outcomes framework – Average Treatment Effect (ATE):

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$$- \mathbb{E}[Y_{ik} \mid T_{ik} = t_0] $$

Average Marginal Causal Effect

$$AMCE_{strike} = \sum_{(t,\mathbf{t})} \Big[\mathbb{E}[Y_{ijk} \mid T_{ijkl} = t_1, T_{ijk[-l]} = t, \mathbf{T}_{i[-j]k} = \mathbf{t}] \tag{1}$$
$$- \mathbb{E}[Y_{ijk} \mid T_{ijkl} = t_0, T_{ijk[-l]} = t, \mathbf{T}_{i[-j]k} = \mathbf{t}] \Big] \times p(t)$$

where $p(t) = Pr(T_{ijk[-l]} = t, \mathbf{T}_{i[-j]k} = \mathbf{t})$

Results

Join, by Sex

Which labor organization would you join? (0/1), by Female
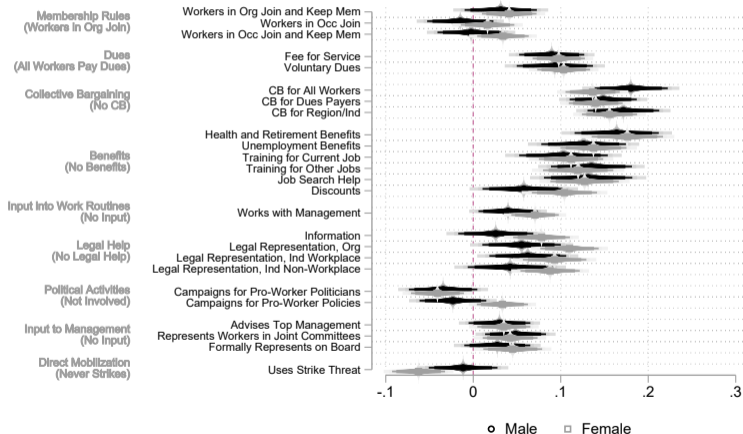
Results

Join, by Race/Ethnicity

Which labor organization would you join? (0/1), by Race/Ethnicity
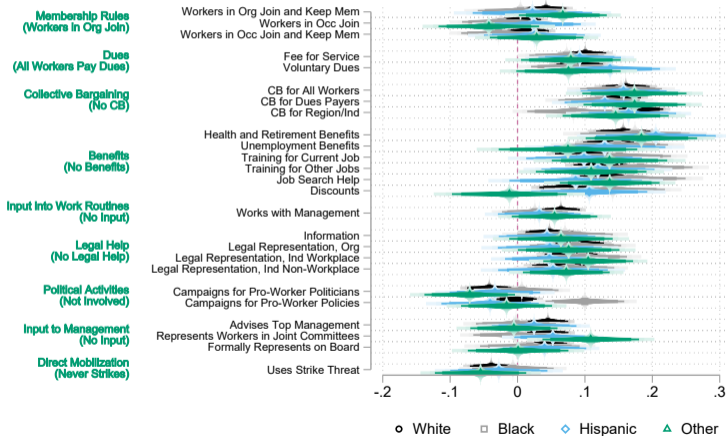
Results
Join, by Education

Which labor organization would you join? (0/1), by Education

High school or less   Some college   College or more
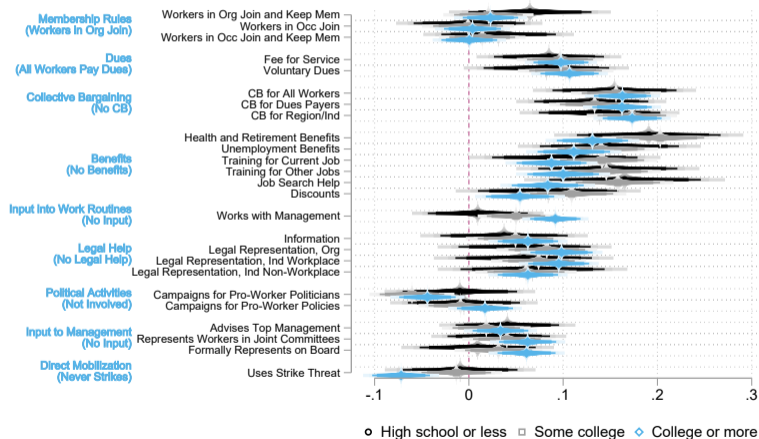
Results

Join, by Political Affiliation

Which labor organization would you join? (0/1), by Political affiliation

Results

Join, by Level of Influence

Which labor organization would you join? (0/1), by Level of Influence

Results

Join, by Union Experience

Which labor organization would you join? (0/1), by Current or past union member

Membership Rules (Workers in Org Join)
- Workers in Org Join and Keep Mem
- Workers in Occ Join
- Workers in Occ Join and Keep Mem

Dues (All Workers Pay Dues)
- Fee for Service
- Voluntary Dues

Collective Bargaining (No CB)
- CB for All Workers
- CB for Dues Payers
- CB for Region/Ind

Benefits (No Benefits)
- Health and Retirement Benefits
- Unemployment Benefits
- Training for Current Job
- Training for Other Jobs
- Job Search Help
- Discounts

Input into Work Routines (No Input)
- Works with Management

Legal Help (No Legal Help)
- Information
- Legal Representation, Org
- Legal Representation, Ind Workplace
- Legal Representation, Ind Non-Workplace

Political Activities (Not Involved)
- Campaigns for Pro-Worker Politicians
- Campaigns for Pro-Worker Policies

Input to Management (No Input)
- Advises Top Management
- Represents Workers in Joint Committees
- Formally Represents on Board

Direct Mobilization (Never Strikes)
- Uses Strike Threat

-.1   0   .1   .2   .3

○ Never in union   □ Was/is union member

Results

Join, by Occupation Type

Which labor organization would you join? (0/1), by Occupation Group

o Managers   □ Professionals   ◇ Service   △ Manual
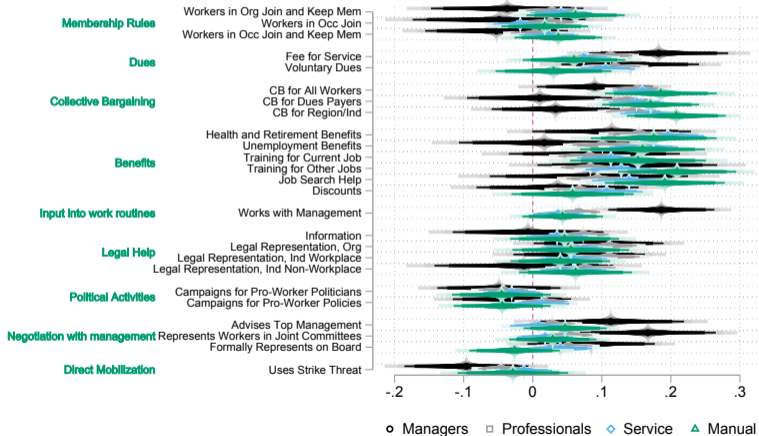
Results

Binary outcome: any dues

Average Marginal Causal Effects of
Labor Organization Characteristics on Willingness to Pay Any Dues

Membership Rules
- Workers in Org Join and Keep Mem
- Workers in Occ Join
- Workers in Occ Join and Keep Mem

Dues
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- Voluntary Dues

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Average Marginal
Causal Effect

(-.05   0   .05   .1)

▸ Back

Appendix

Carryover Effects

Which labor organization would you join? (0/1), by Task 1 (ref: Tasks 2-4)

How much would you be willing to pay in dues? (1-5), by Task 1 (ref: Tasks 2-4)

Appendix
Profile Order Effects

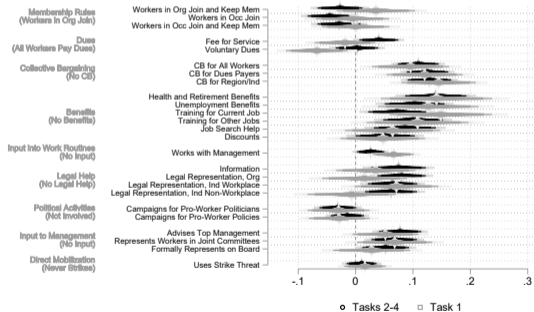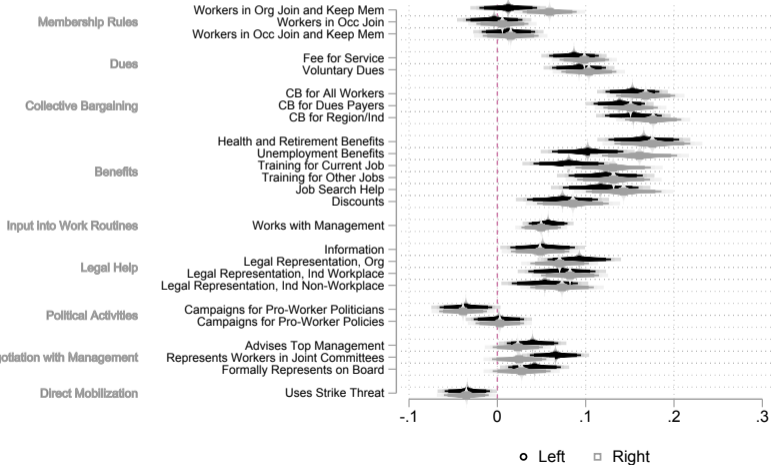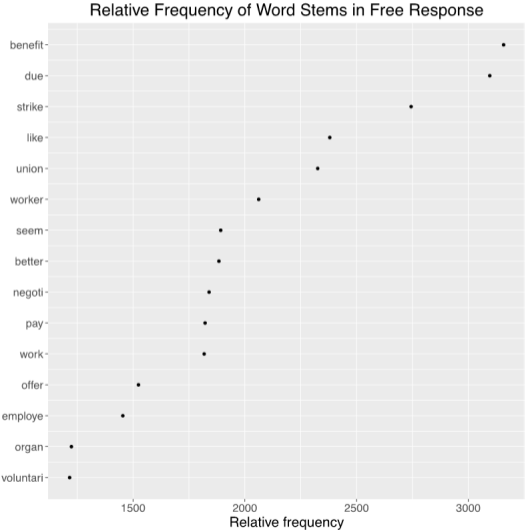Which labor organization would you join? (0/1)

		Left	Right

Membership Rules
- Workers in Org Join and Keep Mem
- Workers in Occ Join
- Workers in Occ Join and Keep Mem

Dues
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Appendix
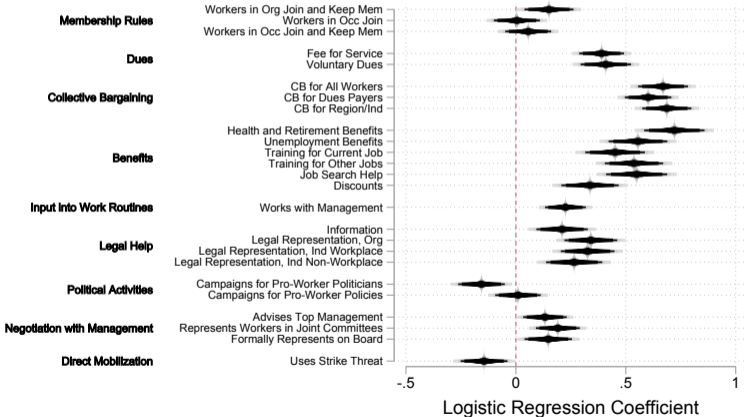## Open Ended Responses

Relative Frequency of Word Stems in Free Response
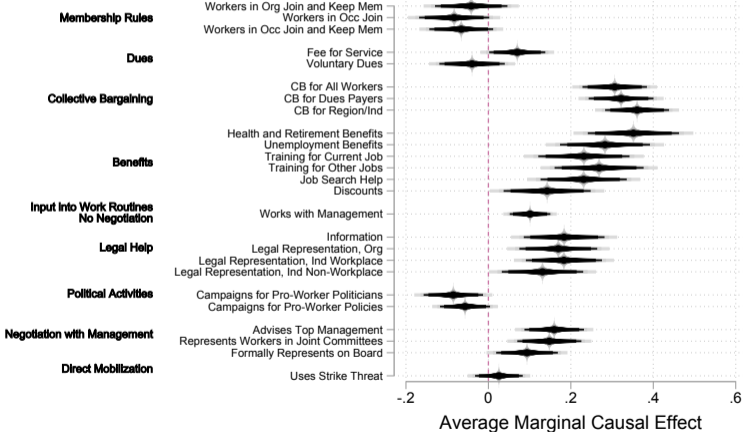
Appendix
Join, Logit

Average Marginal Causal Effects of
Labor Organization Characteristics on Likelihood of Joining (Logit)
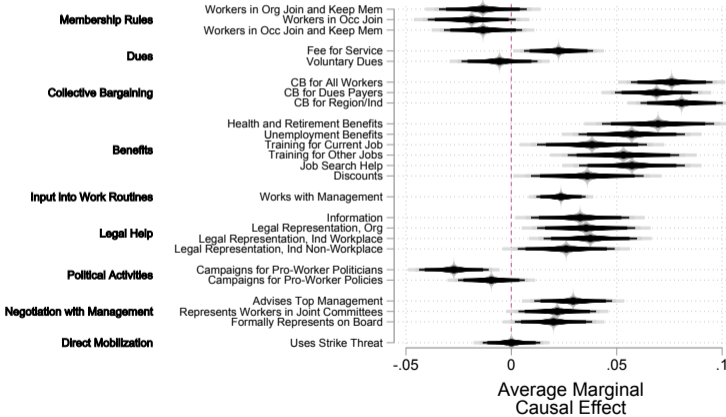
Appendix
Dues, Ordinal Logit

How much would you be willing to pay in dues (1-5), Ordinal logistic
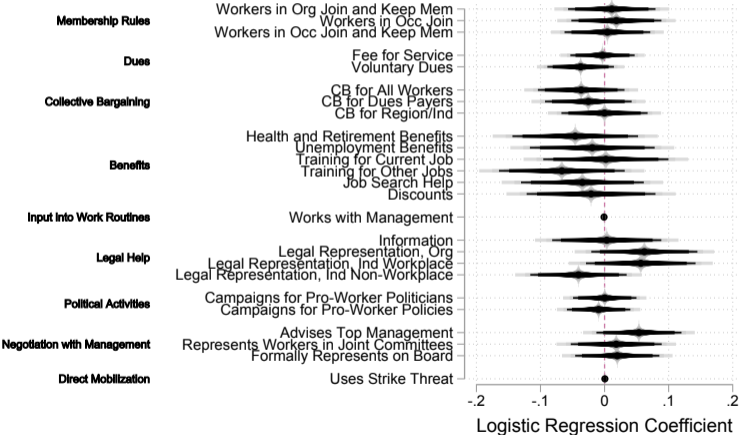
Appendix

Any dues

Average Marginal Causal Effects of
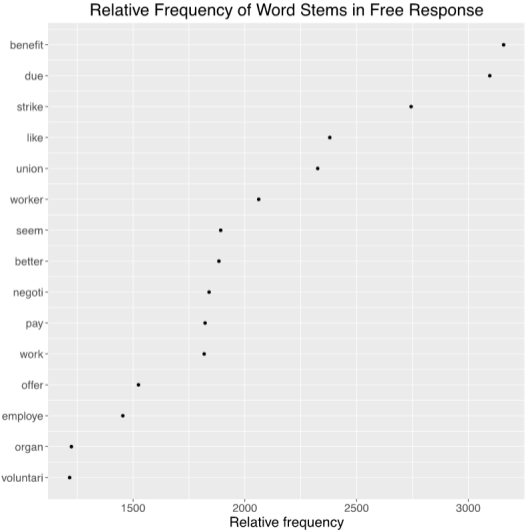Labor Organization Characteristics on Willingness to Pay Any Dues

Appendix

Randomization, by Sex

Testing randomization of organization characteristics, by sex

Membership Rules
- Workers in Org Join and Keep Mem
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Direct Mobilization
- Uses Strike Threat

Logistic Regression Coefficient

Appendix

Analysis of Open-Ended Responses

Relative Frequency of Word Stems in Free Response

Results

Dues outcome tabulations

Distribution of dues outcome