

Université de Montréal

Can Chinese Enterprise Unions Improve Employee Union Identification? Comparative Case
Studies of Six Subsidiaries of Foreign Multinational Enterprises

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**Can Chinese Enterprise Unions Improve Employee Union Identification? Comparative
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Résumé

Les syndicats d'entreprise chinois souffrent d'un manque apparent de pertinence pour les salariés. Dans l'intervalle, les gouvernements et les fédérations de syndicats locaux mènent de plus en plus de réformes syndicales d'entreprise en vue de promouvoir la négociation collective et la démocratie syndicale. Ces deux tendances se produisant simultanément, c'est ainsi que les questions de recherche suivantes viennent à l'esprit: (1) D'une manière générale, la négociation collective et la démocratie syndicale améliorent-elles la pertinence des syndicats pour les salariés? (2) Dans le cas chinois, les réformes de la négociation collective et de la démocratie syndicale menées par les gouvernements et les fédérations de syndicats locaux améliorent-elles la pertinence des syndicats d'entreprise pour les salariés?

Afin d'explorer et d'expliquer les variations de l'identification syndicale des employés et de l'identification des employés avec l'employeur, cette thèse développe un nouveau cadre théorique composé de quatre lignes d'analyse. Cette thèse examine d'abord les récits instrumentaux et constructivistes de l'identification syndicale des salariés. La possibilité d'une double identification, d'une identification unilatérale, ou d'une double désidentification ouvre une troisième ligne d'analyse, qui se concentre sur la relation entre l'identification des salariés – la configuration combinant l'identification syndicale des salariés et l'identification des salariés à l'employeur – et le cadre de référence pour les relations de travail. Enfin, en prenant en considération la spécificité du système chinois de relations de travail, cette thèse considère l'intervention du Parti-État en vue d'explorer comment une telle intervention affecte la démocratie syndicale et s'il existe ou non d'autres facteurs en jeu dans la relation entre la démocratie syndicale et l'intervention du Parti-Etat.

Afin d'explorer ces quatre lignes d'analyse, cette thèse s'est appuyée sur des études de cas comparatives de six filiales d'entreprises multinationales étrangères dans, ce que nous appelons à des fins d'anonymat, la zone de développement économique et technologique de Binhai. Deux

séries d'enquête sur le terrain comprenaient des entretiens dans chaque entreprise de l'échantillon avec le responsable syndical, trois à cinq membres du comité syndical, quatre ou cinq délégués syndicaux (le cas échéant), et cinq à sept membres syndicaux.

Les principaux résultats empiriques sont résumés comme suit. Premièrement, trois types d'identité des syndicats d'entreprise chinois – le *pont critique*, le *pont constructif*, et le *pont communicatif* – à titre de pont entre les salariés et leur employeur et qui est assumé par un syndicat d'entreprise. Il existe par ailleurs une correspondance entre l'identité syndicale et l'identification des salariés. Deuxièmement, l'identification du syndicat des salariés est associée au caractère instrumental de syndicat et à la démocratie syndicale. La démocratie syndicale affecte non seulement directement l'identification du syndicat des salariés, mais affecte également le caractère instrumental de syndicat et, à son tour, a un impact indirect sur l'identification du syndicat des salariés. Les synergies entre le cadre de référence des relations de travail, la capacité stratégique syndicale, et la vitalité délibérative conduisent à la construction de l'identité syndicale. Troisièmement, le cadre de référence va du *pluralisme adversarial* à l'*unitarisme autocratique*, puis à l'*unitarisme consultatif*, et enfin, à l'*unitarisme coordonné*. En affectant l'instrumentalité syndicale, le cadre de référence affecte indirectement l'identification syndicale des salariés. Le cadre de référence affecte également l'amélioration des intérêts des salariés par un employeur et à son tour, a un impact indirect sur l'identification des salariés à l'employeur. Enfin, l'intervention du Parti-Etat affecte la démocratie syndicale mais comme modérée par la capacité stratégique.

Mots-clés: identification syndicale des salariés, identification des salariés à l'employeur, identité syndicale, instrumentalité syndicale, démocratie syndicale, cadre de référence pour les relations de travail, intervention du Parti-Etat, capacité stratégique syndicale

Abstract

Chinese enterprise unions suffer the apparent absence of relevance for employees. In the meantime, local governments and federations of trade unions are increasingly conducting enterprise union reforms with a view to promoting collective bargaining and union democracy. With these two trends occurring simultaneously, the following research questions come to mind: (1) Do collective bargaining and union democracy improve the relevance of trade unions for employees? (2) Do the reforms of collective bargaining and union democracy conducted by local governments and federations of trade unions in China improve the relevance of enterprise unions for employees?

In order to explore and explain the variations in employee union identification and employee identification with the employer, this thesis develops a novel theoretical framework consisting of four lines of analysis. This thesis first examines the instrumental and constructivist accounts of employee union identification. The possibility of dual identification, unilateral identification, or dual disidentification opens up a third line of analysis, which focuses on the relationship between employee identification – the configuration combining employee union identification and employee identification with the employer – and the frame of reference for labour relations. Finally, in taking the specificity of the Chinese labour relations system into consideration, this thesis considers the intervention of the Party-State with a view to exploring how such intervention affects union democracy and whether or not there are other factors at play in the relationship between union democracy and the intervention of the Party-State.

In order to pursue these four lines of analysis, this thesis drew on the comparative case studies of six subsidiaries of foreign multinational enterprises in, what we label for the purpose of anonymity, the Binhai Economic-Technological Development Area. Two rounds of fieldwork involved interviews in each sample enterprise with the union officer, three to five union committee members, four or five union stewards (when applicable), and five to seven union

members.

The major empirical findings are summarized as follows. First, three types of identity of the Chinese enterprise unions discussed – *critical bridging*, *constructive bridging*, and *communicative bridging* – emerge in terms of the role of the bridge between employees and their employer, which is played by an enterprise union. There is a link between trade union identity and employee identification. Second, employee union identification is associated with union instrumentality and union democracy. Union democracy not only directly affects employee union identification but also affects union instrumentality and in turn, has an indirect impact on employee union identification. Synergies between the frame of reference for labour relations, union strategic capacity, and deliberative vitality lead to union identity construction. Third, the frame of reference ranges from *adversarial pluralism* to *autocratic unitarism*, then to *consultative unitarism*, and finally, to *coordinated unitarism*. By affecting union instrumentality, the frame of reference indirectly affects employee union identification. The frame of reference also affects the improvement of employee interests by an employer and in turn, has an indirect impact on employee identification with the employer. Finally, the intervention of the Party-State affects union democracy but as moderated by strategic capacity.

Keywords: employee union identification, employee identification with the employer, trade union identity, union instrumentality, union democracy, frame of reference for labour relations, intervention of the Party-State, union strategic capacity

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List of abbreviations

ACFTU	All-China Federation of Trade Unions
BEDA	Binhai Economic-Technological Development Area
CPC	Communist Party of China
CPI	Consumer price index
FOE	Foreign-owned enterprise
GDP	Gross domestic product
POE	Privately-owned enterprise

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Introduction

This thesis looks at the relevance of Chinese trade unions – especially “enterprise unions” (*qiye gonghui*) in the workplace – for employees, namely employee identification with the trade union (**employee union identification**) in the Chinese workplace. In addition to taking the institutionalist and constructivist accounts of employee union identification – union instrumentality and union democracy – into consideration, this thesis also seeks to examine the impact of the frame of reference for labour relations, namely the “packages of values and assumptions pertaining to the interests of the parties to the employment relationship ... and the degree to which these interests are compatible” (Budd & Bhawe, 2008, pp. 93). This thesis also takes into account the specificity of the Chinese labour relations system, which is manifested in the intervention of the Party-State.

Chinese enterprise unions are plagued by a crisis. Due to compulsory union membership, union density in China is relatively high. By the end of 2017, there were nearly 300 million union members across China.¹ Unlike the workplace union crisis in developed market economies characterized by a steady decline in union density, the enterprise union crisis in China is manifested in another form. Chinese enterprise unions are often bypassed by employees during the mobilization and organization of collective actions and even become a target of criticism in collective labour disputes (Bao & Murray, 2017; Chang, 2013; Chang & Cooke, 2015; Dai & Li, 2014; Howell, 2003; Lin, 2011; Liu, 2010; Xu, 2010). However, an argument advanced in developed market economies to examine the workplace union crisis is still applicable to the Chinese case. It is a question of internal union legitimacy, namely the absence of cohesion between trade unions and the groups of employees they represent (Dufour & Hege, 2010).

In exploring the responses to the workplace union crisis in developed market economies, research

¹ Available at: https://www.sohu.com/a/270114016_362042.

has focused on union renewal. Once recent literature review identified the following strands of analysis: (1) the modernization of union strategy; (2) the re-engineering of union structures and organizing techniques; (3) the renewal of collective action repertoires; and (4) the search to bridge the gap between labour market insiders and outsiders (Murray, 2017). Should researchers and practitioners directly apply the treatment predominant in developed market economies to cure an apparently similar malady in the Chinese case? Or should the enterprise union crisis in China be regarded as a distinct phenomenon?

Under the planned economy, Chinese trade unions constituted an integral part of the Party-State apparatus (Clarke & Pringle, 2009). Under the traditional “work-unit system” (*danwei zhi*), the function of Chinese enterprise unions was not to defend worker rights and interests but to assist the management in mobilizing and organizing workers to fulfill the production quotas set by higher-level authorities (Feng, 2006). With the introduction of the market over the past four decades, a new set of concerns has arisen. How to define the role of trade unions in market socialism? Would trade unions continue to play the role of state organs? Would Chinese enterprise unions turn to be more like their counterparts in developed market economies with an autonomous and adversarial role? The responses to these concerns have never been entirely satisfactory. Under the Party-State-led single union regime, power relations have developed a quadripartite structure (Taylor, Chang, & Li, 2003) in which trade unions do not necessarily represent employee interests but drift between the Party-State and employees (Chen, 2003). As workplace trade unions in developed market economies are seeking to rebuild the relevance for employees in a transition from industrial to post-industrial societies, Chinese enterprise unions are therefore striving for an attachment with employees, which has never really existed.

Most studies of Chinese labour relations tend to adopt a common value orientation, namely the assumption of Anglo-Saxon national labour relations systems as the template for the trade union reform in China. The kind of collective labour relations established by the *National Labor Relations Act* of the United States, which is characterized by collective bargaining, is presumed to

be the ultimate goal of trade union reform. What Liu (2015, pp. 86) suggests at the beginning of his 2015 article is one of the most typical arguments: “grassroots trade union reforms are closely related to the promotion of collective bargaining.” The originality of this thesis is to ground the issue of internal union legitimacy in a better understanding of union democracy. This thesis argues that unlocking the secret of possible union renewal in China requires a deeper understanding of union democracy.

The above approach is rooted in the classic study of trade unionism. In their major book – *Industrial democracy* – the Webbs (1897) formulated the core precept for the study of trade unionism, namely industrial democracy. The Webbs (1897) defined the external dimension of industrial democracy as the institutional in which employees are not only heard in decision-making and take part in it but also have the final say (Müller-Jentsch, 2008). Union democracy is regarded by the Webbs (1897) as the internal dimension of industrial democracy (Müller-Jentsch, 2008). According to the Webbs (1897, pp. v-vi), “trade unions are democracies; that is to say their internal constitutions are all based on the principle ‘government of the people by the people for the people’.”

The weak relevance of Chinese enterprise unions for employees raises the issue of employee union identification, namely the extent to which an employee identifies with the values and beliefs of his or her trade union, especially trade union identity as manifested in union policies and practices.

In addition to his or her trade union, an employee has another potential constituency of identification, namely the enterprise for which the employee works. Empirical studies (e.g., Akoto, 2014; Cohen, 2005; Kim & Rowley, 2006; Müller-Jentsch, 1985; Offe & Wiesenthal, 1980; Redman & Snape, 2016; Robinson, et al., 2012; Snape, Redman, & Chan, 2000) reveal that there may be compatibility or mutual exclusion between employee union identification and **employee identification with the employer**. In order to achieve a better understanding of the

variation in employee union identification, this thesis explores, in complement to employee union identification, the concept of employee identification with the employer. The key objective of this thesis is therefore to explore and explain the variations in employee union identification and employee identification with the employer.

In terms of the variation in employee union identification, a classic instrumental approach points to the importance of union instrumentality (e.g., Bamberger, Kluger, & Suchard, 1999; Barling, Fullagar, & Kelloway, 1992; Deery, et al., 2014; Fullagar & Barling, 1989; Iverson & Kuruvilla, 1995; Kuruvilla, Gallagher, & Wetzel, 1993; Newton & Shore, 1992; Redman & Snape, 2005; Sverke & Sjöberg, 1994; Tan & Aryee, 2002). An alternative constructivist approach is consistent with prevailing interpretations in the western literature on the importance of union democracy for union renewal (e.g., Bourque & Rioux, 2001; Fiorito, Gallagher, & Fukami, 1988; Lévesque & Murray, 2005; Lévesque, Murray, & Le Queux, 2005; Murray, et al., 2010; Newton & Shore, 1992; Peetz & Pocock, 2009).

An employee might identify with either or both sides between his or her trade union and employer or neither of them. This raises a third line of analysis, which focuses on the relationship between employee identification – the configuration combining employee union identification and employee identification with the employer – and the frame of reference for labour relations.

Finally, in taking the specificity of the Chinese labour relations system into consideration, this thesis also considers the intervention of the Party-State with a view to exploring how such intervention affects union democracy and whether or not there are other factors at play in the relationship between union democracy and the intervention of the Party-State.

In order to explore four lines of analysis, this thesis drew on the comparative case studies of six subsidiaries of the foreign multinational enterprises in, what we label for the purpose of anonymity, the Binhai Economic-Technological Development Area (BEDA). A comparative ethnographic research over the 2017-2018 period involved interviews in each sample enterprise

with the union officer, three to five union committee members, four or five union stewards (when applicable), and five to seven union members. In the absence of longitudinal comparative case study between regions, this thesis seeks to gain a detailed ethnographic understanding of the six sample enterprises. At least two rounds of fieldwork in different time periods were conducted for each sample enterprise.

By returning the core precept for the study of trade unionism – industrial democracy – this thesis contributes to a better understanding of Chinese labour relations and hopefully enriches a deeper understanding of Chinese trade unionism. Are the instrumental and constructivist accounts of employee union identification predominant in the western literature be applicable to the Chinese case? If so, does the Chinese case present any specificity? In particular, does the intervention of the Party-State prove the existence of Chinese exceptionalism or provide theoretical and analytical insights into thinking about union representation? Rather than providing responses immediately, these are the concerns to be explored in the following pages.

This thesis is comprised of seven chapters. Chapter 1 outlines the research context and questions. Chapter 2 presents the theoretical framework. Chapter 3 elaborates on the operationalization of the theoretical framework and develops the research design. Our empirical findings are analysed from Chapters 4 to 6. Chapter 4 outlines the socioeconomic and institutional context of the BEDA and the profiles of the six sample enterprises. Chapter 5 presents the variation in trade union identity and the extent to which employees identify with the trade union and the employer. Chapter 6 elaborates on the variations in the independent variables, namely union instrumentality, union democracy, the frame of reference for labour relations, and the intervention of the Party-State. Chapter 7 develops the generic explanation for the variations in employee union identification and employee identification with the employer.

Chapter 1 Manifestation and Causes of and Responses to the Enterprise Union Crisis in China

Chapter 1 outlines the research context and questions. This chapter proceeds in four steps: first, the nature of the enterprise union crisis in China, which is manifested in the weak relevance of enterprise unions for employees; second, the institutional roots of enterprise union crisis; third, the window of opportunity faced by enterprise unions, namely the enterprise union reforms conducted by local governments and federations of trade unions; and finally, two research questions, which will guide the analysis that follows.

1.1 Weak relevance of Chinese enterprise unions for employees

The weak relevance of Chinese enterprise unions for employees has been repeatedly demonstrated by various surveys. For example, in surveying 424 employees in three enterprises in Hubei Province in 2007, Nichols & Zhao (2010) ask the following question: “Who will best represent employees?” A relatively small percentage of these respondents placed their faith in enterprise unions: “If a manager wanted to discipline you” (18%); “If you wanted to make a complaint about working here” (15%); “If you wanted an increase in pay” (15%); and “If you wanted help with training” (27%). Nearly half of these respondents regarded enterprise unions as poor or very poor on defending their rights and interests. According to the same survey, Zhao (2009) reveal that in the three enterprises, there were 24%, 33%, and 32% of these respondents respectively disagreeing or strongly disagreeing with the following statement: “Union officials were concerned with the problems and complaints of union members.” According to a survey of 45,000 employees in 4,500 enterprises in 150 cities across China in 2012 carried out by the All-China Federation of Trade Unions (ACFTU) (2014), when faced with difficulties, only 18% of these respondents would seek help from enterprise unions. Almost a third of these respondents would turn to their relatives or friends for help.

Over the last two decades, collective actions – especially strikes – have become normal in China. Collective actions are characterized by spontaneity, namely being mobilized and organized by employees themselves and bypassing enterprise unions (Bao & Murray, 2017; Chang, 2013; Chang & Cooke, 2015; Howell, 2003; Lin, 2011; Liu, 2010). The strike at Honda Auto Parts Manufacturing Co., Ltd. in 2010 is one of the most typical cases. Two employees spent nearly one-month persuading and reaching a consensus with fellow employees in their workshop. On May 17, 2010, the two employees suddenly interrupted the assembly lines of their workshop and called on everyone to go on strike with the slogan: “Wages are too low! We refuse to work!” On the same day, more than 200 employees responded to a call for a strike.²

Another feature of the collective actions of Chinese employees is multiple targets. Employees seek to influence not only employers but also enterprise unions. Enterprise union reforms – especially the restructuring of an enterprise union – often feature employee demands (Bao & Murray, 2017; Dai & Li, 2014; Xu, 2010). Still taking the high-profile Honda strike as a typical case, before the outbreak of the strike, employees had repeatedly asked their enterprise union to demand wage increases from their employer. However, employees did not receive any positive response from their enterprise union. Therefore, employees regarded the union officer appointed by their employer as his puppet. During this strike, employee demands thus involved the restructuring of their enterprise union, especially the recall of their union officer.³

To recap, in collective labour disputes, instead of seeking help from enterprise unions, Chinese employees prefer to conduct wildcat strikes to force employers to compromise and even to pursue enterprise union reforms. This is indicative of the weak relevance of enterprise unions for employees.

² Available at: <http://news.sina.com.cn/c/sd/2011-08-08/101422953422.shtml>.

³ Available at: <http://news.sina.com.cn/c/sd/2011-08-08/101422953422.shtml>.

1.2 Direct cause of the enterprise union crisis in China

Section 1.2.1 first examines the top-down administrative approach implemented by the local federations of trade unions in setting up trade unions in privately- and foreign-owned enterprises (POEs and FOEs). Section 1.2.2 then explores the preferences and behaviours of enterprise unions.

1.2.1 Top-down administrative approach implemented by the local federations of trade unions in setting up trade unions in POEs and FOEs

The organization of Chinese trade unions is a pyramid structure. According to Article 11 of the *Constitution of Chinese Trade Unions* (see Table 1.1):

Trade union members in the same enterprise, institution, state organ, or other social organization are organized in a single grassroots trade union organization.

Local trade union federations are established in provinces, autonomous regions, municipalities directly under the central government, cities with district-level divisions, autonomous prefectures, counties (banners), autonomous counties, and cities without district-level divisions. A local trade union federation is the leading body of grassroots trade union organizations ... The All-China Federation of Trade Unions operates uniformly at the national level. The All-China Federation of Trade Unions is the leading body of local trade union federations at all levels.

As stated by Article 10 of the *Trade Union Law of the People's Republic of China* (see Table 1.1):

The grassroots trade union organization of an enterprise, institution, or state organ with 25 or more trade union members shall establish a grassroots trade union committee. If trade union members are less than 25, the grassroots trade union committee may be established separately or by the trade union members of two units or more. Or an organizer may be elected to organize activities for trade union members ... A locality at the county level or above shall establish a local trade union federation ... The All-China Federation of Trade Unions shall operate uniformly at the national level.

Researchers (e.g., Ding, Goodall, & Warner, 2002; Li, 2004; Liu, 2004) have argued that under the planned economy, the Party-State established the work-unit system to control the society. The Party-State assigned workers to state-owned enterprises (SOEs), namely “work units” (*danwei*). Work units provided workers with cradle-to-grave welfare or, more vividly, “iron rice bowls” (*tie fanwan*), namely low wages, high welfare, and lifetime employment. Work units even undertook the responsibility of providing social services, establishing and managing exclusive schools, hospitals, fire brigades, and so on. Therefore, workers did not need to seek resources outside their work units. In fact, the Party-State controlled all resources and distributed them through work units. There were almost no available resources outside work units.

In a transition from the planned economy to market socialism – especially the privatization of SOEs and the collapse of the work-unit system – the responsibility of re-establishing the control of the Party-State over the society rests with the ACFTU. In 2001, the ACFTU formulated the *Opinions on Strengthening the Setting-up of Trade Unions in Newly Established Enterprises* (see Table 1.1). In the *Opinions*, the ACFTU emphasized the importance of setting up trade unions in POEs and FOEs:

The workers of newly established enterprises such as foreign-funded enterprises, enterprises funded by Hong Kong, Macao, and Taiwan compatriots, private enterprises, and township enterprises are an important part of the working class.

...

At present, there are still many newly established enterprises that have not set up trade unions and many workers of the newly established enterprises have not yet been organized into trade unions ... If this situation is not changed as soon as possible, it will not only affect the overall situation of reform, development, and stability but also give domestic and foreign hostile forces a chance to divide the working class.

...

Strengthening the trade union work of newly established enterprises and organizing workers into trade unions to the greatest extent are the needs of strengthening the

construction of the Party, closing the link between the Party and workers and masses, and consolidating the class foundation and ruling position of the Party.

The local federations of trade unions implement the top-down administrative approach in setting up trade unions in POEs and FOEs. After the ACFTU sets the nationwide quotas of union density, the local federations of trade unions at all levels successively determine the regional quotas of union density. In order to fulfil quotas within a prescribed period, the local federations of trade unions negotiate and reach a consensus with employers that employers set up enterprise unions in accordance with the law. As a concession, the local federations of trade unions do not inspect whether or not enterprise unions defend employee rights and interests. In other words, the local federations of trade unions sacrifice the rights of enterprise unions in exchange for the cooperation of employers. In particular, the local federations of trade unions promise no collective action against employers and allow employers to determine the functions of enterprise unions (Liu, 2010; Wu, 2008).

The local federations of trade unions tacitly allow employers to appoint union officials – especially union officers – rather than organizing employees to elect union officials by themselves in POEs and FOEs (Liu, 2010; Wu, 2008).⁴ Therefore, the union officer appointed by an employer might be managers or even the close relative of the employer. The concurrent appointment of union officers by employers has been repeatedly demonstrated by various surveys. For example, according to the survey of 600 union officers in six cities in Guangdong Province in 2005 carried out by the Guangdong Provincial Federation of Trade Unions (2006), 94% of these respondents were concurrently held by managers. Nearly seven out of ten respondents were department heads. The heads of human resources departments accounted for 46% of these respondents. Similarly, according to the survey of 309 union officers in Guangzhou City in 2009, Liu & Zhang (2010) specify that 90% of these respondents were concurrently held

⁴ The appointment of union officers by employers predominately occurs in privately- and foreign-owned enterprises. In state-owned enterprises in which the branches of the Communist Party of China exist, higher-level Party Committees appoint union officers. Union officers are therefore generally the members of enterprise Party Committees (e.g., the Party Secretary).

by managers. Almost one-quarter of these respondents were middle managers. On the basis of the survey of 524 union officers in four provinces in 2007, Chen (2009) finds that 35% of these respondents were concurrently held by managers. The concurrent appointment of union officers by employers typically reflects the subordination of enterprise unions to employers and the absence of autonomy of enterprise unions.

1.2.2 Preferences and behaviours of Chinese enterprise unions

The subordination of Chinese enterprise unions to employers suggests that the interests of enterprise unions are bound to be aligned to employer interests. Therefore, enterprise unions lack an initiative in defending employee rights and interests, albeit while being presumed to be accountable to employees.

The behaviours of Chinese enterprise unions consist of two categories. First, there is an easy stereotype to the effect that enterprise unions are “shell trade unions” (*kongke gonghui*), which do not take any substantial action to defend employee rights and interests, thereby existing only on paper (Chen, 2009; Liu, 2010). For example, according to the survey of 685 employees in three subsidiaries of Foxconn Technology Group in Shenzhen City and Wuhan City in 2013 carried out by the New Generation Migrant Workers Concern Programme Research Team (2013), a relatively large percentage of these respondents did not know the union officer at each level: the group trade union (64%); the industrial-park (*yuanqu*) trade union (71%); the business-group (*shiye qun*) trade union (74%); and the division-group (*shiye chu*) trade union (69%). This suggests a weak awareness of the presence of trade unions in Foxconn.

Second, enterprise unions constitute an integral part of management, conveying management instructions to employees, maintaining production order, and improving productivity (Chen, 2009; Liu, 2010). An extreme situation is that enterprise unions and employers are complicit in labour disputes (Chen, 2009). For example, in 2005, an employee working in Dajianshan Forest Farm opposed the decision of his employer about compulsory early retirement. Surprisingly, the

representative of the employer appearing in Qinshui County Labour Dispute Arbitration Committee was the union officer, who was concurrently held by the director of the general affairs office.⁵ Another typical case is the strike at the Dongguan Branch of Nokia Telecommunications Co., Ltd. in 2013. During this strike, employees submitted a letter listing their demands to the union officer. However, the union officer who was the deputy general manager tore up the letter in front of employees (Wang, 2014).

To recap, due to the top-down administrative approach implemented by the local federations of trade unions in setting up trade unions in POEs and FOEs, the preferences and behaviours of enterprise unions are completely defined by employers. The preferences of enterprise unions are characterized by the integration of interests between them and employers. In terms of behaviours, enterprise unions might be shell trade unions and even the stooges of employers. The weak relevance of enterprise unions for employees is therefore likely to be related to the preferences and behaviours of enterprise unions.

1.3 Institutional roots of the enterprise union crisis in China

Section 1.3.1 first examines the system of dual leadership characterizing the local federations of trade unions. Section 1.3.2 then explores the preferences and behaviours of enterprise unions.

1.3.1 System of dual leadership characterizing the local federations of trade unions

In comparison with other actors, the Party-State is in a relatively dominant status within the Chinese labour relations system. According to Chen (2003, pp. 1006-1007), in any national labour relations system, “it is the state that makes rules specifying who can do what to whom”. In China, the Communist Party of China (CPC) is the only legal ruling party. According to Paragraph 10 of the Preamble of the *Constitution of the People’s Republic of China*, “the multi-

⁵ Available at: <http://news.sina.com.cn/o/2005-11-17/06447460253s.shtml>.

party cooperation and political consultation system led by the Communist Party of China will exist and develop for a long time to come.” Therefore, the CPC and state are integrated with each other, thus constituting the Party-State to which this thesis will subsequently refer.

At the time of the Democratic Movement in 1989, Chinese trade unions, including the All-China Federation of Trade Unions (ACFTU) and local federations of trade unions, manifested a desire to free themselves from the control of the Party-State and pursue their independence (Chan, 1993; Zhang, 2003). For example, reformists in official trade unions openly expressed their appreciation and support for the collective actions of employees. In fact, reformists even secretly mobilized and organized employees to conduct collective actions (Chan, 1993; Zhang, 2003). Reformists in the ACFTU called on the ACFTU to actively defend employee rights and interests by negotiating with the CPC on an equal basis (Chan, 1993; Zhang, 2003).

After the Tiananmen Incident on June 4, 1989, the Democratic Movement was suppressed by the Party-State. Subsequently, the Party-State strengthened control over official trade unions (Chan, 1993; Zhang, 2003). In 1989, the CPC formulated the *Notice on Strengthening and Improving the Leadership of the Party over Trade Unions, Communist Youth Leagues, and Women’s Federations* (see Table 1.1). In the *Notice*, the Party-State reaffirmed the principle of dual leadership:

Upholding the leadership of the Party is the fundamental guarantee of the work of trade unions ... Party Committees at all levels shall implement a unified leadership over trade unions ... at the same level in accordance with the lines, principles, and policies of the Party to make these organizations adhere to a correct political direction and maintain a high level of consistency with the Central Committee of the Party on politics, thoughts, and acts.

Trade unions ... shall be led by Party Committees at the same level and higher-level trade unions, taking the leadership of Party Committees at the same level as the main part.

Concurrently holding the positions of the officers of the local federations of trade unions by the leaders of local Party Committees and governments should be the most effective way to achieve the principle of dual leadership, especially the leadership of local Party Committees over the local

federations of trade unions. For example, according to the *Statistical Bulletin on the Development of the Organizations and Work of Trade Unions in 2012*, of 10,035 officers and vice-officers of the local federations of trade unions, nearly 800 union officers were concurrently held by the members of local Party Standing Committees. Almost 1,200 union officers were the deputy directors of either local People's Congresses or Political Consultative Conferences. About 300 union officers were concurrently held by other deputy posts of either local Party Committees or governments.

The system of dual leadership constructs power relations between the local federations of trade unions and local Party Committees and governments. The concurrent appointment of union officers by local Party Committees and governments typically reflects the subordination of the local federations of trade unions to local Party Committees and governments and the absence of autonomy of the local federations of trade unions. That is why researchers (e.g., Taylor & Li, 2007; Xu, 2010; Xu & Wu, 2011) regarded official trade unions as state organs or, more precisely, quasi-state organs, not authentic trade unions.

1.3.2 Preferences and behaviours of the local federations of trade unions

Drawing on classic dualism formulated by Lenin, under the socialist system, trade unions should be the “bridge” (*qiaoliang niudai*) between the ruling communist party and employees, serving the top-down function of conveying the production instructions of the communist party to employees and the bottom-up function of expressing employee demands to the communist party (Pravda & Ruble, 1986). According to Paragraph 1 of the General Principles of the *Constitution of Chinese Trade Unions* (see Table 1.1), “Chinese trade unions ... serve as the bridge and link between the Party and workers and an important social pillar of the state power and represent the interests of trade union members and workers.”

Under the role of a bridge designated by the Party-State, the interests of Chinese trade unions, including the ACFTU and local federations of trade unions, are defined as dual defending both

the interests of the people and employee rights and interests. According to Paragraph 4 of the General Principles of the *Constitution of Chinese Trade Unions* (see Table 1.1), “the basic duty of Chinese trade unions is to protect the legitimate rights and interests of workers.” As stated by Paragraph 3 of the General Principles of the *Constitution of Chinese Trade Unions*, “Chinese trade unions ... while safeguarding the overall interests of the people of the whole country, seek better ways to represent and safeguard the specific interests of workers.” Similarly, according to Article 2 of the *Trade Union Law of the People’s Republic of China* (see Table 1.1), “the All-China Federation of Trade Unions and all of its trade union organizations shall represent the interests of employees and protect the legitimate rights and interests of employees.” As stated by Article 6 of the *Trade Union Law of the People’s Republic of China*, “while safeguarding the overall interests of the people of the whole country, Chinese trade unions shall represent and safeguard the legitimate rights and interests of employees.”

The right to define the interests of the people is monopolized by the Party-State. According to Paragraph 1 of the General Program of the *Constitution of the Communist Party of China*, the CPC “represents ... the fundamental interests of the greatest possible majority of the Chinese people”. The dominant political discourse concerning the interests of the people is the “harmonious society” (*hexie shehui*). In 2002, the 16th National Congress of the CPC put forward the concept of the harmonious society, namely the society “in which all the people will do their best, each individual has his proper place, and everybody will get along in harmony with each other” (Holbig, 2008, pp. 29). In 2006, the CPC formulated the *Decision on Some Major Issues Concerning Building the Harmonious Socialist Society* (see Table 1.1). In the *Decision*, the Party-State reaffirmed the importance of the harmonious society:

Social harmony is the essential attribute of socialism with Chinese characteristics and the important guarantee of national prosperity, national rejuvenation, and people’s happiness. Building the harmonious socialist society ... embodies the common aspiration of the whole Party and the people of all ethnic groups.

In the field of labour relations, the interests of the people are defined by the Party-State as “harmonious labour relations” (*hexie laodong guanxi*). The above *Decision* of the CPC embedded the harmonious society in the field of labour relations, thus formulating the concept of harmonious labour relations. Subsequently, the importance of harmonious labour relations has been clarified by the Party-State. For example, in 2015, the CPC and the State Council jointly formulated the *Opinions on Building Harmonious Labour Relations* (see Table 1.1) according to which, “whether or not labour relations are harmonious is related to the vital interests of employees and enterprises as well as economic development and social harmony.” In fact, as early as 2005, the ACFTU promulgated the *Decision on Strengthening the Coordination of Labour Relations, Safeguarding the Legitimate Rights and Interests of Employees, and Promoting the Building of the Harmonious Socialist Society* (see Table 1.1). In the *Decision*, the ACFTU defined the harmonious society as the dominant political discourse:

Safeguarding the legitimate rights and interests of employees is a necessary way to coordinate labour relations and social interests and promote the building of the harmonious socialist society. Establishing the new socialist labour relations characterized by standardization and order, fairness and reasonableness, mutual benefit, and harmony and stability is the important content and foundation of building the harmonious socialist society.

The subordination of the local federations of trade unions to local Party Committees and governments suggests that behaviours of the local federations of trade unions are bound to be based on the administrative power of the Party-State, not the associational power of employees. However, the local federations of trade unions have no right to issue administrative orders directly. According to Paragraph 1 of the General Principles of the *Constitution of Chinese Trade Unions* (see Table 1.1), “Chinese trade unions are the mass organizations of the working class under the leadership of the Communist Party of China and formed by workers of their own free will.” Similarly, as stated by Article 2 of the *Trade Union Law of the People’s Republic of China* (see Table 1.1), “Chinese trade unions are the mass organizations of the working class formed by workers of their own free will.” Therefore, the local federations of trade unions are accustomed to

collaborating with local Party Committees and governments for achieving behavioural goals. The Yiwu Pattern – the politicized rights-defending advocated by official trade unions – is one of the most typical cases. In settling collective labour disputes, the Yiwu Municipal Federation of Trade Unions took advantage of the following forces: (1) the leadership of the Yiwu Municipal Party Committee; (2) the support of the Yiwu Municipal Government, including the Yiwu Municipal Bureau of Human Resources and Social Security, Municipal Bureau of Finance, and Municipal Bureau of Public Security; (3) the cooperation of social partners, including law firms, universities, and social media; and (4) the participation of employees (Wu, 2017).

For setting up trade unions in privately- and foreign-owned enterprises (POEs and FOEs), the ACFTU assigns the nationwide quotas of union density to the local federations of trade unions (Liu, 2010; Wu, 2008). For example, in 2006, the ACFTU indicated that by the end of 2006, union density in FOEs should reach more than 60% nationwide and by the end of 2007, more than 80% nationwide.⁶ In 2010, the ACFTU formulated “two universals” (*liangge pubian*), namely the universal setting-up of trade unions and collective consultation in enterprises.⁷⁸

After the ACFTU sets the nationwide quotas of union density, the local federations of trade unions at all levels successively determine the regional quotas of union density (Liu, 2010; Wu, 2008). For example, in 2006, the Jiangsu Provincial Federation of Trade Unions set the quotas of union density of Jiangsu Province, which were consistent with the quotas determined by the ACFTU. The Provincial Federation of Trade Unions specified that by the end of 2007, union

⁶ Available at: http://www.china.com.cn/economic/txt/2006-08/07/content_7043179.htm.

⁷ Available at: <http://acftu.people.com.cn/GB/120898/12531247.html>.

⁸ In China, official discourses use the term of collective consultation, not collective bargaining. The Chinese government has not yet ratified the ILO Conventions 87 or 98. The *Trade Union Law of the People's Republic of China*, *Labour Law of the People's Republic of China*, and *Labour Contract Law of the People's Republic of China* all use the term of collective consultation. Collective consultation is also the term used by administrative regulations and normative and guidance documents at the state level, for example, the *Regulations on Collective Contracts* formulated by the Ministry of Human Resources and Social Security in 2004. In the above primary official documents, the Party-State generally juxtaposes collective contract with collective consultation and terms the system as “collective consultation and collective contract system”. In a submission by China for the 2019 Baseline Review on the freedom of association and collective bargaining as part of the follow-up mechanism to the ILO *Declaration on Fundamental Principles and Rights at Work*, the government mixed the usage of collective consultation and collective contract.

membership rate in FOEs should reach more than 90%. Subsequently, the Nanjing Municipal Federation of Trade Unions set the quotas of union density of Nanjing City, stipulating that by the end of 2006, union density in FOEs should exceed 70%.⁹

Driven by the pressure of fulfilling quotas within a prescribed period, the local federations of trade unions collude with employers. Employers agree to set up enterprise unions in accordance with the law. In exchange, the local federations of trade unions promise not to support the confrontation between enterprise unions and employers, especially collective actions (Liu, 2010; Wu, 2008). For example, since entering China in 1996, the Walmart (China) Investment Co. has stuck to its tradition of anti-unionism and rejected the idea of setting up trade unions. In 2004, the National People's Congress and ACFTU successively criticized the non-cooperation of Walmart. The ACFTU even threatened to sue Walmart for violating the *Trade Union Law of the People's Republic of China*. After two years of back-and-forth negotiations, in 2006, Walmart expressed a willingness to cooperate with official trade unions in setting up trade unions. The ACFTU and Walmart signed an agreement according to which Walmart would set up trade unions in all subsidiaries. As a concession, all trade unions recognized the discretion of management, mobilized and organized employees to improve working efficiency, and pursued the harmonious development of enterprises (Wu, 2008).

Implementing the top-down administrative approach by the local federations of trade unions in setting up trade unions in POEs and FOEs is not only necessary but also feasible. First, the interests of the local federations of trade unions are dual defending. According to the Party-State, defending the interests of the people is a premise for defending employee rights and interests. In the field of labour relations, the dominant political discourse as regards the interests of the parties concerned in the workplace is harmonious labour relations. In order to eliminate platforms for collective labour disputes and avoid the disharmony of labour relations, the local federations of trade union not only do not mobilize and organize employees to establish enterprise unions but

⁹ Available at: <http://news.sina.com.cn/o/2006-05-27/09149040787s.shtml>.

also stifle any attempt of employees to organize enterprise unions by themselves, namely excluding the bottom-up associational approach in setting up trade unions in POEs and FOEs. A typical case occurred in 2013 when a group of migrant workers successively consulted the Beijing Municipal Trade Unions of the Construction Industry and the Beijing Municipal Federation of Trade Unions, expecting to get their guidance on organizing the exclusive trade union for migrant workers in the construction industry in Beijing City. However, the two official trade unions acted in concert to deliberately misinterpret the relevant provisions of the *Constitution of Chinese Trade Unions*, denying the identity of migrant workers as employees and blocking them from joining a trade union, let alone organize one.¹⁰

Second, in terms of actions, the local federations of trade unions tend to collaborate with local Party Committees and governments. In setting up trade unions in POEs and FOEs, the local federations of trade unions are able to exert administrative pressures on employers to drive them to sit at the negotiating table and make concessions. The imposition of “the preparatory fund for the setting-up of trade unions” (*jianhui choubeyin*) is one of the most typical cases. If an enterprise is qualified but fails to set up an enterprise union, the local bureau of taxation will levy a fund with the standard of 2% of the monthly total payroll of the enterprise. The fund is refundable after the enterprise sets up an enterprise union in accordance with the law. The practice of the preparatory fund for the setting-up of trade unions has been institutionalized in many regions through local regulations.¹¹

To recap, due to the system of dual leadership characterizing the local federations of trade unions, their preferences and behaviours are completely defined by local Party Committees and governments. The top-down administrative approach implemented by the local federations of trade unions in setting up trade unions in POEs and FOEs is therefore developed from the preferences and behaviours of the local federations of trade unions, which are characterized by

¹⁰ Available at: http://news.ifeng.com/shendu/nfc/detail_2013_08/29/29134535_0.shtml.

¹¹ Available at: <http://www.qingdao.gov.cn/n172/n68422/n1527/n29201435/130829171556015715.html>.

dual defending and collaboration with local Party Committees and governments.

Table 1.1 presents the primary official documents (e.g., laws, administrative regulations, normative and guidance documents, etc.) at the state level related to Chinese trade unions in chronological order.

Table 1.1 Primary Official Documents at the State Level Related to Chinese Trade Unions

Dates	Title	Source	Relevant contents
1950 (Initial) 2009 (Latest)	<i>Trade Union Law of the People's Republic of China</i>	National People's Congress	Nature, functions, organizational rules, rights, and obligations of Chinese trade unions
1957 (Initial) 2018 (Latest)	<i>Constitution of Chinese Trade Unions</i>	ACFTU	Nature, functions, and organizational rules of Chinese trade unions and rights and responsibilities of union members
1988	<i>Basic Assumptions on the Trade Union Reform</i>	ACFTU	Relationships between employees, Chinese trade unions, and the Party-State and organizational structure and personnel system of Chinese trade unions
1989	<i>Notice on Strengthening and Improving the Leadership of the Party over Trade Unions, Communist Youth Leagues, and Women's Federations</i>	CPC	Principle of dual leadership
1992 Repealed in 2016	<i>Provisional Regulations on the Election of Grassroots Trade Union Organizations</i>	ACFTU	Procedures for the election of union officials
1994 Repealed in 2004	<i>Regulations on Collective Contracts</i>	Ministry of Labour	Qualifications, rights, and obligations of negotiators and contents, procedures, and dispute settlements of collective consultation
1997	<i>Opinions on Some Issues Concerning Promoting the Trade Union Reform and Construction</i>	ACFTU	Organizational structure and personnel system of Chinese trade unions
2001	<i>Opinions on Strengthening the Setting-up of Trade Unions in Newly Established Enterprises</i>	ACFTU	Setting-up trade unions in POEs and FOEs
2004	<i>Regulations on Collective Contracts</i>	Ministry of Human Resources and Social Security	Qualifications, rights, and obligations of negotiators and contents, procedures, and dispute settlements of collective consultation
2005	<i>Decision on Strengthening the Coordination of Labour Relations, Safeguarding the Legitimate Rights and Interests of Employees, and Promoting the Building of the Harmonious Socialist Society</i>	ACFTU	Harmonious labour relations
2006	<i>Decision on Some Major Issues Concerning Building the Harmonious Socialist Society</i>	CPC	Harmonious society
2015	<i>Opinions on Building Harmonious Labour Relations</i>	CPC and State Council	Harmonious labour relations
2016	<i>Regulations on the Election of Grassroots Trade Union Organizations</i>	ACFTU	Qualifications of candidates for union officials and procedures for the election of union officials

As illustrated by Table 1.1, the Party-State not only has constructed the web of rules for the operations of trade unions through legislation but also is defining the role of Chinese trade unions under market socialism via administrative regulations, especially a series of regulations on collective consultation. Correspondingly, the ACFTU is responding to the expectation of the Party-State of the role of trade unions by formulating normative and guidance documents, for example, a large number of documents on the election of union officials. The continuous improvement of the macro system sharply contrasts with the ever-increasing enterprise union crisis.

1.4 Enterprise union reforms conducted by local governments and federations of trade unions

Local governments and federations of trade unions are increasingly conducting enterprise union reforms. The Party-State has formulated a series of laws and administrative regulations on collective consultation. The *Trade Union Law of the People's Republic of China* (see Table 1.1), *Labour Law of the People's Republic of China*, and *Labour Contract Law of the People's Republic of China* have established main principles for collective consultation. For example, according to Article 51 of the *Labour Contract Law*:

Employees as one party and an enterprise as the other party may, through negotiation on an equal basis, conclude a collective contract on the matters relating to labour remuneration, working hours, rest and vacation, occupational safety and health, insurance, welfare benefits, and so on.

Local governments are formulating local regulations to improve the regulation of collective consultation. For example, according to Article 32 of the *Regulations on Collective Contracts* (see Table 1.1) formulated by the Ministry of Human Resources and Social Security in 2004, “any party to collective consultation may request the other party to carry out collective

consultation in written form with respect to the signing of either a collective contract or a special collective contract and related matters.” In 2014, the Guangdong Provincial People’s Congress promulgated the *Guangdong Province Regulations on Enterprise Collective Contracts*. Article 18 of the *Guangdong Province Regulations* refines the start-up mechanism of collective consultation:

The request for collective consultation shall be made in writing.

If employees think it is necessary to carry out collective consultation with an enterprise, they shall propose to an enterprise union. The enterprise union may, according to the opinions of employees and specific conditions of the enterprise, decide whether or not to propose the request for collective consultation to the enterprise. Upon the proposal of either more than half of employees or more than half of the representatives of the worker congress, the enterprise union shall propose the request for collective consultation to the enterprise. If the enterprise has not yet established an enterprise union, employees may propose the request for collective consultation to the local federation of trade unions in the place where the enterprise is located. The local federation of trade unions in the place where the enterprise is located shall, with the consent of either more than half of employees or more than half of the representatives of the worker congress, propose the request for collective consultation to the enterprise.

If an enterprise thinks it is necessary to carry out collective consultation with employees, it shall propose to an enterprise union. If the enterprise has not yet established an enterprise union, it may propose the request for collective consultation to the local federation of trade unions in the place where it is located.

In addition to institutional reform, local governments are also practically promoting collective consultation. For example, in 2010, the Ministry of Human Resources and Social Security, All-China Federation of Trade Unions (ACFTU), and China Enterprise Confederation jointly indicated that by the end of 2010, collective contract coverage should reach more than 60% nationwide and by the end of 2011, more than 80% nationwide.¹²

¹² Available at: http://www.mohrss.gov.cn/ldgxs/LDGXhetong/jtht/201107/t20110727_86307.html.

After the Party-State sets the nationwide quotas of collective contract coverage, local governments at all levels successively determine the regional quotas of collective contract coverage. For example, in 2010, the Beijing Municipal Bureau of Human Resources and Social Security, the Beijing Municipal Federation of Trade Unions, and the Beijing Enterprise Confederation set the quotas of collective contract coverage of Beijing City, specifying that by the end of 2010, collective contract coverage should exceed 80%; by the end of 2011, 90%; and by the end of 2012, 95%.¹³

Since the strike wave of 2010, local governments have experimented with collective consultation as a resolution to collective labour disputes rather than solely relying on the authority of the state – especially the police – to suppress collective actions (Li, 2017; Liu, 2015; Meng, 2014; Meng, 2016; Meng & Lu, 2012; Meng & Zhang, 2015). The strike at Shenzhen Crown Precision Technology Co., Ltd. in 2011 is one of the most typical cases. During this strike, the Shenzhen Municipal Government stationed the police in the enterprise. After the tension eased, the Municipal Government ordered the police to withdraw from the enterprise and no longer intervened in the settlement of the strike, having employees and their employer negotiate on their own. The Municipal Government even tacitly allowed employees to entrust a non-government organization to represent them in collective consultation.¹⁴

In addition to collaborating with local governments to promote collective consultation, the local federations of trade unions are also proactively advancing union democracy, especially the election of union officials (Chen, Wu, & Chen, 2004; Chen & Zhang, 2004). Since the strike wave of 2010, the local federations of trade unions have experimented with the election of union officials as the aftermath disposal of collective labour disputes (Chan & Hui, 2012; Hui & Chan, 2015; Wen, 2014). The effect of the strike at OHM Electronics (Shenzhen) Co., Ltd. in 2012 is one of the most typical cases. During this strike, employee demands involved the restructuring of

¹³ Available at: <http://chinajob.mohrss.gov.cn/h5/c/2010-09-08/42485.shtml>.

¹⁴ Available at: <https://finance.qq.com/a/20111124/005357.htm>.

their enterprise union, especially the recall of their union officer. As the strike subsided, the Shenzhen Municipal Federation of Trade Unions determined to restructure the enterprise union and not to intervene in the nomination and appointment of the union officer, having employees elect their union officer on their own.¹⁵ The Municipal Federation of Trade Unions indicated that the election of union officials would be piloted in 163 enterprise unions in Shenzhen City.¹⁶ Similarly, after the Honda strike, the Foshan Municipal Federation of Trade Unions specified that it would define 100 enterprise unions in Foshan City as pilot units for the election of union officials.¹⁷

As early as 1988, the ACFTU formulated the *Basic Assumptions on the Trade Union Reform* (see Table 1.1) according to which:

The key point of the reform of trade union officials is to improve the electoral system and change de facto appointment system. Trade union officials at all levels shall be elected through strict democratic procedures ... The grassroots trade union organization where there are conditions may progressively carry out the direct election of trade union officials by trade union members.

By promulgating a series of guidance documents, the ACFTU reaffirmed the importance of the election of union officials. For example, according to the *Opinions on Some Issues Concerning Promoting the Trade Union Reform and Construction* (see Table 1.1) issued by the ACFTU in 1997:

A grassroots trade union committee, a trade union officer, and a trade union vice-officer shall be democratically elected. The trade union officer and trade union vice-officer of a small and medium-sized enterprise or institution shall be democratically elected directly by the general (representative) assembly of trade union members.

The normative document guiding the election of union officials has long been the *Provisional Regulations on the Election of Grassroots Trade Union Organizations* (see Table 1.1), which was

¹⁵ Available at: <http://finance.sina.com.cn/china/hgjj/20120605/094812225345.shtml>.

¹⁶ Available at: http://news.ifeng.com/gundong/detail_2012_05/27/14834949_0.shtml?_from_ralated.

¹⁷ Available at: <http://news.sina.com.cn/o/2011-04-13/081122283593.shtml>.

formulated by the ACFTU in 1992. However, there was no provision on the qualifications of candidates for union officials in the *Provisional Regulations*. The absence of relevant provision continued until the ACFTU issued the *Regulations on the Election of Grassroots Trade Union Organizations* (see Table 1.1) in 2016. According to Article 11 of the *Regulations*:

The chief executives, legal representatives, and partners of a unit and their close relatives shall not be candidates for the grassroots trade union committee, trade union officer, and trade union vice-officer of the unit.

In fact, the institutional reform of the ACFTU in the election of union officials is a resonance to local institutional reforms. Two years before the introduction of the above *Regulations* of the ACFTU, in 2014, the Guangdong Provincial Federation of Trade Unions formulated the *Guangdong Province Implementing Measures on Democratic Elections in Enterprise Trade Unions* (see Table 1.1). According to Article 20 of the *Guangdong Province Implementing Measures*:

The investors (including partners) and their close relatives, legal representatives, and chief executives of an enterprise shall not be candidates for a trade union committee. The person who is in charge of the human resources department and foreign (including Hong Kong, Macao, and Taiwan) employees shall not be nominated as candidates for a trade union officer.

Local institutional reforms on the election of union officials are even more advanced than the institutional reform of the ACFTU. For example, according to Article 3 of the above *Regulations* of the ACFTU:

A grassroots trade union committee shall be elected by the general (representative) assembly of trade unions members. A trade union officer and a trade union vice-officer might be directly elected by the general (representative) assembly of trade union members or indirectly elected by the grassroots trade union committee.

As stated by Article 4 of the *Guangdong Province Implementing Measures*, “the democratic election of an enterprise trade union may be a direct election or an indirect election. The direct

election is encouraged.”

To recap, in the foreseeable future, the system of dual leadership might not be overturned. However, local governments and federations of trade unions have not given up conducting enterprise union reforms with a view to promoting collective consultation and the election of union officials. Drawing on the framework of experimentation (Murray, et al., 2020), what initiated by local governments and federations of trade unions should be regarded as institutional experiments, which aim at facilitating and enabling organizational experiments in which the parties concerned in the workplace seek to modify or renew union representation.

1.5 Research questions

In China, the enterprise union crisis and enterprise union reforms coexist: (1) enterprise unions suffer the apparent absence of relevance for employees and (2) local governments and federations of trade unions are promoting collective consultation and the election of union officials. It is labour unrest from below that drives enterprise union reforms with the primary objective to confine employee activism within the constitutional channel of union representation (Chan & Hui, 2012; Clarke & Pringle, 2009; Howell, 2008; Pringle, 2011; Pringle & Clarke, 2010). Therefore, the first relatively broad research question of this thesis arises:

Do collective bargaining and union democracy improve the relevance of trade unions for employees?

Local governments and federations of trade unions conduct enterprise union reforms through various approaches. However, there are many doubtful situations emerging, especially the recurrence of the top-down administrative approach. In order to fulfil quotas within a prescribed period, local governments and federations of trade unions negotiate and reach a consensus with employers that employers sign collective contracts with enterprise unions in accordance with the law. As a concession, local governments and federations of trade unions do not inspect whether or not the signed collective contracts improve employee interests. Therefore, enterprise unions and

employers engage in formalistic collective consultation in which signed collective contracts are the templates provided by local governments and federations of trade unions, namely the duplication of the minimum labour standards stipulated by labour law (Wu, 2012; Wu & Sun, 2014). That is why collective consultation promoted by local governments and federations of trade unions is widely regarded as the “template bargaining” (*muban tanpan*; Kuruvilla & Zhang, 2016). The top-down administrative approach also prevails in the setting-up of the election of union officials by the local federations of trade unions. The second, quite specific, research question of this thesis thus emerges:

Do the reforms of collective bargaining and union democracy conducted by local governments and federations of trade unions in China improve the relevance of enterprise unions for employees?

Chapter 2 Understanding Employee Union Identification

Chapter 2 presents the theoretical explanation for employee union identification. This chapter proceeds in three steps: first, the concept of employee union identification; second, the explanation of the variations in employee union identification and employee identification with the employer; and finally, the formulation of the theoretical framework to be used in subsequent chapters.

2.1 Defining employee union identification

The weak relevance of Chinese enterprise unions for employees raises the issue of **employee union identification**, which denotes whether or not an employee identifies with the trade union to which the employee pays union dues.

According to Gordon, Philpot, Burt, Thompson, & Spiller (1980), union commitment as the core concept denoting the relationship between an employee and his or her trade union involves four dimensions: (1) a belief in trade unionism; (2) union loyalty, namely “a clear awareness of benefits accruing to the individual stemming from membership” and “a sense of pride in the association with the union and its membership” (Gordon, et al., 1980, pp. 485); (3) a responsibility to a trade union, namely “the ... willingness to fulfill the day-to-day obligations and duties of a member in order to protect the interests of the union” (Gordon, et al., 1980, pp. 485); and (4) a willingness to work for a trade union, namely “the willingness of a member to expend extra energy in the service of the union ‘above and beyond the call of duty’” (Gordon, et al., 1980, pp. 485).

In the classic summary representation of union commitment put forward by Gordon, et al. (1980), the above four dimensions are not at the same empirical level. A belief in trade unionism is the superordinate concept of union loyalty, which targets individual trade unions. Drawing on reasoned action theory (Fishbein & Aizen, 1975), beliefs and attitudes lead to behavioural

intentions, which in turn, result in behaviours. Therefore, a belief in trade unionism and union loyalty should be antecedents to pro-union behavioural intentions. Empirical studies (e.g., Barling, et al., 1992; Fullagar & Barling, 1989; Kelloway & Barling, 1993; Sverke & Sjöberg, 1995; Tan & Aryee, 2002; Tetrick, et al., 2007) reveal that union loyalty does have an impact on both a responsibility to a trade union and a willingness to work for a trade union.

According to Sverke & Kuruvilla (1995), union loyalty or, more precisely, the attitudinal dimension of union commitment involves two dimensions: (1) instrumental rationality-based union commitment, namely “a utilitarian relationship between members and unions, where the individual member is attached to the union mainly because of the union’s instrumental value to the member” (Sverke & Kuruvilla, 1995, pp. 514) and (2) value rationality-based union commitment, namely “the ... value congruence between the member and his/her union. It is the perceived identification of the member with the *content* of those particular ends to which an action is oriented” (Sverke & Kuruvilla, 1995, pp. 514).

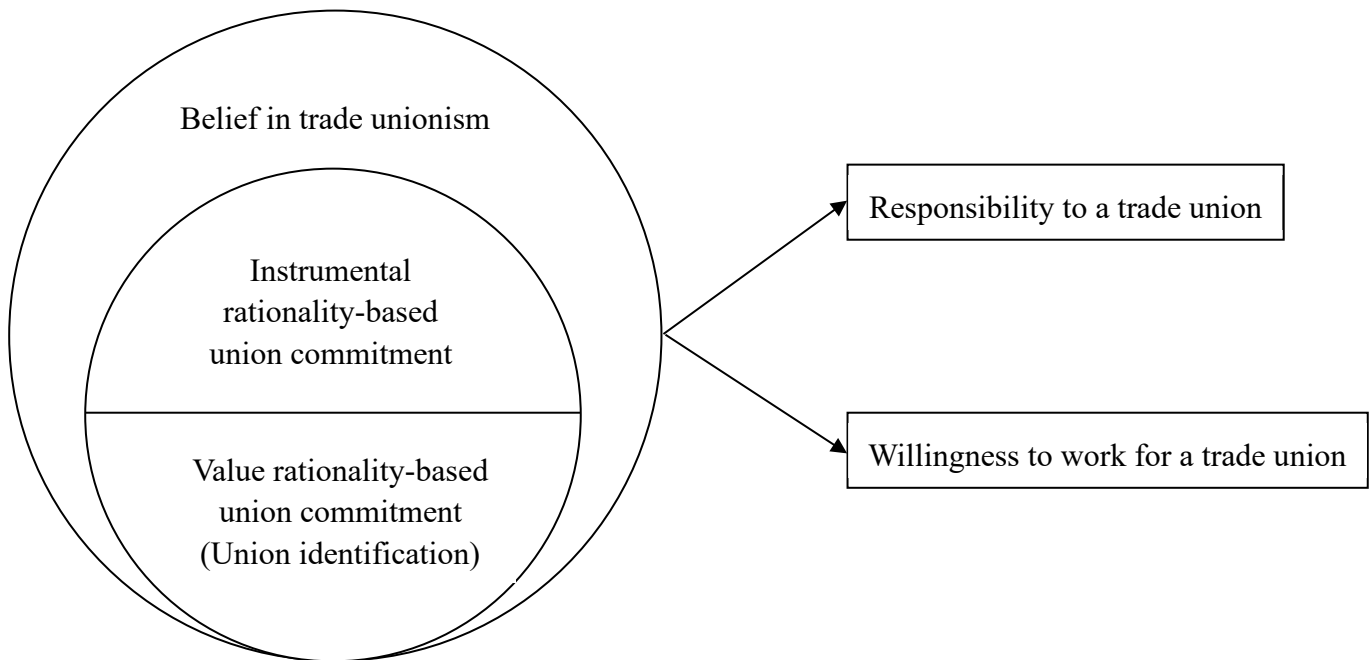
The empirical study by Sverke & Sjöberg (1995) reveals that in comparison with instrumental rationality-based union commitment, value rationality-based union commitment has a more robust impact on both a responsibility to a trade union and a willingness to work for a trade union. Sverke & Sjöberg (1995) divide union members into four categories: (1) *instrumental union members* (a high level of instrumental rationality-based union commitment but a low level of value rationality-based union commitment); (2) *alienated union members* (low levels of instrumental rationality-based and value rationality-based union commitments); (3) *ideological union members* (a low level of instrumental rationality-based union commitment but a high level of value rationality-based union commitment); and (4) *devoted union members* (high levels of instrumental rationality-based and value rationality-based union commitments). The empirical study by Sverke & Sjöberg (1995) specifies that in comparison with instrumental and alienated union members, ideological and devoted union members are more likely to participate in the union activities satisfying self-interest and requiring little sacrifice (e.g., maintaining union

membership, voting in a union election, filing a grievance, etc.) and suppress self-interest to express collective interests, for example, serving as a union steward, holding union office, participating in collective actions, and so on.

This thesis defines value rationality-based union commitment as employee union identification, namely the extent to which an employee identifies with the values and beliefs of his or her trade union.

Figure 2.1 illustrates relationships between the four dimensions of union commitment.

Figure 2.1 Relationships between the Four Dimensions of Union Commitment

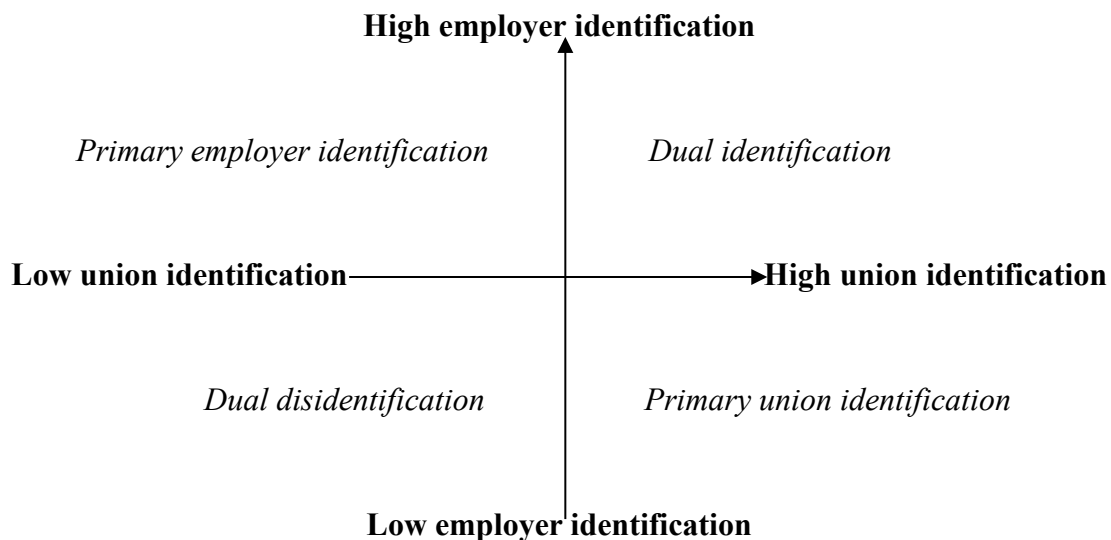


In addition to his or her trade union, an employee has another potential constituency of identification, namely the enterprise for which the employee works. Empirical studies (e.g., Akoto, 2014; Cohen, 2005; Kim & Rowley, 2006; Müller-Jentsch, 1985; Offe & Wiesenenthal, 1980; Redman & Snape, 2016; Robinson, et al., 2012; Snape, Redman, & Chan, 2000) reveal that there may be compatibility or mutual exclusion between employee union identification and

employee identification with the employer. In order to achieve a better understanding of the variation in employee union identification, this thesis explores, in complement to employee union identification, the concept of employee identification with the employer.

Figure 2.2 illustrates the typology of employee identification, namely the configuration combining employee union identification and employee identification with the employer: (1) *primary union identification* (a high level of employee union identification but a low level of employee identification with the employer); (2) *dual disidentification* (low levels of employee union identification and employee identification with the employer); (3) *primary employer identification* (a low level of employee union identification but a high level of employee identification with the employer); and (4) *dual identification* (high levels of employee union identification and employee identification with the employer).

Figure 2.2 Typology of Employee Identification



2.2 Explaining the variation in employee union identification

Sections 2.2.1 and 2.2.2 first examine the two primary lines of analysis – the instrumental and constructivist accounts of employee union identification – namely the relationship of employee

union identification with union instrumentality and union democracy respectively. Section 2.2.3 then explores a third line of analysis, namely the relationship between employee identification and the frame of reference for labour relations. Finally, Section 2.2.4 explores a fourth line of analysis, namely the relationship between union democracy and the intervention of the Party-State.

2.2.1 Employee union identification and union instrumentality

Drawing on social exchange theory (Blau, 1964; Homans, 1958; Homans, 1974; Thibaut & Kelly, 1959) and the extended form of the theory (Levinson, 1965), the pursuit of self-interest leads an individual to enter or leave a social exchange with an organization. By regarding interpersonal communications between an employee and his or her trade union as a social exchange (Cregan, 2013; Sinclair & Tetrick, 1995; Snape & Redman, 2004), one of the primary antecedents to union commitment should be union instrumentality, namely “a calculative or utilitarian relationship with unions and is based on a cognitive assessment of the costs and benefits associated with union representation” (Newton & Shore, 1992, pp. 279). Empirical studies (e.g., Bamberger, Kluger, & Suchard, 1999; Barling, Fullagar, & Kelloway, 1992; Deery, et al., 2014; Fullagar & Barling, 1989; Iverson & Kuruvilla, 1995; Kuruvilla, Gallagher, & Wetzel, 1993; Newton & Shore, 1992; Redman & Snape, 2005; Sverke & Sjöberg, 1994; Tan & Aryee, 2002) reveal that union instrumentality does have an impact on union commitment.

Despite a variation in terminology (e.g., “instrumental and normative commitments”, Heshizer & Lund, 1997; Heshizer, Martin, & Wiener, 1991; “instrumental and ideological commitments”, Newton & Shore, 1992; “instrumental rationality-based and value rationality-based commitments”, Sverke & Kuruvilla, 1995; Sverke & Sjöberg, 1995, etc.), the consensus that one dimension of union commitment is predominately determined by union instrumentality characterizes most studies of trade unionism. Does the other dimension of union commitment – employee union identification defined here – entirely stem from the values and beliefs of a trade

union and is it completely immune to union instrumentality? Therefore, this thesis formulates the following proposition, namely the link between employee union identification and union instrumentality:

Proposition 1: employee union identification is associated with union instrumentality.

2.2.2 Employee union identification and union democracy

Drawing on self-categorization theory (Hogg, 2000; Hogg & Adelman, 2013; Turner, et al., 1987), the aversion of self-uncertainty leads an individual to depersonalize in accordance with the prototype of a social group, namely “context specific, multidimensional fuzzy sets of attributes that define and prescribe attitudes, feelings, and behaviors that characterize one group and distinguish it from other groups” (Hogg, 2001, pp. 187). Self-categorization theory breeds the concept of social identification (Ashforth & Mael, 1989), namely “the process whereby people develop a sense of themselves as a distinct group, ‘we’ defined in opposition to ‘them’, which has distinct interests and values” (Badigannavar & Kelly, 2005, pp. 527).

In light of self-categorization theory, this thesis redefines employee union identification as the extent to which an employee identifies with the prototype of his or her trade union or, as the most frequently used term of researchers (e.g., Clemens, 1996; Gahan & Pekarek, 2013; Kelly, 1998), trade union identity.

Murray, Dufour, Hege, & Lévesque (2010) put forward the framework of referential unionism, which denotes the production and internalization of trade union *habitus*. Drawing on the concept advanced by Bourdieu (1990), Murray, et al. (2010, pp. 313) portray trade union *habitus* as follows:

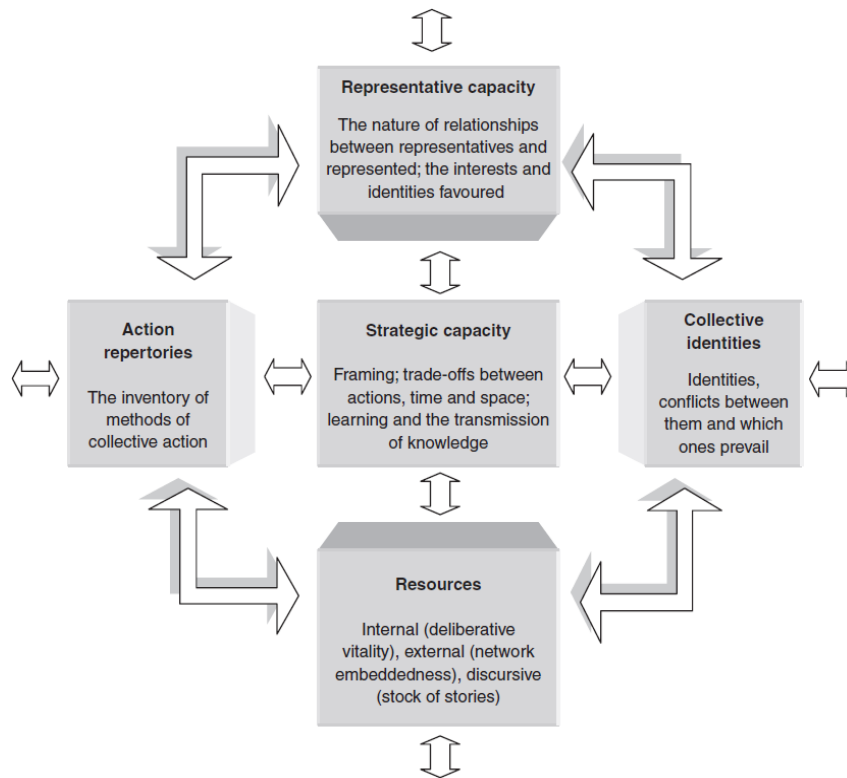
The concept of *habitus* ... denotes the set of arrangements, schemes of action and perceptions acquired through social experience. Through their socialization and social trajectories, individuals incorporate an enduring way of thinking, feeling and acting. This habitus reflects the social world and permits

agents/actors to respond immediately to events they face, without needing to reflect consciously on what is to be done.

In this way, trade union prototype and trade union *habitus* are consistent in nature.

According to Murray, et al. (2010), referential unionism involves four dimensions (see Figure 2.3): (1) collective identities, namely “the various senses of self within the union and how those identities interact” (Foster, 2017, pp. 325); (2) action repertoires, namely “the methods and actions undertaken by the union” (Foster, 2017, pp. 325); (3) strategic capacity, namely “the ability of the leadership and other actors to effectively act upon situations” (Foster, 2017, pp. 325); (4) representative capacity, namely the ability “how the union engages the various interests within the union” (Foster, 2017, pp. 325); and (5) power resources, namely “the capacities the union can draw upon on to enact interests” (Foster, 2017, pp. 325).

Figure 2.3 Relationships between the Four Dimensions of Referential Unionism



Source: Murray, G., Dufour, C., Hege, A., & Lévesque, C. (2010). Referential unionisms and globalization: A comparative study of workplace union dynamics. *European Journal of Industrial Relations*, 16(4): 314.

Drawing on the theorization by Murray, et al. (2010), synergies between strategic capacity, representative capacity, and internal resources – especially deliberative vitality, namely “the participation of members in the life of their union” (Lévesque & Murray, 2010, pp. 338) – lead to the integration between the production and internalization of trade union prototype. This is equivalent to the classic term in social mobilization theory – identity construction – namely “the process through which personal and collective identities are aligned, such that individuals regard engagement in movement activity as being consistent with their self-conception and interests” (Snow & McAdam, 2000, pp.49).

Strategic capacity links up all of the other dimensions of referential unionism, developing the autonomous and proactive agenda for union policies and practices rather than reacting to the initiatives of an employer and maintaining path-dependent action repertoires (Hickey, Kuruvilla, & Lakhani, 2010; Hyman, 2007; Lévesque & Murray, 2003; Lévesque & Murray, 2010; Martin, 2007; Murray, et al., 2010; Sharpe, 2004; Voss, 2010; Voss & Sherman, 2000). However, without the interrelationship between deliberative vitality and representative capacity, it is hard for the agenda put forward by a trade union – especially the definition of the ego (us) and the alter (them) – to lead to collective mobilization. Deliberative vitality articulates employee demands to union leadership (Hyman, 2007; Lévesque & Murray, 2010; Murray, et al., 2010). On this basis, representative capacity arbitrates the conflicting collective identities prevailing in the workplace and organizes them in a hierarchy, deeming certain collective identities to be legitimate (Dufour & Hege, 2010; Hyman, 2007; Lévesque & Murray, 2010; Murray, et al., 2010).

Deliberative vitality or, more broadly, union democracy lays the foundation of union identity construction. According to Lévesque, Murray, & Le Queux (2005, pp. 409), “democracy is a building block in the construction of union identity.” Therefore, union democracy should be an antecedent to employee union identification. Empirical studies (e.g., Bourque & Rioux, 2001; Fiorito, Gallagher, & Fukami, 1988; Lévesque & Murray, 2005; Murray, et al., 2010; Newton & Shore, 1992; Peetz & Pocock, 2009) reveal that union democracy does have an impact on internal solidarity. The empirical study by Lévesque, et al. (2005) specifies that union democracy is related to both a belief in trade unionism and the relevance of a trade union for employees. Therefore, this thesis formulates the following proposition, namely the link between employee union identification and union democracy:

Proposition 2: employee union identification is associated with union democracy.

2.2.3 Employee identification and the frame of reference for labour relations

Drawing on cognitive dissonance theory (Festinger, 1957), the aversion of cognitive dissonance leads an individual to alter one of his or her beliefs, attitudes, and behaviours. Therefore, the primary antecedent to employee identification should be industrial relations climate, namely “the perceptions of organizational members about the norms, conduct, practice and atmosphere of union-management relations in the workplace” (Blyton, et al., 1987, cited by Dastmalchian, 2008, pp. 548). If a cooperative industrial relations climate prevails in the workplace, employee identification will be *dual identification*. However, when industrial relations climate is antagonistic, *dual identification* will result in cognitive dissonance, thus giving rise to the weakening of employee union identification or of employee identification with the employer. Empirical studies (e.g., Angle & Perry, 1986; Deery, Erwin, & Iverson, 1999; Deery & Iverson, 2005; Deery, Iverson, & Erwin, 1994; Magenau, Martin, & Peterson, 1988; Redman & Snape, 2016; Snape & Chan, 2000; Snape, Redman, & Chan, 2000) reveal that industrial relations climate does have an impact on employee identification.

Industrial relations climate stems from the frame of reference for labour relations (Bray, Budd, & Macneil, 2019), namely the “packages of values and assumptions pertaining to the interests of the parties to the employment relationship ... and the degree to which these interests are compatible” (Budd & Bhawe, 2008, pp. 93). According to Bray, Budd, & Macneil (2019), the frame of reference can cover six types: (1) *radicalism*; (2) *adversarial pluralism*; (3) *collaborative pluralism*; (4) *consultative unitarism*; (5) *autocratic unitarism*; and (6) *egoism*.

Radicalism defines the relationship between employees and their employer as class opposition. Therefore, employees and their employer compete for control over the labour process (Bray, Budd, & Macneil, 2019; Budd & Bhawe, 2008; Hyman, 1975; Kaufman, 2016). However, *egoism* regards an employee and his or her employer as rational agents. The incompatibility between employee interests and employer interests is thus resolved before the employee and his or her

employer enter the employment relationship (Bray, Budd, & Macneil, 2019; Budd & Bhavé, 2008; Kaufman, 2016).

Unitarism defines employees and their employer as the only legitimate participants in the employment relationship. Employees and their employer have and only have common interests, namely the attainment of organizational goals (Bray, Budd, & Macneil, 2019; Budd & Bhavé, 2008; Fox, 1966; Kaufman, 2016; Kitay & Marchington, 1996). However, in addition to employees and their employer, *pluralism* also regards the representative organization of employees – especially their trade union – as a legitimate participant in the employment relationship. Employees and their employer have separate interests, one part in common – the attainment of organizational goals – and the other part in conflict, namely the distribution of benefits and burdens (Bray, Budd, & Macneil, 2019; Budd & Bhavé, 2008; Fox, 1966; Kaufman, 2016; Kitay & Marchington, 1996).

As one variant of *unitarism*, *autocratic unitarism* assumes that an employer undertakes full responsibility for and has sufficient expertise in achieving common interests between employees and the employer (Bray, Budd, & Macneil, 2019). However, *consultative unitarism* is predicated on the notion that only with the assistance of employees will the employer be able to be fully responsible for achieving their common interest. Otherwise, it is hard for the employer to prevent opportunistic behaviours (Bray, Budd, & Macneil, 2019).

Like *unitarism*, *pluralism* also has two variants (Bray, Budd, & Macneil, 2019). As one variant of pluralism, *adversarial pluralism* assumes that each party, for employees and for their employer, is solely responsible for achieving its own interests and only has minimal responsibility for addressing the interests of the other party (Bray, Budd, & Macneil, 2019). However, *collaborative pluralism* is predicated on the notion that employees and their employer bear joint responsibility for achieving their common interest to prevent opportunistic wins (Bray, Budd, & Macneil, 2019).

This thesis formulates the following proposition, namely the link between employee identification and the frame of reference for labour relations:

Proposition 3: employee identification is associated with the frame of reference for labour relations.

2.2.4 Union democracy and the intervention of the Party-State

According to Wright (2000), the working-class power primarily involves two dimensions: (1) structural power, namely the power stemming from “location of workers within the economic system” (Wright, 2000, pp. 962) and (2) associational power, namely “the various forms of power that result from the formation of collective organizations of workers” (Wright, 2000, pp. 962). Although the concept of the working-class power is refined and expanded (e.g., “institutional and social power”, Serrano & Xhafa, 2016; “marketplace and workplace bargaining power”, Silver, 2003, etc.) – structural and associational power lays the foundation of the working-class power.

Drawing on the theorization by Friedman (2013), the appropriated representation of the All-China Federation of Trade Unions (ACFTU) – “a situation in which the state unilaterally grants exclusive rights of political representation of an entire class to a particular organization in the absence of substantive or formalistic delegation from membership” (Friedman, 2013, pp. 303) – leads to the absence of autonomous associational power of employees. An enterprise union as the branch of the ACFTU in the workplace occupies the representational field for employees. Therefore, employees have no choice but to join the official enterprise union, not organizing an autonomous collective-interest representation.

According to Clegg (1976, pp. 10), “state intervention may also be a powerful influence if it comes at a sufficiently early stage in the development of collective bargaining.” The original meaning of intervention is “the act of interfering with the outcome or course especially of a

condition or process (as to prevent harm or improve functioning)”¹⁸ The intervention of the Party-State denotes the strategy of the Party-State to intervene in union associational power.

Recent years have witnessed the emergence of collective bargaining led by the Party-State (Chan & Hui, 2014; Kuruvilla & Zhang, 2016; Lee, Brown, & Wen, 2016; Liu & Kuruvilla, 2016).

Chan & Hui (2014, pp. 234) portray collective bargaining led by the Party-State as follows:

The state attempted to pre-empt ... workers’ collective actions by pro-actively facilitating collective bargaining between representatives of the workers and the enterprise through the state organs – the ACFTU, and the provincial- or city-level trade unions.

The effect of the Honda strike is one of the most typical cases. One year after the outbreak of the 2010 strike, in collective bargaining of 2011, the enterprise union argued for the wage increases of ¥880. The employer drew the red line of ¥531. In the case of a stalemate in collective bargaining and the possible recurrence of a strike, Xianghong Kong who was until then the vice-officer of the Guangdong Provincial Federation of Trade Unions took the initiative to intervene in the settlement of this collective labour dispute. Kong ordered the employer to retract his final proposal and warned the enterprise union that if the employer applied this case to the local labour dispute arbitration committee, there would be little chance of approving the demand of the enterprise union. The enterprise union and employer returned to the negotiating table and reached a compromise, agreeing to raise wages by ¥611.¹⁹

The core of collective bargaining led by the Party-State resides in compensation for the absence of autonomous associational power of employees through the administrative power of the Party-State. However, empirical studies (e.g., Froissart, Liu, & Meng, 2019; Howell & Pringle, 2019; Luo & Yang, 2019; Pringle & Meng, 2018) reveal that since the strike wave of 2010, in addition to directly facilitating collective bargaining, local governments and federations of trade unions have also improved the responsiveness of enterprise unions to employee demands, developing the

¹⁸ Available at: <https://www.merriam-webster.com/dictionary/intervention>.

¹⁹ Available at: <http://news.sina.com.cn/o/2011-07-05/083522758615.shtml>.

form of associational power compatible with the appropriated representation of the ACFTU. Still taking the effect of the Honda strike as a typical case, during this strike, the Guangdong Provincial Federation of Trade Unions dispatched the working team led by Xianghong Kong to the enterprise. After the strike subsided, the working group did not withdraw from the enterprise. Kong guided employees to initiate the restructuring of their enterprise union, especially the election of union officials.²⁰ As the prerequisite for the election of union officials, employees elected employee representatives from rank-and-file employees and grass-roots managers. After the election of union officials in 2010, Kong suggested that the enterprise union retain employee representatives and establish a network of union stewards. Before collective bargaining of 2011, the enterprise union solicited employee demands and made negotiation proposals through a network of union stewards (Lee, Brown, & Wen, 2016).

By improving the responsiveness of enterprise unions to employee demands, local governments and federations of trade unions expose enterprise unions to a greater degree of accountability with a view to promoting communications between enterprise unions and employers. The improvement of the responsiveness of enterprise unions is manifested in the development of employee representatives or, more broadly, the development of union democracy. For a particular region, do the local government and federation of trade unions seek to improve the responsiveness of enterprise unions to employee demands? If so, how does such intervention affect union democracy?

In order to respond to the above questions, this thesis formulates the following proposition, namely the link between union democracy and the intervention of the Party-State:

Proposition 4: union democracy is associated with the intervention of the Party-State.

If the above proposition holds and so does the relationship between employee union identification and union democracy (proposition 2), then the relationship between employee union

²⁰ Available at: <http://news.sina.com.cn/o/2011-07-05/083522758615.shtml>.

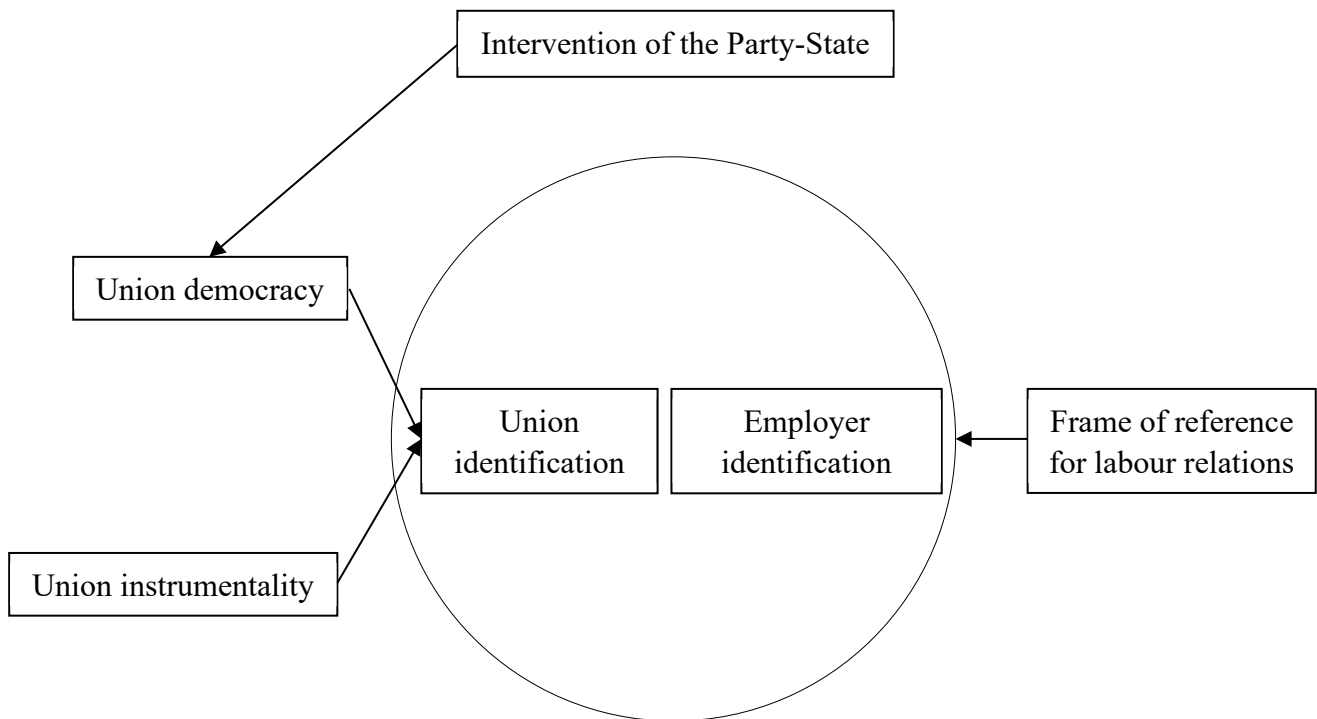
identification and the intervention of the Party-State might be anticipated.

2.3 Theoretical framework

This thesis seeks to explore and explain the variations in employee union identification and employee identification with the employer through four lines of analysis. The two primary lines of analysis – the instrumental and constructivist accounts of employee union identification – establish the relationship of employee union identification with union instrumentality and union democracy respectively. A third line of analysis focuses on the relationship between employee identification and the frame of reference for labour relations. A fourth line of analysis concerns the relationship between union democracy and the intervention of the Party-State.

Figure 2.4 illustrates the theoretical framework of this study.

Figure 2.4 Theoretical Framework



Few disagree that the Chinese case is different from developed market economies. How to develop a context-sensitive theory in Chinese trade union research? There are two approaches for analyzing the interface between theory and context (Whetten, 2009): (1) theories *in* context (i.e., contextualizing organizational theory) and (2) theories *of* context (i.e., theorizing about the effects of context on organizational and managerial practices).

Drawing on the instrumental and constructivist accounts of employee union identification predominant in the western literature, this thesis explains the variation in employee union identification. In this sense, this thesis regards the Chinese context as the natural experiment for testing general trade union theories (Whetten, 2009). In addition to the outside-in approach (Child, 2009), this thesis also follows the inside-out approach (Child, 2009). In addressing whether or not union democracy is associated with the intervention of the Party-State, this thesis takes the specificity of the Chinese labour relations system into consideration and seeks to theorize about the effect of the Chinese context on union policies and practices (Whetten, 2009).

Chapter 3 Operationalization and Research Design

Chapter 1 examined the weak relevance of enterprise unions for employees. Chapter 2 advanced possible explanations for the variations in employee union identification and employee identification with the employer. Chapter 3 now moves from theoretical explanation to the possibility of empirical testing. This chapter proceeds in two steps: first, the operationalization of the theoretical framework; second, the presentation of the research design of this thesis.

3.1 Operationalization of the theoretical framework

Section 3.1.1 first operationalizes the dependent variables – employee union identification and employee identification with the employer – with a focus on the structure of trade union identity. Sections 3.1.2 to 3.1.5 then develop four hypotheses and operationalize the independent variables, namely union instrumentality, union democracy, the frame of reference for labour relations, and the intervention of the Party-State.

3.1.1 Employee union identification and employee identification with the employer

Employee union identification refers to the extent to which an employee identifies with the values and beliefs of his or her trade union, especially trade union identity as manifested in union policies and practices. Therefore, the core of employee union identification resides in the identity of a particular trade union, not trade unionism in the abstract. Trade union identity is thus a priori to employee union identification. In other words, examining employee union identification requires the answers to two questions. First, what is the identity of a particular trade union? Second, to what extent do employees identify with this trade union identity?

According to Gamson (1992), the identity of particular social groups – social movement organizations – involves three dimensions: (1) an injustice frame, namely the definition of

injustice on the assignment of rights and responsibilities and the distribution of benefits and burdens; (2) an identity frame, namely “a shared sense of ‘one-ness’ or ‘we-ness’ anchored in real or imagined shared attributes and experiences among those who comprise the collectivity and in relation or contrast to one or more actual or imagined sets of ‘others’” (Snow, 2001, pp. 2213); and (3) an agency frame, “which is the action component of collective identity, not only suggests the possibility of collective action in pursuit of common interests, but even invites such action” (Snow, 2001, pp. 2213).

In light of the theorization by Gamson (1992), this thesis divides trade union identity into three dimensions: (1) injustice (i.e., “Are employees treated in an unjust manner by their employer?”); (2) liability (i.e., “Who or what is liable for the loss of employee interests?”); and (3) solution (i.e., “What acts are taken to defend employee interests?”).

Hui & Chan (2011) argue that the harmonious society is neither an ideal social pattern nor an illusory political discourse. The harmonious society is a hegemonic project, namely “a political project endeavouring to sustain the long term ascendancy of the capitalist class through securing the consent of the subordinated classes by means of influencing their cultural and political worldview and by granting material concessions to them” (Hui & Chan, 2011, pp. 162-163).

Empirical studies (e.g., Hui & Chan, 2011; Warner, 2008; Warner & Zhu, 2010; Zhu, Feng, & Warner, 2009; Zhu, Warner, & Feng, 2011) address the role of Chinese trade unions, including the All-China Federation of Trade Unions (ACFTU) and local federations of trade unions, in the harmonious society. If the harmonious society is indeed a hegemonic project (Hui & Chan, 2011), the following questions will emerge: How is the harmonious society embedded in the workplace? Do enterprise unions embed the harmonious society in their collective identities? Do employees identify with the harmonious society? Therefore, this thesis redefines the first dimension of the identity of Chinese enterprise unions as harmony and stability (i.e., “Are employees in a harmonious and stable relationship with their employer?”).

If the hegemonic nature of the harmonious society is tenable (Hui & Chan, 2011), the dominant political discourse as regards the interests of the parties concerned in the workplace – harmonious labour relations with an emphasis on *unitarism* – suggests that the core of **employee identification with the employer** will reside in the family-like close relationship between employees and their employer.

3.1.2 Independent variable #1: union instrumentality

Union instrumentality should be one of the primary antecedents to employee union identification. In order to address this relationship, this thesis formulates the following hypothesis:

Hypothesis 1: employee union identification is higher when union instrumentality is higher.

According to Morrow & McElroy (2006), union instrumentality involves two dimensions: (1) outcome-based union instrumentality, namely “individuals’ assessments of the fairness of their benefits (e.g. work safety, pay) in relation to their inputs and their interaction with the union” (Green & Auer, 2013, pp. 146) and (2) process-based union instrumentality, namely “fairness of procedural benefits such as the effectiveness of the grievance procedure” (Green & Auer, 2013, pp. 146).

In light of the theorization by Morrow & McElroy (2006), this thesis should divide union instrumentality into outcome-based and process-based union instrumentality. However, the level of process-based union instrumentality overlaps with the performance of union democracy and the characteristics of the structures and processes of decision-making, which will be tackled in the following sections. Therefore, when examining union instrumentality, this thesis explores outcome-based union instrumentality.

To recap, if an enterprise union achieves significant performances in improving wages, welfare benefits, working conditions, and any other aspect related to employee interests, it follows, according to hypothesis 1, that we should expect a higher level of employee union identification.

3.1.3 Independent variable #2: union democracy

In addition to union instrumentality, another union-related antecedent to employee union identification should be union democracy. In order to address this relationship, this thesis formulates the following hypothesis:

Hypothesis 2: employee union identification is higher when union democracy is higher.

This thesis operationalizes union democracy in the internal mechanisms of union representation. The internal mechanisms of union representation – especially for Chinese enterprise unions – are the aggregate of the election of union officials, a network of union stewards, and the worker congress.

The study of trade unionism (Hughes, 1968; Turner, 1962; Webb and Webb, 1896) generally regards the election of union officials as the core of the internal affairs of a trade union. The ACFTU has established the election of union officials as the core democratic arrangement by formulating normative and guidance documents, for example, the *Basic Assumptions on the Trade Union Reform* (see Table 1.1), the *Opinions on Some Issues Concerning Promoting the Trade Union Reform and Construction* (see Table 1.1), the *Regulations on the Election of Grassroots Trade Union Organizations* (see Table 1.1), and so on. In the case of the concurrent appoint of union officers by employers, the position and function of the election of union officials – especially the election of the union officer – stand out.

In addition to the election of union officials, union democracy also involves a network of union stewards and the worker congress.²¹ According to Dufour & Hege (2002, pp. 191), “[union leaders] must constantly ensure the quality of the link with their base, a living link without which the acts of representation ... are meaningless.” Murray, et al. (2010) portray a network of union stewards as follows:

²¹ There are other terms used by researchers, for example, “the workers’ congress” (Hong, 1984), “the workers congress” (Estlund, 2014), “the staff and workers’ representative congress” (Zhu & Chan, 2005), and so on.

Workplace union leaders will typically rely on a particular group of workers at their site. Other groups will be subordinated to them, sometimes through their explicit consent and even by joining with this group in order to strengthen it and thereby advance their own interests.

Zhu & Chan (2005) argue that in theory, under the planned economy, the responsibility of the worker congress was to fulfill the ideological premise that the working class was the master of the state. In reality, the worker congress lapsed into formalism, not achieving the self-management of the working class. In a transition from the planned economy to market socialism, the worker congress undertakes the responsibility of achieving industrial democracy, granting employees leverage vis-à-vis the discretionary power of their employer.

The primary official document at the state level related to the worker congress is the *Provisions on the Democratic Management of Enterprises* formulated by the ACFTU in 2012. The *Provisions* defines the worker congress as the pillar of employee involvement alongside the openness of enterprise affairs and employee directors and supervisors. The *Provisions* sets norms for the operation of the worker congress, involving organization, function, routine work, the election of employee representatives, and their rights and obligations. According to Article 13 of the *Provisions*, the function of the worker congress primarily involves:

The worker congress shall perform the following functions:

1. ... Deliberate about the bylaws or plans on important matters formulated, amended, or decided by the enterprise as regards labour remuneration, working hours, rest and vacation, labour safety and health, insurance welfare, training for employees, labour discipline, labour quota management, and those directly involving the vital interests of employees, and put forward opinions and suggestions;
2. Deliberate about and adopt draft collective contracts ...

An enterprise union is the executive organ of the worker congress. According to Article 22 of the above *Provisions* of the ACFTU:

An enterprise trade union committee is the working organ of the worker congress, which is in charge of the daily work of the worker congress and performs the following duties:

(1) Putting forward the election plan for the representatives of the worker congress and organizing employees to elect employee representatives and the heads of delegations (groups);

(2) Soliciting proposals from employee representatives and putting forward suggestions on the issues of the worker congress;

...

(5) Reporting to the worker congress on the implementation of the resolutions of the worker congress, the handling of the proposals of employee representatives, the execution of the publicity of enterprise affairs, and so on;

(6) When the worker congress is not in session, organizing special committees (groups) and employee representatives to carry out patrol, inspection, inquiry, and other supervision activities on the implementation of the resolutions of the worker congress, the handling of the proposals of employee representatives, the execution of the publicity of enterprise affairs, and so on.

To recap, if an enterprise union democratically elects union officials, has a fully functional network of union stewards, and carries out the worker congress that is not merely formalistic, it follows, according to hypothesis 2, that we should expect a higher level of employee union identification.

3.1.4 Independent variable #3: frame of reference for labour relations

The frame of reference for labour relations should be the primary antecedent to employee identification, namely the configuration combining employee union identification and employee identification with the employer. In order to address this relationship, this thesis formulates the following hypothesis:

Hypothesis 3: the type of employee identification varies with the type of frame of reference for labour relations.

This thesis operationalizes the frame of reference for labour relations in the structures and processes of decision-making, which can cover four types (Bray, Budd, & Macneil, 2019): (1) decision-making based on the relative power between employees and their employer; (2) bilateral decision-making through the representational structures of employees and their employer; (3) unilateral employer decision-making; and (4) voluntary decision-making through the individual contracting between an employee and his or her employer as equal agents.

If *autocratic unitarism* prevails in the workplace, the structures and processes of decision-making will be unilateral employer decision-making without consultation (Bray, Budd, & Macneil, 2019). However, when the frame of reference for labour relations is *consultative unitarism*, the workplace will be characterized by unilateral employer decision-making following consultation (Bray, Budd, & Macneil, 2019).

If *adversarial pluralism* prevails in the workplace, the structures and processes of decision-making will be distributive collective bargaining in which one party between employees and their employer achieves its own interests to the detriment of the interests of the other party (Bray, Budd, & Macneil, 2019), namely a zero-sum game (Walton & McKersie, 1965). However, when the frame of reference for labour relations is *collaborative pluralism*, the workplace will be characterized by integrative collective bargaining in which employees and their employer make trade-offs to jointly achieve their common interest (Bray, Budd, & Macneil, 2019), namely a positive-sum game (Walton & McKersie, 1965).

To recap, if there are significant differences between workplaces in the structures and processes of decision-making, it follows, according to hypothesis 3, that we should expect different types of employee identification.

3.1.5 Independent variable #4: intervention of the Party-State

The intervention of the Party-State should be an antecedent to union democracy. In order to address this relationship, this thesis formulates the following hypothesis:

Hypothesis 4: union democracy is higher with the intervention of the Party-State.

For the intervention of the Party-State, this thesis focuses on the strategy of the local government and federation of trade unions to improve the responsiveness of enterprise unions to employee demands.

By observing a new pattern of collective bargaining emerging in coastal areas, researchers (e.g., Froissart, Liu, & Meng, 2019; Howell & Pringle, 2019; Luo & Yang, 2019; Pringle & Meng, 2018) have highlighted diversity in the interventions of the Party-State. Local governments and federations of trade unions “created an opportunity for more progressive trade union leaders ... to initiate collective bargaining that included varying degrees of accountability via elected workers’ representatives” (Howell & Pringle, 2019, pp. 234).

To recap, for a particular region, if the local government and federation of trade unions develop a proactive strategy to improve the responsiveness of enterprise unions to employee demands and an enterprise union has a positive response to such intervention, it follows, according to hypothesis 4, that we should expect a higher level of union democracy. If hypothesis 2 on the positive effect of union democracy on employee union identification also holds, we might also anticipate a higher level of employee union identification.

3.1.6 Overview of hypotheses

Table 3.1 presents the four hypotheses of this study.

Table 3.1 Four Hypotheses

	Description
Hypothesis 1	Employee union identification is higher when union instrumentality is higher.
Hypothesis 2	Employee union identification is higher when union democracy is higher.
Hypothesis 3	The type of employee identification varies with the type of frame of reference for labour relations.
Hypothesis 4	Union democracy is higher with the intervention of the Party-State.

Table 3.2 clarifies the operationalizations of the dependent and independent variables, the values that might be observed when assessing the dependent and independent variables against the data obtained from fieldwork, and indicators, which are used to make assessments.

Table 3.2 Operationalizations of the Dependent and Independent Variables, Gradations, and Indicators

	Operationalization		Values	Indicators
Union identification	Identification with trade union identity		Low Intermediate High	Assessment of employees of a particular trade union identity
Employer identification	Identification with the family-like close relationship between employees and their employer		Low Intermediate High	Assessment of employees of the relationship with their employer
Union instrumentality	Outcome-based union instrumentality		Low Intermediate High	Performance of an enterprise union in improving wages, welfare benefits, working conditions, and any other aspect related to employee interests
Union democracy	Internal mechanisms of union representation	Election of union officials	Weak Moderate Strong	Setting-up of mechanisms for the election of union officials, a network of union stewards, and the worker congress, Involvement of employees in the decision-making of their enterprise union
		Network of union stewards		
		Worker congress		
Frame of reference for labour relations	Structures and processes of decision-making		Decision-making based on relative power Bilateral decision-making Unilateral employer decision-making Voluntary decision-making	Setting-up of communication mechanisms between an enterprise union and an employer Involvement of the enterprise union in information-sharing, consultation, or codetermination
Intervention of the Party-State	Strategy of the local government and federation of trade unions to improve the responsiveness of enterprise unions to employee demands		Absence Presence	Policies and practices of the local government and federation of trade unions to conduct enterprise union reforms

First, the determination of the values of the dependent variables – employee union identification and employee identification with the employer – depends on the answers to the following questions: (1) Do employees identify with a particular trade union identity? (2) Do employees identify with the family-like close relationship between them and their employer?

Second, union instrumentality is operationalized in outcome-based union instrumentality. On this basis, the assessment of union instrumentality is based on the performance of an enterprise union in improving wages, welfare benefits, working conditions, and any other aspect related to employee interests.

Third, union democracy is operationalized in the internal mechanisms of union representation. Therefore, this thesis assesses union democracy by responding to the following questions: (1) Does an enterprise union establish mechanisms for the election of union officials, a network of union stewards, and the worker congress? (2) To what extent are employees involved in the decision-making of their enterprise union through these mechanisms?

Fourth, the frame of reference for labour relations is operationalized in the structures and processes of decision-making. On this basis, the determination of the value of the frame of reference depends on the answers to the following questions: (1) Is there any communication mechanism between an enterprise union and an employer? (2) To what extent is the enterprise union involved in information-sharing, consultation, or codetermination through these mechanisms?

Finally, for the intervention of the Party-State, this thesis focuses on the strategy of the local government and federation of trade unions to improve the responsiveness of enterprise unions to employee demands. Therefore, this thesis determines the value of the intervention of the Party-State by observing whether or not the local government and federation of trade unions develop proactive policies and practices to conduct enterprise union reforms and how such intervention affects union democracy.

3.2 Research design

Part 3.2 proceeds in five steps to formulate the research design of this thesis: first, the unit of analysis, namely the collectivity of union members in the workplace; second, methodology, namely comparative case studies; third, the instrument for data collection, especially semi-structured interviews; fourth, data analysis through a hybrid coding scheme, and finally, the strengths and weaknesses of this thesis.

3.2.1 Unit of analysis

Before conducting data collection and data analysis, this thesis should first determine the unit of analysis, that is, *what* or *who* will be studied in this thesis. Without a clear unit of analysis, a researcher is unable to determine the appropriate strategy for sampling, could not select the right instrument for data collection, could not decide the valid method for data analysis, and finally, could not generalize empirical findings to a population (Kumar, 2018).

According to Babbie (2017), there are four types of unit of analysis in social science: (1) individuals; (2) groups; (3) organizations; and (4) social artifacts and social interactions.

Although it is devoted to investigating feelings, cognitions, and behaviours of union members – employee union identification and employee identification with the employer – this thesis does not focus on differences between individual union members but is rather concerned with the comparison between workplaces.

There are substantial empirical studies on the determinants of union commitment with a focus on individual union members. For example, the empirical study by Bolton, Bagraim, Witten, Mohamed, Zvobgo, & Khan (2007) reveals race differences in union commitment, namely that black union members are found to have a higher level of union commitment than their coloured counterparts. However, this thesis not only does not focus on differences between individual union members but also does not examine the effects of individual factors – especially demographic factors (e.g., gender, age, province of origin, etc.) and factors such as employment

status – on employee union identification. Rather, this thesis primarily takes organizational factors – especially union instrumentality, union democracy, and the frame of reference for labour relations – into consideration. Therefore, this thesis defines the unit of analysis as the collectivity of union members in the workplace, not individual union members.

There is a strong tradition of ethnographic research focusing on the collectivity of union members in the workplace. Lévesque, Murray, & Le Queux (2005, pp. 405) portray the weakness of empirical studies on individual union members as follows:

The weakness of much of the survey research on individual union members is the strong bias toward methodological individualism. Studies based on member evaluations are often decontextualized because of limits in the ability of individual respondents to provide detailed information about their union.

The elaboration of the issue of internal union legitimacy by Dufour & Hege (2010) is concerned with the attachment between trade unions and employees as a collectivity rather than individual employees. When examining different representation regimes across workplaces, Dufour & Hege (2013) also focus on the relationship between the collectivity of employees in the workplace and workplace representatives.

Since it is interested in how to characterize employee union identification and employee identification with the employer in a particular workplace and not what individual union members believe, this thesis defines the unit of sampling as an enterprise union. In terms of data collection, the data obtained from union members and union officials (i.e., the union officer, union committee members, and, when possible, union stewards) seeks to develop the overall portrait of employee union identification and employee identification with the employer. Union officials offer the primary channel for a better understanding of the overall situation of the collectivity of union members in the workplace. Union members provide an important complement. Throughout this thesis, the anonymized identity of an interlocutor is specified according to whether or not he or she is a union official or union member.

3.2.2 Methodology

In terms of methodology, this thesis drew on comparative case studies. According to Yin (2013, pp. 12), “the essence of a case study, the central tendency among all types of case study, is that it tries to illuminate a decision or set of decisions: why they were taken, how they were implemented, and with what results.” This definition is highly illustrative of what this thesis seeks to examine. Cases are compared to explore how collective bargaining and union democracy improve the relevance of trade unions for employees.

Comparative case studies involved six subsidiaries of foreign multinational enterprises in, what we label for the purpose of anonymity, the Binhai Economic-Technological Development Area (BEDA).

Table 3.3 presents the case selection of this thesis.

Table 3.3 Case Selection

	Ownership	Products	Industry
JapanAuto	Japan	Auto parts	Auto manufacturing industry
JapanMotor			
TaiwanElectronics	Taiwan	Cloud computing devices	Electronic information industry
TaiwanFood	Taiwan	Instant food	Food industry
ScandiMedicine	Scandinavia	Medicines and medical devices	Pharmaceutical and healthcare industry
GermanyAdhesive	Germany	Adhesive tapes	Equipment manufacturing industry

The two Japanese enterprises, JapanAuto and JapanMotor, are auto manufacturers. The two Taiwanese enterprises, TaiwanElectronics and TaiwanFood, produce cloud computing devices and instant food respectively. One of the two European enterprises, ScandiMedicine, produces medicines and medical devices. The other European enterprise, GermanyAdhesive, produces adhesive tapes. The BEDA is characterized by an industrial structure comprised of auto

manufacturing, electronic information, equipment manufacturing, pharmaceutical and healthcare, and modern petrochemical industries. The case selection of this thesis therefore covers the major industries prevailing in the BEDA. Throughout this thesis, the anonymized identity of each sample enterprise is specified according to its country of origin and product.

The case selection of this thesis takes the possible country-of-origin effect into consideration. Empirical studies (e.g., Almond, et al., 2005; DeVos, 1981; Ferner, 1997; Ferner & Varul, 1999; Gunnigle, Collings, & Morley, 2005; Lamare, et al., 2013; Lavelle, 2008) reveal that in comparison with the multinational enterprise from a pro-union context, the multinational enterprise from an anti-union context is more likely to implement an antagonistic management system to a trade union, regardless of the labour relations system of a host country. The empirical study by Zhang, McNeil, Bartram, Dowling, Cavanagh, Halteh, & Bonias (2016) specify that in China, in comparison with an East Asia multinational enterprise, the multinational enterprise from a western country is more likely to implement high-performance work systems, for example, selective hiring, extensive training, employment security, transformational leadership, and so on.

Europe, Japan, and Taiwan have different labour relations systems, especially the distinct regulation of labour rights. In Germany, although not having the right to strike, the works council as one pillar of collective-interest representation in the workplace has extensive rights in information-sharing, consultation, and co-determination (Shen, 2016). For example, according to the *Works Constitution Act*, the works council qualifies for signing a works agreement with an employer, which contains provisions on the terms and conditions of employment and applies in the same way as laws and collective contracts. In Japan, according to the *Labour Standards Law*, if formulating or amending enterprise rules and regulations, an employer should consult a trade union or employee representatives. However, the legality of enterprise rules and regulations does not stem from the approval of either the trade union or employee representatives. In other words, employees do not have co-determination rights (Shen, 2016). In Taiwan, employees do not even

have consultation rights (Shen, 2016). For example, according to the *Labour Standards Act*, the employer hiring more than 30 employees should formulate enterprise rules and regulations. However, the employer has no obligation to consult a trade union or employee representatives on the formulation or amendment of enterprise rules and regulations.

3.2.3 Data collection

This thesis conducted two rounds of fieldwork, with the first round from June to August 2017 and the second round from July to August 2018. Two rounds of fieldwork are not a simple repeat. The first round of fieldwork with union officials – especially the officers of the six enterprise unions and the BEDA Federation of Trade Unions – was conducted to flesh out the research problem and variable selection. The second round of fieldwork (69 interviews) followed the analysis of the data obtained in the first round of fieldwork (21 interviews). This thesis is therefore consistent with the reflexive approach to social science, as it involved multiple encounters with key actors in the field over time (Burawoy, 2003).

In terms of data collection, this thesis primarily drew on semi-structured interviews. According to Qu & Dumay (2011, pp. 246), “the semi-structured interview involves prepared questioning guided by identified themes in a consistent and systematic manner interposed with probes designed to elicit more elaborate responses.”

Unlike the structured interview characterized by standardization – the presentation of the same questions to each interlocutor in the same order – in a semi-structured interview, an interviewer prepares an interview topic guide to ensure the general compliance of the interview with topical trajectories. The interviewer creatively presents questions to each interlocutor and flexibly adjusts the order of the presentation of questions to go deep into the particular experiences of each interlocutor.

Interviews in each sample enterprise typically involved the union officer, three to five union committee members, four or five union stewards (when applicable), and five to seven union

members.

This thesis employed snowball sampling. The union officer of each sample enterprise was first contacted by phone or e-mail to gauge his or her consent to participate in this study. At the end of an interview with the union officer, the union officer was then asked to recommend union committee members and, when possible, union stewards and provide their contact information. Subsequently, these union committee members and union stewards were contacted by phone or e-mail one by one to gauge their consent to participate in this study. At the end of an interview with a union committee member or union steward, the union committee member or union steward was asked to recommend union members and provide their contact information.

In addition to snowball sampling, this thesis also adopted convenience sampling. In China, most employees working in economic-technological development areas are migrant workers, who move from rural to urban areas. Most migrant workers do not have homes in cities and live in the dormitory buildings of their enterprises. The BEDA was no exception. Employees were therefore contacted randomly near the dormitory building of each sample enterprise during off-work hours to gauge their consent to participate in this study.

Before conducting an interview, an interlocutor was first given enough time to read carefully the information and consent form (see Appendix 1) with a view to thinking before agreeing or not to participate in this study and asking the student researcher questions to which he or she deemed useful. The interlocutor was then asked about his or her consent to participate in this study. The interlocutor was also provided with the information as to how he or she might withdraw his or her consent at any time during an interview. This thesis has obtained the ethics certificate from the Comité d'éthique de la recherche en arts et humanités at the Université de Montréal.

After obtaining the consent of an interlocutor to participate in this study, every interview is organized around seven subjects (see Appendix 2): (1) employee union identification; (2) outcome-based union instrumentality; (3) the election of union officials; (4) a network of union

stewards; (5) the worker congress; (6) the structures and processes of decision-making; and (7) the contingent factors related to an enterprise.

If an interlocutor was a union official (i.e., the union officer, a union committee member, or, when possible, union steward), an interview would take place at the time and venue he or she specified in advance by phone or e-mail. If an interlocutor was a union member, an interview would take place during off-work hours and near the dormitory building where he or she lived.

Interview were conducted by the student researcher. Interviews varied in length by the category of interlocutors: (1) one to two hours for the union officer; (2) 30 minutes to one hour for a union committee member or, when possible, union steward; and (3) 15 to 30 minutes for a union member.

Table 3.4 presents the number of interviews in each sample enterprise by the category of interlocutors.

Table 3.4 Number of Interviews in Each Sample Enterprise by the Category of Interlocutors

	Union officer	Union committee members	Union stewards	Union members	Total number in each sample enterprise
JapanAuto	2	5	5	7	19
JapanMotor	2	4	4	7	17
TaiwanElectronics	1	5	4	5	15
TaiwanFood	1	3	5	6	15
ScandiMedicine	2	4	Not applicable	5	11
GermanyAdhesive	1	5	Not applicable	6	12
BEDA Federation of Trade Unions	1	Not applicable	Not applicable	Not applicable	1
Total number by the category of interlocutors	10	26	18	36	90

A total of 90 interviews were conducted throughout two rounds of fieldwork, with 21 interviews in the first round of fieldwork and 69 interviews in the second round of fieldwork.

In the first round of fieldwork, the primary interlocutors were the officers of the six enterprise unions and the BEDA Federation of Trade Unions. Besides them (7 interviews), we also interviewed union committee members: 3 interviews in JapanAuto, 2 interviews in JapanMotor, 3 interviews in TaiwanElectronics, 1 interview in TaiwanFood, 2 interviews in ScandiMedicine, and 3 interviews in GermanyAdhesive.

In addition to revisiting the officers of the JapanAuto, JapanMotor, and ScandiMedicine enterprise unions (3 interviews), the second round of fieldwork focused on union committee members (12 interviews), union stewards (18 interviews), and union members (36 interviews). This thesis is therefore able to build a better understanding of the six sample enterprises over the two rounds of fieldwork.

In terms of data collection, this thesis drew on the triangulation principle. According to Schwandt (2007, pp. 298):

The triangulation principle refers to “a means of checking the integrity of the inferences one draws. It can involve the use of multiple data sources, multiple investigators, multiple theoretical perspectives, and/or multiple methods”.

In addition to semi-structured interviews, data collection also involved two other sources: (1) the archives (e.g., enterprise union rules and regulations, meeting minutes, collective contracts, etc.) provided by each enterprise union and normative and guidance documents issued by the BEDA Federation of Trade Unions, which offered the timeline for key events and the content of major decisions and (2) news reports about each enterprise union and the Federation of Trade Unions, which provided further contexts. According to Schwandt (2007, pp. 298), “data from different sources or methods must necessarily converge or be aggregated to reveal the truth.”

Table 3.3 presents the overall description of the research design and methods of this study.

Table 3.5 Overall Description of the Research Design and Methods

Methodology	Comparative case studies
Case selection	Six subsidiaries of foreign multinational enterprises in the BEDA
Periods fieldwork were conducted	June-August 2017 July-August 2018
Data sources	90 semi-structured interviews Archives and normative and guidance documents News reports
Interlocutors	Union officer Union committee members Union stewards Union members
Sampling strategies	Snowball and convenience sampling

3.2.4 Data analysis

In terms of data analysis, this thesis drew on a hybrid coding scheme. After interview recordings were transcribed verbatim, two cycles of coding were successively conducted. In the first stage of coding – open coding – data was first broken down into different parts. A code was assigned to each part. Open coding was based on emergent codes – the terms used by interlocutors – not a priori coding scheme (Böhm, 2002). Focused coding was then conducted. The most frequently used and important codes emerging in open coding were defined. A category was designed to abstract the commonality of a set of codes (Böhm, 2002). Subsequently, in the second stage of coding – axial coding – categories were linked to each other (Böhm, 2002).

The paradigm of organizational and managerial research is undergoing a transition from universal and contingent approaches to a configuration approach. A configuration refers to “a number of specific and separate attributes which are meaningful collectively rather than individually” (Dess, Newport, & Rasheed, 1993, pp. 775-776). Drawing on a configuration approach (Fiss, 2007; Fiss,

Marx, & Cambré, 2013; Öz, 2004; Ragin, 2000; Saka-Helmhout, Chappin, & Vermeulen, 2019), in the field of organization and management, the variation in a dependent variable stems from the complex interrelationship – complementarity, substitution, or suppression – between a set of independent variables within a configuration, not a single independent variable or the simple interrelationship between the independent variable and a few contingent variables.

In establishing relationships between categories, axial coding opens up all the ways in which a configuration emerges. For example, do the frame of reference for labour relations and trade union identity constitute an ideological configuration? If so, how is the ideological configuration combining the frame of reference and trade union identity linked to employee union identification?

To recap, this thesis drew on the comparative case studies of six subsidiaries of foreign multinational enterprises in the BEDA. By employing semi-structured interviews with the union members and union officials (i.e., the union officer, union committee members, and, when possible, union stewards) of each sample enterprise, this thesis addresses the dependent and independent variables against the data obtained from fieldwork with a view to exploring four hypotheses pertaining to union instrumentality, union democracy, the frame of reference for labour relations, and the intervention of the Party-State.

3.2.5 Strengths and weaknesses of this thesis

In his major book – *Making social science matter: Why social inquiry fails and how it can succeed again* – Flyvbjerg (2001) formulates the phronetic approach to social science, which clarifies values, interests, and power relations as the basis for praxis to understand a social phenomenon rather than providing predictions. According to Schram (2012), there are four reasons for adopting such an epistemological and methodological posture: (1) to know where we are going as a community; (2) to understand who gains and who loses, and by which mechanisms of power; (3) to examine whether or not the social choice we make is desirable; and (4) to

explore what should be done ideally.

A comparative ethnographic research enables us to have a better understanding of the following questions: (1) As the arrangement guaranteed by the law, where are collective bargaining and union democracy going in practice? (2) Who gains and who loses, and by which mechanisms of power? (3) Is the current development of collective bargaining and union democracy desirable? (4) What, if anything, should the parties concerned in the workplace and at a higher level do about collective bargaining and union democracy?

However, it is important to be aware of the weaknesses of this thesis. First, with the unit of analysis as the collectivity of union members in the workplace, this thesis has to discount individual factors – especially demographic factors (e.g., gender, age, province of origin, etc.) and factors such as employment status – in favour of the explanations pertaining to organizational factors, especially union instrumentality, union democracy, and the frame of reference for labour relations. There will be a scope to conduct further empirical studies with a similar sample on the determinants of employee union identification and employee identification with the employer with a focus on individual union members.

Second, there is an issue of reliability. Interviews as the primary instrument for data collection limit observations to a select group of interlocutors. Would the attitudes of the selected interlocutors towards their enterprise union and employer reflect those of their peers in the same workplace? While the absence of reliability is not unique to this comparative ethnographic research, it is an important consideration for the strategy for sampling which involves selecting interlocutors who might be the most knowledgeable of their enterprise union and employer. This thesis seeks to improve reliability through the two levels of analysis: first, at the level of individual union members in terms of their assessments of their enterprise union and employer; second, at the workplace level on the basis of the data obtained from union officials (i.e., the union officer, union committee members, and, when possible, union stewards) and in terms of

relationships between employees, an enterprise union, and an employer.

Third, in addition to reliability, validity is also an issue in this study. Are employee union identification and employee identification with the employer captured as anticipated? This is why the triangulation principle is so important. By complementing the data obtained from union members and union officials (i.e., the union officer, union committee members, and, when possible, union stewards) with archives, normative and guidance documents, and news reports, this thesis is hopefully able to fill in a gap as regards the characteristics and evolution of relationships between employees, enterprise unions, and employers. Probing questions in the first round of fieldwork were posed again in the second round of fieldwork. The answers to questions are cross-verified across different categories of interlocutors over time to facilitate a better understanding of the issues under examination.

Finally, there is an issue of the representativeness of the six sample enterprises since their experiences of collective bargaining and union democracy might not be representative to other enterprises in the same region, namely the BEDA, let alone to China as a whole. Generalizability is therefore another issue in this study. The objective, as argued by Edwards & Bélanger (2008), should instead be to generate theoretical generalizations through a comparative ethnographic research. Generalizations based on a theoretical framework allow this thesis to generalize our empirical findings beyond the six sample enterprises and see how the explanations developed from particular cases might apply elsewhere. The future study of trade unionism and Chinese labour relations will determine the extent to which the theoretical generalizations will be replicated in different contexts. Since the key objective of this thesis is to understand the dynamics underlying the variations in employee union identification and employee identification with the employer, the significant variations observed among the six sample enterprises and the depth of a comparative ethnographic research will hopefully provide theoretical and analytical insights into this set of enterprise unions in China.

Chapter 4 Overview of the Six Sample Enterprises

Chapter 4 provides the overview of the Binhai Economic-Technological Development Area (BEDA) and the six sample enterprises. This chapter proceeds in two steps: first, the socioeconomic and institutional context of the BEDA; second, the profiles of the six sample enterprises.

4.1 Socioeconomic and institutional context of the BEDA

The BEDA is located in, what we label for the purpose of anonymity, Binhai City, China. In 1984, the State Council established the first fourteen economic-technological development areas – including the BEDA – in which the Party-State provided preferential policies on land, taxation, and finance for foreign-owned enterprises (FOEs). The BEDA has ranked at or near the top of the annual investment environment evaluation of economic-technological development areas by the Ministry of Commerce. The United Nations Industrial Development Organization has listed the BEDA as one of the most dynamic areas in China. Similarly, Deloitte China has evaluated the BEDA as one of the most attractive investment areas in China and the Asian-Pacific region.

The BEDA is characterized by an export-oriented economy. The total value of exports in the BEDA has quadrupled between 2000 and 2016. Correspondingly, the gross domestic product (GDP) in the BEDA has increased steadily, rising more than twofold between 2000 and 2016.

Due to the financial crisis of 2008 and its impact on overseas orders, the export growth in the BEDA has gradually declined. The growth rate of the total value of exports in the BEDA has vacillated: declining by almost 20% in 2009 and then increasing by a similar amount in 2010 but declining again by a similar percentage in 2016. Correspondingly, after a brief recovery over the 2009-2011 period, the growth rate of the GDP in the BEDA has dropped substantially from 26% in 2011 to 5% in 2016.

Figure 4.1 illustrates the total value of exports and its growth rate in the BEDA over the 2000-

2016 period.

Figure 4.1 Total Value of Exports and Its Growth Rate in the BEDA over the 2000-2016 Period

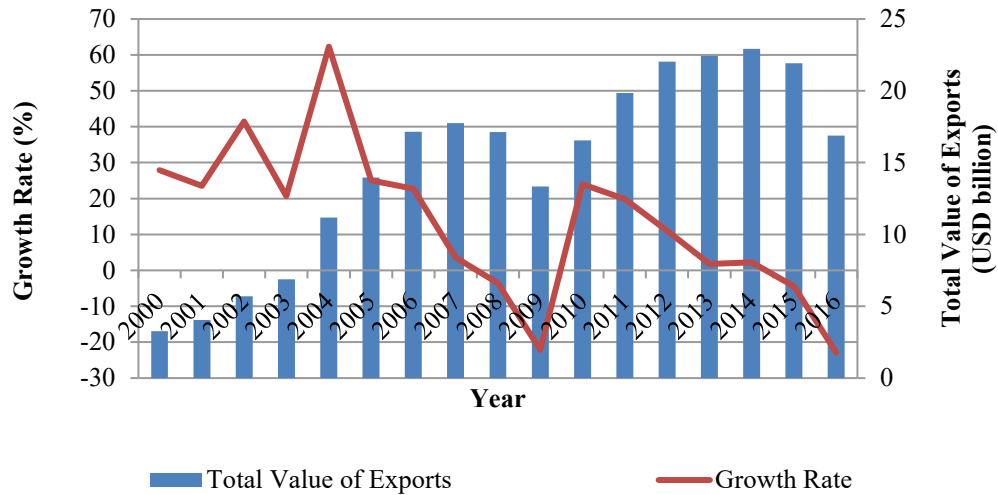
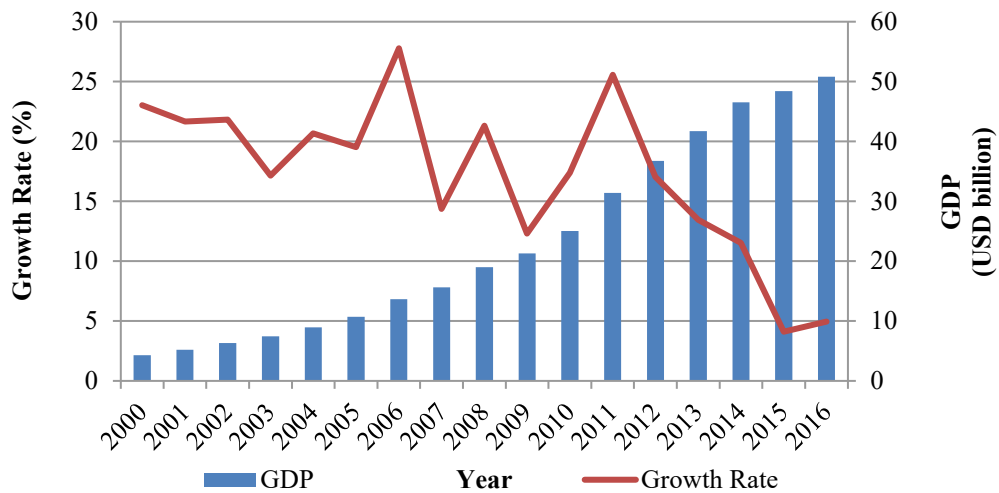


Figure 4.2 illustrates the GDP and its growth rate in the BEDA over the 2000-2016 period.

Figure 4.2 GDP and Its Growth Rate in the BEDA over the 2000-2016 period



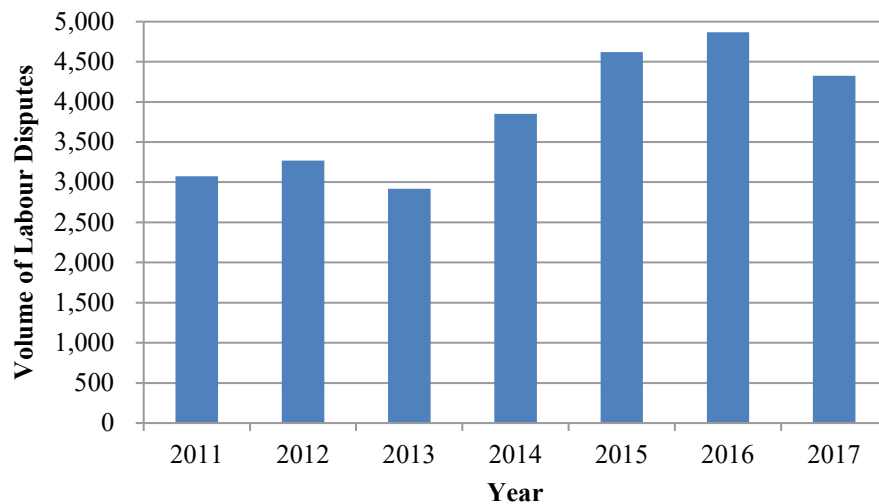
The BEDA has long been a strike-prone area. For example, in 2012, AmericaMobile

(anonymized), which used to be the leader of the electronic information industry in the BEDA, was acquired by AmericaTechnology (anonymized). Employees and AmericaMobile did not reach an agreement on compensation. In 2013, employees went on strike. In 2016, AmericaTechnology announced that it would close the BEDA plant. Employees, most of which were from AmericaMobile, went on strike again and petitioned the BEDA Federation of Trade Unions to intervene in this closure plan.

Since the financial crisis of 2008, labour disputes have become normal in the BEDA. Over the 2011-2017 period, the volume of labour disputes in the BEDA has increased from nearly 3100 to almost 4300 with an annual growth rate of 6%.

Figure 4.3 illustrates the volume of labour disputes in the BEDA over the 2011-2017 period.

Figure 4.3 Volume of Labour Disputes in the BEDA over the 2011-2017 period



In the context of economic fluctuations and unstable labour relations, the pursuit of the harmonious society has become the top priority for the local government in the BEDA. In 2011, the BEDA Administration Committee formulated the *Incentive Measures for Promoting*

Enterprises to Build Harmonious Labour Relations, which was valid for five years.²² According to the *Incentive Measures*, the BEDA Administration Committee established the *Prize for Enterprises with Harmonious Labour Relations* and rewarded prize-winning enterprises ¥100,000, ¥50,000, and ¥20,000 respectively. The core criterion for this prize was the prevention and settlement of labour disputes. If a strike involving more than 30 employees or a mass incident having a great impact on public order occurred, the enterprise concerned would not qualify for this prize.

In 2016, the BEDA Administration Committee formulated the *Incentive and Support Measures for Promoting Enterprises to Build Harmonious Labour Relations*. According to the *Incentive and Support Measures*, the BEDA Administration Committee increased financial incentives for benchmarking enterprises. The BEDA Administration Committee established the *Outstanding Contribution Prize for Building Harmonious Labour Relations* and rewarded each prize-winning enterprise ¥200,000. The BEDA Administration Committee provided the financial support for the expenditures of enterprises on building harmonious labour relations. For example, according to Article 6 of the *Incentive and Support Measures*:

When an enterprise ... achieves remarkable results on the improvement of working conditions, enhancement of welfare benefits, reasonable wage increases, employment stability, optimization of education and training, and construction of a multi-level social security system ... according to the expenditure of the enterprise in the current year, the maximum financial support is ¥100,000.

In 2018, the BEDA Administration Committee updated its *Incentive and Support Measures* and formulated the *Support Measures for Promoting Enterprises to Build Harmonious Labour Relations*. According to the *Support Measures*, the BEDA Administration Committee replaced financial incentives with financial support. For example, according to Article 7 of the *Support*

²² In China, the administration committee of an economic-technological development area is the dispatched office of the municipal party committee and government where the economic-technological development area is located.

Measures:

In the event that an enterprise closes down, suspends operating, merges with others, or shifts to different lines of production ... which involves the one-off layoff of twenty or more employees, if the enterprise reports it in a timely manner to the Tripartite Coordination Committee of Labour Relations as required and takes effective measures to promote a smooth transition in the event, without causing adverse social impacts, the government shall provide financial support according to 20% of the expenditure of the enterprise.

To recap, in terms of socioeconomic and institutional context, the BEDA is not only the microcosm of economic development in China but also the exemplary site for institutional experiments in the field of labour relations.

4.2 Profiles of the six sample enterprises

Part 4.2 examines the primary characteristics of each of the six sample enterprises in history, products, ownership, strategic status, operating status, level of employment, and the key objective of human resources management. This will provide the context for a better understanding of the six enterprise unions, which are the focus of Chapter 5.

Table 4.1 presents the profiles of the six sample enterprises.

Table 4.1 Profiles of the Six Sample Enterprises

	Japan Auto	Japan Motor	Taiwan Electronics	Taiwan Food	Scandi Medicine	Germany Adhesive
History	2004	2012	2006	1991	1995	2002
Products	Auto parts	Auto parts	Cloud computing devices	Instant food	Medicines and medical devices	Adhesive tapes
Ownership	Japan	Japan	Taiwan	Taiwan	Scandinavia	Germany
Strategic status	Key supplier	Key supplier	Key supplier	Regional headquarters	Global production centre	Regional production centre
Operating status	Decline stage	Growth stage	Maturity stage	Maturity stage	Growth stage	Long-term losses
Level of employment	Less than 600	More than 1,100	Nearly 13,000	Nearly 2,200	More than 1,000	Less than 100
Key objective of human resources management	Controlling labour costs Maintaining the stability of labour relations	Developing and retaining the specific orientation for labour force	Eliminating disaffection in the workplace	Eliminating disaffection in the workplace	Developing and retaining the specific orientation for labour force	Maintaining the stability of labour relations

4.1.1 JapanAuto

JapanAuto produces auto parts. In 2004, JapanAuto was established in the BEDA. JapanAuto is a Japan-Taiwan joint venture in which the Japanese side holds 51% of shares. The primary customer of JapanAuto is SinoJapanAuto (anonymized), which is the largest auto manufacturer in the BEDA. The controlling shareholder of JapanAuto and SinoJapanAuto is the same Japanese parent company. Therefore, JapanAuto is created to serve the supply chain of its Japanese parent company in China.

JapanAuto is at the decline stage. In 2017, the profit margin of JapanAuto was only 0.7%. In the

same year, the growth rate of the total assets of JapanAuto even tailed off to -8%. According to the JapanAuto union officer:

In China, non-state-owned enterprises only have a life cycle of ten to twenty years. Generally speaking, the periods of the first, second, third, and fourth general managers correspond to the establishment, growth, decline, and closure stages respectively. Few enterprises enter the period of the fifth general manager. The enterprise welcomed the third Japanese general manager in the second half of 2017. [Interview with the JapanAuto union officer]

However, JapanAuto is not in a state of despair. The JapanAuto union officer indicated:

The production and operation of the enterprise will not be in trouble at least in the next three to five years unless investors withdraw capital. For one thing, we still have several best-selling products; for another, even in the case of capital withdrawal, the Japanese headquarters will bring in new investors. It must maintain a complete supply chain in China. In the case of the withdrawal of the Japanese headquarters, the affected enterprises will be not only the enterprise but also another 60 to 70 upstream and downstream enterprises, thus bringing about massive unemployment. The government of the development area and the municipal government will not stand by with folded hands. [Interview with the JapanAuto union officer]

In JapanAuto, the employer has pursued a strategy of natural attrition. The employer does not recruit new employees to fill vacancies after employees leave on their own free will.

Correspondingly, employment at JapanAuto has dropped from nearly 700 employees at the peak to less than 600 employees in 2018.

In JapanAuto, the employer has accelerated labour outsourcing to on-site services since 2017 when the third Japanese general manager took office. The employer contracts part of the production tasks to outsourcing units. Subsequently, outsourcing units arrange employees to JapanAuto to complete production tasks. While still enjoying control over the production process, the employer no longer undertakes the responsibility of improving wages and welfare benefits and contributing social insurances for employees. By the end of 2018, there have been more than 30 employees from outsourcing units. The scale of labour outsourcing at JapanAuto expands

from security personnel and warehouse keepers to front-line operators. For the JapanAuto union officer, labour outsourcing is “fake outsourcing but real dispatch”.

In JapanAuto, the employer has pursued just-in-time production, thus leading the turnover rate of inventories to remain as low as 0.8. However, if a strike occurs, the near-zero inventory of JapanAuto would result in the production disruption of downstream enterprises, especially SinoJapanAuto. In addition to controlling labour costs, maintaining the stability of labour relations has also become the top priority for human resources management. According to the JapanAuto union officer:

If our employees go on strike in the morning, another 40 to 50 enterprises will halt production in the afternoon. [Interview with the JapanAuto union officer]

4.1.2 JapanMotor

Like JapanAuto, JapanMotor also produces auto parts. However, unlike JapanAuto, JapanMotor is a wholly-owned Japanese-funded enterprise. Prior to the establishment of JapanMotor in the BEDA in 2012, its Japanese parent company had established another two subsidiaries in the BEDA and another city in 2004 and 2011 respectively. Therefore, JapanMotor is created to serve the expansion of its Japanese parent company in China.

In JapanMotor, in 2015, the employer put a second production line into operation. A third production line of JapanMotor is under construction. In other words, unlike JapanAuto, JapanMotor is at the growth stage. Correspondingly, employment at JapanMotor has increased from nearly 600 employees in 2014 when the employer put a first production line into operation to more than 1,100 employees in 2018.

In JapanMotor, the employer has pursued lean production. For example, employees are required to perform the 5S method – (1) *seiri* (sort); (2) *seiton* (set in order); (3) *seiso* (shine); (4) *seiketsu* (standardize); and (5) *shitsuke* (sustain) – in fifteen minutes at noon on each working day. As required by the employer, employees put everything where it belongs and keep their working

space clean with a view to performing work efficiently, effectively, and safely. In addition to the 5S method, the employer has also standardized the production process. The employer analyzes the production process from the lens of minimizing waste, formulates standard operating procedures, and organizes the specialized training for employees. Therefore, the employer has developed the specific orientation for labour force, especially a lean mindset and the mastery of standard operating procedures. However, if unstable labour relations prevail in the workplace, its labour force would not be devoted to the continuous improvement of the production process. Developing and retaining its labour force has thus become the top priority for human resources management. According to the JapanMotor union officer:

Do you think employee turnover of 5% or 6% every year is low? That may be true for other enterprises. But it is still too high for us. This is not conducive to the retention of talents. [Interview with the JapanMotor union officer]

4.1.3 TaiwanElectronics

TaiwanElectronics is a wholly-owned Taiwanese-funded enterprise. Prior to the establishment of TaiwanElectronics in the BEDA in 2006, its Taiwanese parent company – TaiwanTechnology (anonymized) – had established more than 30 subsidiaries across China, from the Pearl River Delta to the Yangtze River Delta and then to the Bohai Sea Rim and from the southwest inland to the south-central inland and then to the northeast inland. Like the other subsidiaries of TaiwanTechnology, TaiwanElectronics also originally engaged in the production and assembly of mobile phone parts. TaiwanElectronics has transitioned to produce cloud computing devices since 2011. Therefore, a transition in TaiwanElectronics serves to reposition TaiwanTechnology in the global supply chain.

As an enterprise at the maturity stage, TaiwanElectronics is a giant in the BEDA with the employment of nearly 13,000 employees. Employee turnover of TaiwanElectronics is relatively high. According to the TaiwanElectronics union officer:

Most of our employees leave after working for two or three years. [Interview with the TaiwanElectronics union officer]

TaiwanTechnology has pursued a kind of militarized management in all subsidiaries in which the employer uses aggressive military tactics to intensify control over employees with a view to requiring the compliance of employees with discipline and the execution of orders. For example, without the permission of grass-roots managers, employees are forbidden to leave their work stations. Even if going to the toilet, employees are required to apply to grass-roots managers. Employees are not allowed to stay in the toilet for more than five minutes. If an operating problem occurs, the employee concerned would suffer physical punishment or a monetary penalty. Other employees in the same workshop might also be punished. Therefore, TaiwanTechnology seeks to subordinate employees to absolute obedience and to control the production process to the maximum extent. The TaiwanElectronics union officer indicated:

As our president said, ‘there is no high-tech outside the laboratory, but only obedience to discipline. [Interview with the TaiwanElectronics union officer]

TaiwanTechnology has pursued a dormitory labour regime in all subsidiaries, including TaiwanElectronics.²³ In TaiwanElectronics, the employer employs a large number of migrant workers and resettles them in a dormitory building inside the plant. Other facilities (e.g., shops, canteens, shuttle buses, cinemas, gyms, etc.) are also available inside the plant. By integrating the working and living spaces of employees, the employer accelerates the reproduction of labour power with a view to arbitrarily extending working hours.²⁴

In 2010, one subsidiary of TaiwanTechnology located in the Pearl River Delta suffered a string of suicides, which led to the death of thirteen employees. Therefore, eliminating disaffection in the workplace has become the top priority for human resources management. TaiwanElectronics is

²³ For the analysis of a dormitory labour regime, please refer to empirical studies by Pun and her colleagues (e.g., Pun, 2004; Pun, 2009; Pun & Smith, 2007; Pun & Yu, 2008; Smith & Pun, 2006).

²⁴ Labour power refers to “the aggregate of those mental and physical capabilities existing in the physical form, the living personality, of a human being, capabilities which he sets in motion whenever he produces a use-value of any kind” (Marx, 1976, pp. 270).

no exception. For example, in TaiwanElectronics, the employer establishes a care centre. Employees are encouraged to call the 24-hour hotline of the care centre for help in case of work or life problems. Employees are also required to report any behavioural abnormality of their colleagues – especially suicidal tendencies – in a timely manner.

4.1.4 TaiwanFood

TaiwanFood produces instant food. Like TaiwanElectronics, TaiwanFood is also a wholly-owned Taiwanese-funded enterprise. TaiwanFood is the first subsidiary of its Taiwanese parent company in China. After the establishment of TaiwanFood in the BEDA in 1991, its Taiwanese parent company established another two subsidiaries in the BEDA in July and December 1997 respectively. TaiwanFood has become the headquarters of its Taiwanese parent company in one of China's main regions.

Like TaiwanElectronics, as an enterprise at the maturity stage, TaiwanFood is also a giant in the BEDA with the employment of nearly 2,200 employees. Similarly, employee turnover of TaiwanFood is relatively high.

In TaiwanFood, the employer maintains unstable labour relations. By refusing to renew labour contracts with rank-and-file employees, the employer avoids concluding indefinite-term labour contracts. According to Article 14 of the *Labour Contract Law of the People's Republic of China*:

If the employee proposes or agrees to renew a labour contract or conclude a labour contract in any of the following circumstances, a non-fixed-term labour contract shall be concluded, unless the employee requests the conclusion of a fixed-term labour contract:

...

(3) The employee intends to renew the labour contract after he has consecutively concluded a fixed-term labour contract with the employer twice.

Like TaiwanElectronics, in TaiwanFood, the top priority for human resources management also involves eliminating disaffection in the workplace. According to the TaiwanFood union officer:

Serial employee suicides in TaiwanTechnology was the wake-up call for us. Most of our employees are also young people in their 20s. They tend to be impulsive and irrational. How to ensure that our employees work safely and healthily for two or three years keeps warning us. To put it more plainly, merry meet, merry part. [Interview with the TaiwanFood union officer]

4.1.5 ScandiMedicine

ScandiMedicine produces medicines and medical devices. In 1995, ScandiMedicine was established in the BEDA. ScandiMedicine is a wholly-owned Scandinavian enterprise. ScandiMedicine is the only subsidiary of its Scandinavian parent company in China. ScandiMedicine is the largest production base of its Scandinavian parent company outside Europe. ScandiMedicine has become the global production centre of its Scandinavian parent company.

In ScandiMedicine, in 2006, the employer expanded a first production line. In 2010, the employer put a second production line into operation. In other words, ScandiMedicine is at the growth stage. Correspondingly, employment at ScandiMedicine has increased from nearly 200 employees in the beginning to more than 1,000 in 2018.

In terms of the pursuit of lean production, ScandiMedicine is a benchmarking enterprise in the BEDA. For example, in 2008, the employer established a lean production department, which undertakes the responsibility of providing the systematic and progressive lean training for employees. Employees are required to receive elementary lean training – especially the 5S method – after entry. Subsequently, employees voluntarily participate in intermediate lean training, for example, the fishbone diagram, the PDCA cycle, Six Sigma, and so on. Excellent employees even have an opportunity to go to the Scandinavian parent company to take courses in advanced lean training. In addition to lean training, the employer has also pursued employee involvement. Employees are funded to organize their own lean teams. The performances of employees in lean teams are even linked to their promotion. According to the ScandiMedicine union officer:

The continuous improvement of the production process is the responsibility of everyone every day. Therefore, employee involvement is at the heart of lean production. If the enterprise does not involve employees in lean production, who will put the recommended lean practices into place? If there is no employee participation, how do we know manufacturing defects and reduce wastes? [Interview with the ScandiMedicine union officer]

In this way, in ScandiMedicine, the employer has developed the specific orientation for labour force – especially a lean mindset – and devotes its labour force to the continuous improvement of the production process.

In ScandiMedicine, the employer has pursued the “humanized management” (*renxinghua guanli*) in which the employer appears to establish substantial welfare programs for employees and weaken managerial despotism.²⁵ The core value and belief of ScandiMedicine is that “we treat everyone with respect”. In particular, the employer has pursued the no-blame culture according to which an operating problem is complex and should not be defined as the fault of a particular employee. If an operating problem emerges, an employer would be far better off figuring out what has happened. This suggests that developing and retaining the specific orientation for labour force has become the top priority for human resources management. According to the ScandiMedicine union officer:

The enterprise respects all employees and treats them with dignity. No employee is subject to physical or psychological abuse. The enterprise and employees are the community of common destiny (*mingyun gongtongti*). We grow and progress together, not blame and hurt each other. [Interview with the ScandiMedicine union officer]

4.1.6 GermanyAdhesive

GermanyAdhesive produces adhesive tapes. GermanyAdhesive is a wholly-owned German-funded enterprise. GermanyAdhesive is the first subsidiary of its German parent company in

²⁵ Humanized management refers to the hybrid of “western ideologies that originated in the human relations school of management and East Asian management models, particularly Japanese managerial paternalism” (Choi & Peng, 2015, pp. 289).

China. After the establishment of GermanyAdhesive in the BEDA in 2002, its German parent company established another two subsidiaries in another two cities in 2004 and 2012 respectively. GermanyAdhesive has become the production centre of its German parent company in the Asia-Pacific region.

In GermanyAdhesive, in 2005, the employer put a new production line into operation. In 2015, the German parent company established the Asia-Pacific Quality Inspection and Testing Centre in GermanyAdhesive. However, GermanyAdhesive has suffered long-term losses. According to the GermanyAdhesive union officer:

The enterprise has been long loss-making. It wasn't until last year (i.e., 2016) that we started making profits. The German headquarters is even re-evaluating the Chinese market to decide whether or not to close the plant in the BEDA.
[Interview with the GermanyAdhesive union officer]

In the past decade, employment at GermanyAdhesive has shrunk, decreasing from nearly 200 employees at the peak to less than 100 employees in 2018.

GermanyAdhesive is a typical technology-intensive enterprise, not a labour-intensive enterprise. Unlike the scenario in which multiple employees are located along a production line, in the workshop of GermanyAdhesive, each fully automated production line is equipped with only one or two console operators. Therefore, maintaining the stability of labour relations – especially the employment stability of console operators – has become the top priority for human resources management.

In GermanyAdhesive, the employer has pursued lean production since 2017. For example, employees are required to perform the 5S method in daily work. The lean production target set by the employer in 2017 was to reduce production costs by \$1 million by reducing the rejection rate. However, unlike JapanMotor and ScandiMedicine in which the dependence of production on labour is relatively high, in GermanyAdhesive, the application for lean production is rather limited. The GermanyAdhesive union officer indicated:

The enterprise has a highly mechanized production process. Therefore, there is a limited room for the improvement of human factors. [Interview with the GermanyAdhesive union officer]

To summarize and as evident in Table 4.1, the history, products, ownership, strategic status, operating status, level of employment, and the key objective of human resources management in JapanAuto, JapanMotor, TaiwanElectronics, TaiwanFood, ScandiMedicine, and GermanyAdhesive are characterized by significant variations. Chapter 5 will turn to explore the variations in **employee union identification** and **employee identification with the employer** among the six sample enterprises.

Chapter 5 Diversified Identities and Differentiated Identification

As indicated in Chapter 2, examining employee union identification requires the answers to two questions. First, what is the identity of a particular trade union? Second, to what extent do employees identify with this trade union identity? For the second question, we also need to understand simultaneously employee identification with the employer. This leads to four possible configurations: (1) *primary union identification* (a high level of employee union identification but a low level of employee identification with the employer); (2) *dual disidentification* (low levels of employee union identification and employee identification with the employer); (3) *primary employer identification* (a low level of employee union identification but a high level of employee identification with the employer); and (4) *dual identification* (high levels of employee union identification and employee identification with the employer).

Chapter 5 explores the six enterprise unions as regards the variations in employee union identification and employee identification with the employer. Each part first gives the portrait of each enterprise union as regards its history, membership, organizational structure, and leadership. Each part then examines the identity of a particular enterprise union and explores the extent to which employees identify with this trade union identity – employee union identification – and also employee identification with the employer.

5.1 Trade union identity and employee union identification

Trade union identity – especially the identity of Chinese enterprise unions – involves three dimensions: (1) harmony and stability (i.e., “Are employees in a harmonious and stable relationship with their employer?”); (2) liability (i.e., “Who or what is liable for the loss of employee interests?”); and (3) solution (i.e., “What acts are taken to defend employee interests?”).

Employee union identification refers to the extent to which an employee identifies with the values and beliefs of his or her trade union, especially trade union identity as manifested in union policies and practices. Therefore, a shift from trade union identity to employee union identification entails the shift of the unit of analysis from a trade union to employees. Trade union identity suggests the position held by union leadership on the dimensions of harmony and stability, liability, and solution. Employee union identification suggests whether or not employees identify with the definitions of the three dimensions by union leadership.

5.2 JapanAuto enterprise union

5.2.1 Portrait of the JapanAuto enterprise union

The JapanAuto enterprise union was set up in 2008. If a withdrawal application is not submitted to the JapanAuto enterprise union after entry, an employee will automatically become a union member in the following month. By the end of 2018, all employees were union members, with a total number of nearly 600.

In 2011, a strike broke out in JapanAuto. The 2011 strike was caused by the decision of the employer to put off the adjustment of the wage scale, which is supposed to take place every January, until April 2011. Since the adjustment of the wage scale was the only way to raise wages at that time, employees strongly opposed this postponement. After the failure of communications with the employer, employees went on a strike. After a 10-hour strike action, the 2011 strike ended with the restoration of the January adjustment of the wage scale by the employer.

The 2011 strike is a critical juncture in the evolution of labour relations in JapanAuto. Prior to this strike, the union officer was not democratically elected by employees but directly appointed by the employer. The union officer position was held by the deputy general manager. During the 2011 strike, employee demands involved the restructuring of their enterprise union, especially the recall of their union officer. In the first genuine election of union officials in the history of the

JapanAuto enterprise union after the 2011 strike, a new union officer who was until then a grass-roots manager became the full-time union officer. The same union officer remained in office after the election of union officials in 2016.

Prior to the 2011 strike, the JapanAuto enterprise union was a typical hollow organization without any link between employees and their enterprise union. After the 2011 strike, the JapanAuto enterprise union establishes the organizational structure of “the union committee (the union officer + two union vice-officers + six union committee members) → sixty-six union stewards → employees”. There is a clear hierarchy between union stewards and the union committee. Sixty-six union stewards are divided into six union-steward teams. Each union committee member is in charge of a union-steward team.

The term of the union committee is five years. The union committee is led by rank-and-file employees and grass-roots managers. The position of union steward was once monopolized by grass-roots managers. With the first-round election for the election of union officials in 2016, union stewards went through the first genuine election in the history of the JapanAuto enterprise union. By the end of 2018, rank-and-file employees accounted for 45% of union stewards.

5.2.2 Identity of the JapanAuto enterprise union

In response to the first question to be answered in building the identity of Chinese enterprise unions (i.e., “Are employees in a harmonious and stable relationship with their employer?”), the JapanAuto enterprise union argued that the conflict between employee interests and employer interests should be emphasized, not exaggerating the harmony between them. According to the JapanAuto union officer:

How is it possible that workers and an employer belong to the same family? It’s gratifying to see them work together to make a bigger cake. But if workers ask for an extra piece of the cake, how will the employer react? The answer is obvious. [Interview with the JapanAuto union officer]

Since the conflict between employee interests and employer interests was emphasized, when responding to the second question to be answered in building trade union identity (i.e., “Who or what is liable for the loss of employee interests?”), the JapanAuto enterprise union specified that employee interests would be willfully infringed upon by an employer. For example, in order to cope with the emergent production adjustment of SinoJapanAuto – the primary customer of JapanAuto – the employer usually adjusted the working arrangements of employees, arranging for them to rest from Wednesday to Friday and requiring them to work overtime once on one weekend in the following month, then two more overtime days on another weekend in the following month. The employer claimed that since having arranged employees to take working days off before requiring them to work overtime at weekends, he no longer needed to pay employees overtime wages.

According to Article 16 of the *Binhai Municipality Regulations on Wage Payment*:

An employer who requires an employee to work overtime in accordance with the law shall pay the employee overtime wages according to the following provisions: ... (2) when requiring the employee to work on a rest day, the employer shall first arrange the supplementary rest for the employee. If a supplementary rest is unable to be arranged for the employee, the employer shall pay the employee overtime wages at the rate of no less than 200% of the daily or hourly wages of the employee.

The JapanAuto enterprise union argued that since the employer has pursued the standard system for calculating working hours rather than a synthetic one, he should arrange supplementary rests for employees within one payroll cycle. Otherwise, the employer should follow a customary practice to pay employees overtime wages. The adjustment of the working arrangements of employees by the employer was therefore to wander in a grey area. The JapanAuto union officer indicated:

Our trade union decides not to remain entangled with the employer on this issue. According to labour law, if an employer defaults on paying workers overtime wages, they can apply to the local labour dispute arbitration

committee for arbitration at any time during the duration of labour relations. Therefore, large overtime wage arrears will be our ace in the hole at the negotiating table when he is going to close the plant. [Interview with the JapanAuto union officer]

When faced with the last question to be answered in building trade union identity (i.e., “What acts are taken to defend employee interests?”), the JapanAuto enterprise union specified that employees should be represented by an enterprise union. For the JapanAuto union officer:

Under the Chinese legal system, a trade union is still the only legitimate representative organization of workers. When defending worker rights and interests, the trade union provides the political asylum for union cadres, especially the union chair. It’s the privilege that other forms of worker self-organization don’t have. [Interview with the JapanAuto union officer]

The JapanAuto enterprise union claimed that the role of an enterprise union as the representative organization of employees should by no means be a taboo. According to the JapanAuto union officer:

Figuratively speaking, the identity of a trade union is like a jigsaw puzzle. In collective bargaining, the trade union is the representative of workers. In daily work, the trade union is the servant of workers. In production, the trade union is the bridge between workers and an employer. But the representative of workers is definitely the most important piece between the three identities. [Interview with the JapanAuto union officer]

In terms of the role of an enterprise union as the representative organization of employees, the JapanAuto enterprise union argued that carrying out collective bargaining should be the top priority for the enterprise union. The JapanAuto union officer indicated:

The former chair of the All-China Federation of Trade Unions, Wei Jianxing, advocated that ‘carrying out collective bargaining is the means to grasp the nose of an ox (*zhua niubizi*)’. This is completely correct. When defending worker rights and interests, any other work done by a trade union is only the icing on the cake. Without carrying out collective bargaining, defending worker rights and interests becomes empty talk. [Interview with the JapanAuto union officer]

The JapanAuto enterprise union specified that collective bargaining should be characterized by the antagonism between an enterprise union and an employer. For the JapanAuto union officer:

After sitting at the negotiating table, union negotiators must keep reminding themselves of their identity as worker representatives. Otherwise, not only will union negotiators not persist in defending worker rights and interests, but they'll compromise with an employer or even lay down their arms. [Interview with the JapanAuto union officer]

5.2.3 Employee identification with the JapanAuto enterprise union

Once asked about their views on the statement that “employees are in a harmonious and stable relationship with their employer”, employees in JapanAuto expressed considerable disapproval. Employees even believed that their interests were willfully infringed upon by their employer. This belief was more evident when referring to the collective memory of employees, namely the 2011 strike. According to a JapanAuto union member:

The strike in 2011 sobered us that in order to defend his own interests, the employer will never hesitate to break any long-established tacit agreement with us, for example, the adjustment of the wage scale every January. [Interview with the JapanAuto union member 1]

Since 2015, the employer has claimed poor business performance with a view to breaking a series of customary practices developed since the 2011 strike, especially the average rate of wage growth of 7%. Employees did not interpret the decline of wage increases by their employer as a necessity. The JapanAuto union member indicated:

We learned from the trade union that in collective bargaining over the last three years (i.e., 2016, 2017, and 2018), the employer has been reluctant to make any compromise on wage increases, repeatedly discounting the wage increases put forward by the trade union. [Interview with the JapanAuto union member 2]

For the JapanAuto union member:

I personally have reservations about the results of collective bargaining over the last three years. In fact, after collective bargaining this year (i.e., 2018),

many colleagues around me privately expressed their dissatisfaction and angrily felt that profit decline was only the camouflage of the employer. In fact, he thought our wages were too high, thus taking acts of revenge. [Interview with the JapanAuto union member 2]

Sharing the progress of collective bargaining with employees by the JapanAuto enterprise union was by no means to persuade them to suffer hardship with the employer together but to divide employees and the employer into two camps with different interests and reconfirm the role of an enterprise union as the representative organization of employees. According to the JapanAuto union officer:

During collective bargaining, our trade union informs the latest news, including the hostility of the employer and our responses, to every workshop and office through union stewards in a timely manner. In addition to respecting the right to know of workers, we would like to also show them no matter how difficult a situation is, we'll stand with workers forever to defend their rights and interests. [Interview with the JapanAuto union officer]

As the JapanAuto enterprise union wished, employees did attribute wage increases to collective bargaining carried out by the enterprise union. Employees recognized the role of the JapanAuto enterprise union as the representative organization of employees. A JapanAuto union member indicated:

Wages were arbitrarily determined by the employer for many years. But the trade union has negotiated with him every year since the strike in 2011. In collective bargaining, we not only know the intention of the employer through the trade union but also express our concerns through the trade union before the final decision is made. Moreover, the tit-for-tat of the trade union with him at the negotiating table does benefit us, achieving a steady wage increase every year. Although wage increases weren't satisfactory to us over the last three years, the trade union doesn't have to be accountable for it. We believe more than ever that the trade union is the birth family (*niang jia*) defending our rights and interests. You know, in our eyes, the trade union is our patron saint. [Interview with the JapanAuto union member 3]

5.2.4 Conclusion

In terms of the three dimensions of trade union identity – harmony and stability, liability, and solution – the JapanAuto enterprise union made clear definitions: (1) an emphasis on the conflict between employee interests and employer interests; (2) the attribution of the loss of employee interests to willful infringement by an employer, who favours enterprise interests over employee interests; and (3) the role of an enterprise union as the representative organization of employees.

The answers of the JapanAuto enterprise union to the three questions – (1) “Are employees in a harmonious and stable relationship with their employer?”; (2) “Who or what is liable for the loss of employee interests?”; and (3) “What acts are taken to defend employee interests?” – resonated with employees. Therefore, employees have a high level of employee union identification.

If the hegemonic nature of the harmonious society is tenable (Hui & Chan, 2011), the dominant political discourse as regards the interests of the parties concerned in the workplace – harmonious labour relations with an emphasis on *unitarism* – suggests that the core of **employee identification with the employer** will reside in the family-like close relationship between employees and their employer. In other words, the statement that “employees are in a harmonious and stable relationship with their employer” might be the value and belief with which an employer expects employees to identify. The employer instinctively expects employees to regard him as a patriarch, thus complying with his or her orders without any doubt. However, employees in JapanAuto did not buy this statement. Employees even believed that their interests were willfully infringed upon by their employer. Therefore, employees have a low level of employee identification with the employer. Employee identification – the configuration combining employee union identification and employee identification with the employer – is thus *primary union identification*.

5.3 TaiwanElectronics enterprise union

5.3.1 Portrait of the TaiwanElectronics enterprise union

The TaiwanElectronics enterprise union was set up in 2013. An employee automatically becomes a union member in the month following hiring. However, it was not until the preparation for the first election of union officials in the history of the TaiwanElectronics enterprise union in 2017 that the enterprise union set out to verify the union membership of every employee and required employees without complete enrolment procedures to register. By the end of 2018, there were nearly 11,000 union members.

After the setting-up of the TaiwanElectronics enterprise union, the union officer who was until then the head of the human resources department of another subsidiary of TaiwanTechnology – the parent company of TaiwanElectronics – in the Binhai Economic-Technological Development Area (BEDA) was parachuted into his role as a full-time union officer through recruitment by the employer.

Two trade unions at the business-group level and ten trade unions at the division-group level are set up under the industrial-park trade union, namely the TaiwanElectronics enterprise union. A trade-union team is established for every 60 employees in the workshop. From a trade-union team to a division-group trade union, then to a business-group trade union, and finally, to the TaiwanElectronics enterprise union, there is a clear hierarchy between them. Employee representatives are not permanent positions but are temporarily elected to the worker congress.

Union committees are established at all levels. In TaiwanElectronics, like the union officer, ten union committee members are also recruited by the employer as full-time union officials. The committees of division-group trade unions and business-group trade unions are led by middle managers. Even after the election of union officials in 2017, this situation has not changed in any way. For example, the position of the officer of a division-group trade union is held by the chief

of the production technology section of the division group. The position of “the director of a trade-union team” (*gonghui xiaozuzhang*) is monopolized by grass-roots managers.

5.3.2 Identity of the TaiwanElectronics enterprise union

In response to the first question to be answered in building the identity of Chinese enterprise unions (i.e., “Are employees in a harmonious and stable relationship with their employer?”), the TaiwanElectronics enterprise union argued that the conflict between employee interests and employer interests should be denied. According to the TaiwanElectronics union officer:

An employer and workers form a clan together, playing the role of a patriarch and clan members respectively. Therefore, the present and future of an enterprise is not only the present and future of the employer but also the present and future of workers. [Interview with the TaiwanElectronics union officer]

Since only the harmony between employee interests and employer interests was acknowledged, when responding to the second question to be answered in building trade union identity (i.e., “Who or what is liable for the loss of employee interests?”), the TaiwanElectronics enterprise union specified that employee interests would never be willfully infringed upon by an employer. The TaiwanElectronics union officer indicated:

The discussion of attributing liability is tantamount to the declaration of being guilty before trial, presuming that a criminal does exist. All the behaviours of an employer serve the survival and development of an enterprise. Isn’t that the fundamental interest of workers? [Interview with the TaiwanElectronics union officer]

The TaiwanElectronics enterprise union claimed that the loss of employee interests should be attributed to the communications breakdown between employees and their employer. For the TaiwanElectronics union officer:

Family members may have trivial needs related to firewood, rice, oil, salt, sauce, vinegar, and tea (*chai mi you yan jiang cu cha*). If their needs are unable

to be heard by their parents in time, the seed of family conflicts will be planted.²⁶ [Interview with the TaiwanElectronics union officer]

When faced with the last question to be answered in building trade union identity (i.e., “What acts are taken to defend employee interests?”), the TaiwanElectronics enterprise union argued that an enterprise union should still have a place in the workplace. In terms of the role of an enterprise union, the TaiwanElectronics enterprise union replicated the dominant political discourse, namely the bridge between employees and their employer. The role of an enterprise union should be the administrative apparatus in charge of expressing employee demands to an employer. The primary function of the enterprise union should be channeling the occasional dissatisfactions of employees. According to the TaiwanElectronics union officer:

After workers report their concerns to a trade union, union cadres must first decide whether or not to respond to them. When faced with unreasonable concerns, union cadres must explicitly reject them and actively educate workers on how to correctly consider relevant issues. Union cadres only report reasonable concerns to an employer. What are reasonable concerns? Reasonable concerns are the ones that might be acceptable to the employer. [Interview with the TaiwanElectronics union officer]

5.3.3 Employee identification with the TaiwanElectronics enterprise union

Once asked about their views on the statement that “employees are in a harmonious and stable relationship with their employer”, employees in TaiwanElectronics expressed considerable disapproval. Employees even doubted the willingness of their employer to maintain long-term labour relations. According to a TaiwanElectronics union member:

Is there any parent having the heart to keep increasing housework for his children and scold them when children only make slight mistakes? If we have to regard the employer as our parent, he must be a step-father. If living in such a family, any child will run away from home sooner or later. [Interview with the TaiwanElectronics union member 1]

²⁶ In China, *chai mi you yan jiang cu cha* refers to the essential items of daily living.

Employees did not recognize the role of the TaiwanElectronics enterprise union as the administrative apparatus in charge of expressing employee demands to an employer, primarily channeling the occasional dissatisfactions of employees. A TaiwanElectronics union member indicated:

The trade union isn't always competent to play the role of a megaphone. For example, one time, our workshop was distressed by the adjustment of working arrangements. Together with my colleagues, I called the trade union for help. You know what? The trade union only left us the phone number of our superior department, asking us to report our concerns to it directly. Isn't the trade union just like a telephone switchboard? [Interview with the TaiwanElectronics union member 2]

Similarly, for a TaiwanElectronics union member:

The trade union almost has no sense of presence in the workplace other than arranging welcome parties after new hires enter the plant, organizing the collective birthday party for workers every quarter, and distributing gifts to us at New Year and other festivals. [Interview with the TaiwanElectronics union member 3]

5.3.4 Conclusion

When the TaiwanElectronics enterprise union faced the three questions – (1) “Are employees in a harmonious and stable relationship with their employer?”; (2) “Who or what is liable for the loss of employee interests?”; and (3) “What acts are taken to defend employee interests?” – its answers were totally opposite to those of the JapanAuto enterprise union. On the basis of acknowledging the harmony between employee interests and employer interests and denying the conflict between them, the TaiwanElectronics enterprise union attributed the loss of employee interests to the communications breakdown between employees and their employer. For the TaiwanElectronics enterprise union, the role of an enterprise union should be the administrative apparatus in charge of expressing employee demands to an employer, primarily channeling the occasional dissatisfactions of employees.

Unlike the JapanAuto enterprise union, in terms of the three dimensions of trade union identity – harmony and stability, liability, and solution – the definitions made by the TaiwanElectronics enterprise union did not prompt any significant resonance among employees. Therefore, employees have a low level of employee union identification.

Employees in TaiwanElectronics did not regard their employer as a patriarch and even doubted his willingness to maintain long-term labour relations. Therefore, employees have a low level of employee identification with the employer. Employee identification is thus *dual disidentification*.

5.4 TaiwanFood enterprise union

5.4.1 Portrait of the TaiwanFood enterprise union

The TaiwanFood enterprise union was set up as early as 1993 and has the longest history among the six sample enterprise unions. The formal enrolment procedure of union membership is not required by the TaiwanFood enterprise union. An employee automatically becomes a union member in the month following hiring. By the end of 2018, all employees were union members, with a total number of 2,000.

In 2013, the union officer who was until then a middle manager became the full-time union officer through appointment by the employer.

The TaiwanFood enterprise union has long been a typical hollow organization without any link between employees and their enterprise union. The TaiwanFood enterprise union has set out to optimize its organizational structure since 2014. Production safety and dormitory management are the core union work. Seven trade-union teams are established under the union committee member in charge of production safety. The seven trade-union teams correspond to seven workshops. Similarly, three trade-union teams are established under the union committee member in charge of dormitory management. The three trade-union teams are in charge of psychological counseling, art groups, and dormitory security respectively. Employee representatives are not

permanent positions but are temporarily elected to the worker congress.

The term of the union committee is five years. The union committee is led by middle managers. Even after several election cycles of union officials, this situation has not changed in any way. The position of the director of a trade-union team is monopolized by grass-roots managers.

In 2010, a strike broke out in TaiwanFood. The background of the 2010 strike was the move of TaiwanFood into a new plant in 2009. The primary demand of employees was to add shuttle buses for the route between the dormitory building of TaiwanFood and the new plant. Employees with more seniority demanded wage increases. Ultimately, the 2010 strike ended with the acceptance of employee demands by the employer.

5.4.2 Identity of the TaiwanFood enterprise union

In response to the first question to be answered in building the identity of Chinese enterprise unions (i.e., “Are employees in a harmonious and stable relationship with their employer?”), the TaiwanFood union officer replied in a succinct manner: “Definitely!” Like the TaiwanElectronics enterprise union, the TaiwanFood enterprise union also argued that the conflict between employee interests and employer interests should be denied.

Since only the harmony between employee interests and employer interests was acknowledged, when responding to the second question to be answered in building trade union identity (i.e., “Who or what is liable for the loss of employee interests?”), like the TaiwanElectronics enterprise union, the TaiwanFood enterprise union also specified that employee interests would never be willfully infringed upon by an employer. Rather, the employer would keep employee interests in mind. According to the TaiwanFood union officer:

According to the experiences of our trade union, the employer always takes meticulous care of workers. For example, in the winter of 2013, after discovering a surge in the number of workers suffering flu, he informed us in a timely manner that we must buy Banlangen Granule as soon as possible and arrange union cadres to brew them in workshops for workers to drink.

Moreover, the employer always reminds us that migrant workers are the main workforce of the enterprise, accounting for about 40% of the workforce. Most of them leave their hometowns at a very young age. Therefore, he expects to work with us to make workers feel the warmth of home. The concern of the employer for them is obvious. [Interview with the TaiwanFood union officer]

When faced with the last question to be answered in building trade union identity (i.e., “What acts are taken to defend employee interests?”), like the TaiwanElectronics enterprise union, the TaiwanFood enterprise union also claimed that the role of an enterprise union should be the administrative apparatus in charge of expressing employee demands to an employer. The primary function of the enterprise union should be channeling the occasional dissatisfactions of employees. The TaiwanFood union officer indicated:

Enterprise rules and regulations are rigid. On the contrary, communications between our trade union and workers are flexible. In most cases, workplace dynamics go beyond the scope covered by enterprise rules and regulations. But the employer will be able to keep abreast of workplace dynamics in a timely manner with the help of our humanized face. [Interview with the TaiwanFood union officer]

The belief of the TaiwanFood enterprise union in the role of an enterprise union was more evident when referring to the 2010 strike. For the TaiwanFood union officer:

The strike in 2010 occurred only because of the lack of communications between the employer and workers. Don't you think the addition of shuttle buses was as insignificant as a sesame seed? Therefore, the workplace issue neglected by administrative departments is better to be handed over to our trade union to report it in a timely manner to the employer, thus defending worker rights and interests. I wasn't the union chair when the strike in 2010 occurred. But as a bystander, I still made my own analysis of the strike. In my opinion, the root of the strike was the blockage of communications between the employer, the trade union, and workers. The trade union was unable to keep abreast of workplace dynamics in a timely manner. Moreover, communications between the employer and the trade union were very slow and inefficient. Therefore, at the beginning of my tenure, I was determined to be a scavenger, cleaning up the silt accumulated in communication. [Interview with the TaiwanFood union officer]

Like TaiwanElectronics, TaiwanFood has also pursued a dormitory labour regime, integrating the working and living spaces of employees. Both workshops and dormitories were therefore minefields, which needed to be carefully crossed by the TaiwanElectronics and TaiwanFood enterprise unions. However, in comparison with the TaiwanElectronics enterprise union, the TaiwanFood enterprise union was concerned more about dormitory management. For example, the TaiwanFood enterprise union and the employer jointly established a psychological counseling room in the dormitory building of TaiwanFood, which was funded by the employer and managed by the enterprise union. The TaiwanFood enterprise union routinely organized employees to carry out team building (e.g., emotion management) with a view to having them know the existence of the psychological counseling room and encouraging them to go to it for help when encountering work or life troubles (e.g., missing his or her parents, breaking up with his girlfriend, quarreling with her mother-in-law, etc.). Decompression chambers with diversified themes (e.g., music, calligraphy, painting, etc.) were established by the TaiwanFood enterprise union on each floor of the dormitory building.

The TaiwanFood enterprise union established a volunteer group, which was comprised of employees with “positive energies” (*zheng nengliang*; positive and optimistic personality traits), in the dormitory building, with a view to actively identifying employees with personality deficiencies and taking the initiative to make friends with them. Art groups (e.g., choirs, dance troupes, bands, etc.) were established by the TaiwanFood enterprise union in the dormitory building. According to the TaiwanFood union officer:

Our trade union expects every worker to join a group, no matter whether the group is a volunteer group or an art group. A colorful life after work prevents them from filling their heads with nonsense. Facts speak louder than words. In the past, there were always about 60 fights in the dormitory building every year. But since we took a series of psychological intervention measures over the past two years (i.e., 2017 and 2018), the number of fights has been dropped to one or two every year. [Interview with the TaiwanFood union officer]

5.4.3 Employee identification with the TaiwanFood enterprise union

Once asked about their views on the statement that “employees are in a harmonious and stable relationship with their employer”, like their counterparts in TaiwanElectronics, employees in TaiwanFood also expressed considerable disapproval. Employees even doubted the willingness of their employer to maintain long-term labour relations. According to a TaiwanFood union member:

The trade union and the human resources department have drilled this idea (i.e., ‘we’re family’) into our minds since entering the plant. But to be honest, we have no idea. Anyway, we have never thought about it seriously. What’s the difference between yes and no? The plant is only our temporary shelter. After entering the plant, we heard that few workers have a chance to renew their labour contracts. [Interview with the TaiwanFood union member 1]

Employees recognized the role of the TaiwanFood enterprise union as the administrative apparatus in charge of expressing employee demands to an employer. For example, since the employer refused to renew labour contracts with rank-and-file employees with a view to avoiding concluding indefinite-term labour contracts, employees in TaiwanFood were aware that they might not work for the enterprise for a long time. Therefore, employees attached great importance to maximizing their interests in a limited time. New hires required the immediate confirmation of their status as regular employees as soon as their probationary periods were ended because the employer only began to contribute to social insurance from that month onwards. The TaiwanFood enterprise union became the preferred channel for new hires to express this demand to their employer. A TaiwanFood union member indicated:

As newcomers, if arguing with superiors, we were afraid of being given tight shoes to wear (*chuan xiaoxie*). But when we complained to the trade union, our psychological pressures were relatively low. Moreover, after being reported to superiors by the trade union, our concerns to become regular employees may be handled in a timely manner. [Interview with the TaiwanFood union member 2]

Similarly, for a TaiwanFood union member:

The trade union tells us that if a workplace issue arises but no responsible department may be found, we can report it to the trade union and the trade union will help us report it to the employer. The trade union does suit the action to the word. [Interview with the TaiwanFood union member 3]

Employees were, however, far from satisfied that the function of the TaiwanFood enterprise union was only to channel the occasional dissatisfactions of employees. Employees expected the TaiwanFood enterprise union to make more prominent contributions to the improvement of their interests, acting as the representative organization of employees. According to a TaiwanFood union member:

On the surface, the trade union still claims to be our birth family. Therefore, when face-to-face with the employer, the trade union must be more proactive, learning our thoughts and fulfilling our wishes. But the trade union is always like a stone mill. The stone mill doesn't move by itself unless we grind. [Interview with the TaiwanFood union member 4]

Once asked about their evaluations on the dormitory management that the TaiwanFood enterprise union was most proud of, employees exhibited significant ambivalence. A TaiwanFood union member indicated:

The trade union spends a lot of energy and invests a lot of resources in our dormitories, establishing various groups and organizing various activities. We appreciate the efforts of the trade union. But none of them is what we really care about. If asked by the trade union or superiors to take part in team-building or the activities of art groups after work, we'll feel even more exhausted. [Interview with the TaiwanFood union member 5]

5.4.4 Conclusion

When faced with the three questions – (1) “Are employees in a harmonious and stable relationship with their employer?”; (2) “Who or what is liable for the loss of employee interests?”; and (3) “What acts are taken to defend employee interests?” – the TaiwanFood enterprise union answered them in the almost same way as the TaiwanElectronics enterprise union did. On the basis of the one-sided acknowledgment of the harmony between employee

interests and employer interests, the TaiwanFood enterprise union also attributed the loss of employee interests to the communications breakdown between employees and their employer. For the TaiwanFood enterprise union, the function of an enterprise union should reside in channeling the occasional dissatisfactions of employees.

Like the earlier case of the TaiwanElectronics enterprise union, in terms of the three dimensions of trade union identity – harmony and stability, liability, and solution – the definitions made by the TaiwanFood enterprise union also did not prompt any significant resonance among employees. Therefore, employees have a low level of employee union identification.

Like the earlier case of the TaiwanElectronics enterprise union, employees in TaiwanFood also did not regard their employer as a patriarch and even doubted his willingness to maintain long-term labour relations. Therefore, employees have a low level of employee identification with the employer. Employee identification is thus *dual disidentification*.

5.5 ScandiMedicine enterprise union

5.5.1 Portrait of the ScandiMedicine enterprise union

The formal enrolment procedure of union membership is not required by the ScandiMedicine enterprise union. An employee automatically becomes a union member in the month following hiring. In the election of union officials, all employees have the right to vote. However, if an employee expects to be the candidate for union officials, he should first perform the formal enrolment procedure of union membership. By the end of 2018, all employees were union members, with a total number of nearly 1,000.

After the setting-up of the ScandiMedicine enterprise union, the union officer who was until then a senior manager became the part-time union officer through appointment by the employer. The same union officer remains in office after several election cycles of union officials.

The ScandiMedicine enterprise union has the organizational structure of “the union committee (the union officer + fifteen union committee members) → employees”. Although the ScandiMedicine enterprise union has not yet established a network of union stewards, each union committee member performs duties as the union steward of his or her department. Employee representatives are not permanent positions but are temporarily elected to the worker congress.

The term of the union committee is three years. The union committee is led by grass-roots and middle managers. Even after several election cycles of union officials, that situation has not changed in any way.

5.5.2 Identity of the ScandiMedicine enterprise union

In response to the first question to be answered in building the identity of Chinese enterprise unions (i.e., “Are employees in a harmonious and stable relationship with their employer?”), the statement of the ScandiMedicine enterprise union was almost identical to the statement of his counterpart of the TaiwanElectronics enterprise union. Like the TaiwanElectronics and TaiwanFood enterprise unions, the ScandiMedicine enterprise union also argued that the conflict between employee interests and employer interests should be denied.

Since only the harmony between employee interests and employer interests was acknowledged, when responding to the second question to be answered in building trade union identity (i.e., “Who or what is liable for the loss of employee interests?”), like the TaiwanElectronics and TaiwanFood enterprise unions, the ScandiMedicine enterprise union also specified that employee interests would never be willfully infringed upon by an employer. The loss of employee interests should be attributed to the communications breakdown between employees and their employer. According to the ScandiMedicine union officer:

In the Toyota production system, any operation needing to be repeated more than twice is standardized, formulating standard operating procedures, to reduce fluctuations in production. Labour relations must be treated equally with production. If interactions between stakeholders in the workplace – for

example, between a foreman and a front-line operator – lack the rules defining proper practices for each of them, labour conflicts will be inevitable in the long run. Filling in a gap in the code of conduct must draw lessons from the labour issues actually occurring in the workplace. Therefore, timely and accurately reporting labour issues to an employer is as important as timely and accurately reporting production issues to him. [Interview with the ScandiMedicine union officer]

When faced with the last question to be answered in building trade union identity (i.e., “What acts are taken to defend employee interests?”), like the TaiwanElectronics and TaiwanFood enterprise unions, the ScandiMedicine enterprise union also claimed that the role of an enterprise union should be the administrative apparatus in charge of expressing employee demands to an employer. The primary function of the enterprise union should be channeling the occasional dissatisfactions of employees.

The ScandiMedicine enterprise union designed the risk-control model for labour disputes. The ScandiMedicine enterprise union classified a workplace issue into the safety area if it only involved individual employees. If a workplace issue involved more than a third of employees and might affect the physical and mental health or work engagement of employees or working atmosphere, the ScandiMedicine enterprise union would determine that it belonged to the alert area. The ScandiMedicine enterprise union classified a workplace issue into the danger area if it involved all employees and might lead to a collective labour dispute. The ScandiMedicine enterprise union would seek the cooperation of other departments or reported it to the employer if and only if a workplace issue fell into the alert or danger area. Otherwise, the ScandiMedicine enterprise union would only communicate with the employees concerned and, in most cases, reject their demands.

5.5.3 Employee identification with the ScandiMedicine enterprise union

Once asked about their views on the statement that “employees are in a harmonious and stable relationship with their employer”, employees in ScandiMedicine expressed considerable

approval. “Stakeholders” or “the community of common destiny” were the most frequently used term by employees when describing their relationship with their employer. Humanized management was the greatest common denominator underlying a high level of employee identification with the employer. According to a ScandiMedicine union member:

As a considerate parent, the employer always takes the initiative to show the great concern for our work and life. In terms of welfare benefits, the enterprise is a well-deserved benchmark even if we have the whole Binhai City in view. Can you imagine that all workstations on production lines are equipped with liftable seats to relieve our physical fatigue? It’s unimaginable for workers in other plants. Even our families are proud to talk about our work here.
[Interview with the ScandiMedicine union member 1]

Employees recognized the role of the ScandiMedicine enterprise union as the administrative apparatus in charge of expressing employee demands to an employer, primarily channeling the occasional dissatisfactions of employees. For example, in 2017, employees complained to the ScandiMedicine enterprise union that the gym to which their employer registered the membership for them had a poor environment and old fitness equipment. After listening to the report of the ScandiMedicine enterprise union, the employer decided to authorize the enterprise union to lead a project team with a view to purchasing services from a more qualified gym and promised to involve employee representatives as reviewers in selecting candidate gyms.

However, employees did not believe that the ScandiMedicine enterprise union ever made any independent contribution to the improvement of their interests. Employees did not even regard the ScandiMedicine enterprise union as an independent actor in the workplace. A ScandiMedicine union member indicated:

Any achievement in the workplace is the collective achievement achieved under the leadership of the employer. Exaggerating one’s own effort is the sign of propagating personal heroism. In the enterprise, personal heroism is strictly prohibited in all departments, including the trade union. After all, the trade union is just one of many administrative departments. [Interview with the ScandiMedicine union member 2]

In labour disputes, there was a gap between the image of the ScandiMedicine enterprise union and the expectation of employees. In 2016, ten employees were convicted of violating professional ethics by their employer for failing to observe standard operating procedures and eventually dismissed. Although the employees concerned filed a complaint to the ScandiMedicine enterprise union, the enterprise union frustrated them in their wishes. The ScandiMedicine enterprise union did not defend the employees concerned in front of the employer but reminded him of the mismatch between human resources management and lean production, especially the absence of a code of conduct outlining the responsibility of managers at different levels in implementing standard operating procedures. The ScandiMedicine enterprise union argued that with the continuous advancement of lean production by the employer, he would increasingly rely on employees to carry out standard operating procedures. If more and more employees were dismissed by the employer due to the similar cause of professional ethics, he would be dragged into the mire of labour disputes.

5.5.4 Conclusion

In terms of the three dimensions of trade union identity – harmony and stability, liability, and solution – the ScandiMedicine enterprise union made the same definitions as the TaiwanElectronics and TaiwanFood enterprise unions: (1) the acknowledgement of the harmony between employee interests and employer interests and the denial of the conflict between them; (2) the attribution of the loss of employee interests to the communications breakdown between employees and their employer; and (3) the role of an enterprise union as the administrative apparatus in charge of expressing employee demands to an employer, primarily channeling the occasional dissatisfactions of employees.

The answers of the ScandiMedicine enterprise union to the three questions – (1) “Are employees in a harmonious and stable relationship with their employer?”; (2) “Who or what is liable for the loss of employee interests?”; and (3) “What acts are taken to defend employee interests?” – partly

resonated with employees. Therefore, employees have an intermediate level of employee union identification.

Unlike the earlier cases of the JapanAuto, TaiwanElectronics and TaiwanFood enterprise unions, employees in ScandiMedicine regarded their employer as a patriarch and believed that he respected their interests. Therefore, employees have a high level of employee identification with the employer. Employee identification is thus *primary employer identification*.

5.6 JapanMotor enterprise union

5.6.1 Portrait of the JapanMotor enterprise union

The JapanMotor enterprise union was set up in 2014 and has the shortest history among the six enterprise unions. The formal enrolment procedure of union membership is not required by the JapanMotor enterprise union. An employee automatically becomes a union member in the month following hiring. By the end of 2018, all employees were union members, with a total number of nearly 1,100.

After the setting-up of the JapanMotor enterprise union, the union officer who was until then the chief of the general affairs section became the part-time union officer through appointment by the employer. The same union officer remains in office after the election of union officials in 2017.

The JapanMotor enterprise union has the organizational structure of “the union committee (the union officer + thirteen union committee members, including one full-time union committee member through recruitment by the employer) → union stewards → employees”. There is no clear hierarchy between union stewards and the union committee. Union stewards report workplace dynamics to the full-time union committee member.

The term of the union committee is three years. There were once nine union committee members. In the election of union officials in 2017, the JapanMotor enterprise union co-opted five more

union committee members. The union committee is led by middle managers. The heads of all production departments are union committee members.

In the first-round election for the election of union officials in 2014, the JapanMotor enterprise union elected the first batch of union stewards. As employment at JapanMotor has increased from nearly 100 employees in the beginning to more than 600 employees in 2014 when JapanMotor put a first production line into operation, in 2015, the JapanMotor enterprise union carried out the co-option of union stewards. In the first-round election for the election of union officials in 2017, union stewards went through the second election in the history of the JapanMotor enterprise union. The position of union steward was monopolized by grass-roots managers.

5.6.2 Identity of the JapanMotor enterprise union

In response to the first question to be answered in building the identity of Chinese enterprise unions (i.e., “Are employees in a harmonious and stable relationship with their employer?”), the JapanMotor enterprise union replicated the dominant political discourse of harmonious labour relations with an emphasis on *unitarism*. The JapanMotor enterprise union argued that the harmony between employee interests and employer interests was by no means ready-made but should be achieved through a deliberate construction on the part of an enterprise union.

According to the JapanMotor union officer:

In recent years, the idea of harmonious labour relations is the theme vigorously propagated by the All-China Federation of Trade Unions and the Area Federation of Trade Unions. But according to the experiences of our trade union, harmony isn't a fait accompli. A more appropriate expression is to prefix harmony with construction. [Interview with the JapanMotor union officer]

When responding to the second question to be answered in building trade union identity (i.e., “Who or what is liable for the loss of employee interests?”), although not denying the importance of effective communications between employees and their employer, the JapanMotor enterprise union specified that the improvement of employee interests should primarily stem from the

alignment between employee interests and employer interests. The JapanMotor union officer indicated:

Denying that an employer and workers have their respective interests is self-deceiving. The employer cares about the survival and development of an enterprise. Workers pursue higher wages and better career development. But if the sailing boat symbolizing employer interests is able to be linked to the sailing boat symbolizing worker interests so as to build a catamaran, the two boats will advance side by side and withstand the wind and rain. [Interview with the JapanMotor union officer]

When faced with the last question to be answered in building trade union identity (i.e., “What acts are taken to defend employee interests?”), the JapanMotor enterprise union claimed that an enterprise union should be an indispensable actor in the workplace. In terms of the role of an enterprise union, the JapanMotor enterprise union replicated the dominant political discourse, namely the bridge between employees and their employer. The role of an enterprise union should be the administrative apparatus in charge of expressing employee demands to an employer. In addition to channeling the occasional dissatisfactions of employees, the function of the enterprise union should be extended to aligning employer decisions with employee demands. For the JapanMotor union officer:

A trade union doesn't intervene in the decision-making of an employer. It's his management privilege. But if expecting employer decisions to be down to earth (*jie diqi*), the trade union must proactively take advantage of proximity to workers and make proposals to him to achieve the win-win between the employer and workers rather than passively waiting for a workplace issue to arise and then report it to him. When our trade union mentions proposals, what we say is the proposals that may be conducive to the cultivation and retention of human capital. The factors guiding our direction of work include not only the worker concerns collected through union stewards but also brain drains at each level. We keep analyzing the relationship between the two, get the interrelationship between the two, and make proposals accordingly. [Interview with the JapanMotor union officer]

5.6.3 Employee identification with the JapanMotor enterprise union

Once asked about their views on the statement that “employees are in a harmonious and stable relationship with their employer”, employees in JapanMotor expressed considerable approval. Employees believed that their employer respected their interests. According to a JapanMotor union member:

The employer always takes them seriously after we express our concerns on welfare benefits through the trade union. Although in most cases, only half of our aspirations can be achieved, it’s still the great respect for us. This at least suggests that he is an open-minded parent, being willing to take the advice of family members, rather than a dictatorial parent. [Interview with the JapanMotor union member 1]

Employees recognized the role of the JapanMotor enterprise union as the administrative apparatus in charge of expressing employee demands to an employer, primarily channeling the occasional dissatisfactions of employees. For example, in 2017, employees complained to the JapanMotor enterprise union that workshops were overheated in summer. Subsequently, the JapanMotor enterprise union suggested that the employer install air conditioners in workshops. Ultimately, the proposal of the JapanMotor enterprise union was approved by the employer. In 2018, the employer invested nearly \$1.5 million to increase power supply in the plant with a view to improving cooling in workshops.

Although lacking the awareness of the function of the JapanMotor enterprise union in aligning employer decisions with employee demands, employees believed that there was a causal link between collective consultation carried out by the enterprise union and wage increases. The JapanMotor union member indicated:

I don’t know if my metaphor is appropriate. Collective consultation is seemingly a black box. But not seeing the internal structure of a machine doesn’t mean that the machine doesn’t work well. Especially in recent years, the results of collective consultation haven’t been disappointing us. For

example, collective consultation last year (i.e., 2017) increased the award of full attendance by ¥70. [Interview with the JapanMotor union member 2]

5.6.4 Conclusion

When the JapanMotor enterprise union faced the three questions – (1) “Are employees in a harmonious and stable relationship with their employer?”; (2) “Who or what is liable for the loss of employee interests?”; and (3) “What acts are taken to defend employee interests?” – its answers sought to develop the third way between a more proactive identity represented by the JapanAuto enterprise union and a completely subordinated identity as manifested in TaiwanElectronics, TaiwanFood, and ScandiMedicine. By emphasizing the constructed harmony between employee interests and employer interests, the JapanMotor enterprise union attributed the loss of employee interests not just to the communications breakdown between employees and their employer but also to the nonalignment between employee interests and employer interests. For the JapanMotor enterprise union, although still playing a role as the administrative apparatus in charge of expressing employee demands to an employer, the function of an enterprise union should reside in channeling the occasional dissatisfactions of employees as well as aligning employer decisions with employee demands.

In terms of the three dimensions of trade union identity – harmony and stability, liability, and solution – the definitions made by the JapanMotor enterprise union succeeded in resonating with employees to a considerable extent. Therefore, employees have an intermediate-to-high level of employee union identification.

Like the earlier case of the ScandiMedicine enterprise union, employees in JapanMotor also regarded their employer as a patriarch and believed that he respected their interests. Therefore, employees have a high level of employee identification with the employer. Employee identification is thus *dual identification*.

5.7 GermanyAdhesive enterprise union

5.7.1 Portrait of the GermanyAdhesive enterprise union

The GermanyAdhesive enterprise union was set up in 2006. The formal enrolment procedure of union membership is not required by the GermanyAdhesive enterprise union. An employee automatically becomes a union member in the month following hiring. By the end of 2018, all employees were union members, with a total number of nearly 100.

After the setting-up of the GermanyAdhesive enterprise union, the union officer who was until then the assistant to the general manager became the part-time union officer through appointment by the employer. The same union officer remains in office after several election cycles of union officials.

The GermanyAdhesive enterprise union has the organizational structure of “the union committee (the union officer + the union vice-officer who was also the union committee member in charge of the finance of the enterprise union + five union committee members) → employees”. Although the GermanyAdhesive enterprise union has not yet established a network of union stewards, each union committee member performs duties as the union steward of his or her department.

Employee representatives are not permanent positions but are temporarily elected to the worker congress.

The term of the union committee was once three years in the beginning but was extended to five years. The union committee is led by middle and senior managers. Even after several election cycles of union officials, this situation has not changed in any way. The heads of all departments are union committee members.

5.7.2 Identity of the GermanyAdhesive enterprise union

In response to the first question to be answered in building the identity of Chinese enterprise unions (i.e., “Are employees in a harmonious and stable relationship with their employer?”), like the JapanMotor enterprise union, the GermanyAdhesive enterprise union also argued that the harmony between employee interests and employer interests was by no means ready-made but should be achieved through a deliberate construction on the part of an enterprise union.

According to the GermanyAdhesive union officer, “harmonious labour relations are supposed to be a dynamic process rather than a static result, resolving contradictions rather than blindly denying them.”

When responding to the second question to be answered in building trade union identity (i.e., “Who or what is liable for the loss of employee interests?”), like the JapanMotor enterprise union, the GermanyAdhesive enterprise union also specified that the improvement of employee interests should primarily stem from the alignment between employee interests and employer interests. The GermanyAdhesive union officer indicated:

If you compare harmonious labour relations to a butterfly, then wages and welfare benefits are the left-wing of the butterfly; the survival and development of an enterprise are the right-wing of the butterfly. No matter how beautiful the butterfly looks like, it will be unable to dance if two wings don't vibrate at the same time. [Interview with the GermanyAdhesive union officer]

When faced with the last question to be answered in building trade union identity (i.e., “What acts are taken to defend employee interests?”), like the JapanMotor enterprise union, the GermanyAdhesive enterprise union also claimed that the role of an enterprise union should be the administrative apparatus in charge of expressing employee demands to an employer. In addition to channeling the occasional dissatisfactions of employees, the function of the enterprise union should be extended to aligning employer decisions with employee demands. The GermanyAdhesive union officer bluntly compared the role of an enterprise union to the “military

advisor” (*junshi*).²⁷ For the GermanyAdhesive union officer:

The win-win between an employer and workers relies on constant adjustments when making decisions, linking the heart of the employer to the hearts of workers, not continuous patching when enforcing decisions. As the saying goes, to forestall is better than to amend. Therefore, decision-making is definitely the arena where an enterprise union is excelling. [Interview with the GermanyAdhesive union officer]

5.7.3 Employee identification with the GermanyAdhesive enterprise union

Once asked about their views on the statement that “employees are in a harmonious and stable relationship with their employer”, like their counterparts in JapanMotor, employees in GermanyAdhesive also expressed considerable approval. Employees believed that their employer respected their interests. According to a GermanyAdhesive union member:

As you can see, there are only about 100 workers in the enterprise. In comparison with other giant businesses in the Development Area, we’re more like a small family. Fortunately, we have a competent parent. Even if it comes to the minor improvement of working conditions, the employer takes them seriously as long as we express our concerns through the trade union. [Interview with the GermanyAdhesive union member 1]

Like their counterparts in JapanMotor, employees in GermanyAdhesive also recognized the role of an enterprise union as the administrative apparatus in charge of expressing employee demands to an employer, primarily channeling the occasional dissatisfactions of employees. For example, in 2016, employees complained to the GermanyAdhesive enterprise union that due to the persistence of severe smog in Binhai City, air quality in workshops was poor. Subsequently, the GermanyAdhesive enterprise union suggested that the employer install air purifiers in workshops. Ultimately, the proposal of the GermanyAdhesive enterprise union was approved by the

²⁷ In the army of ancient China, a *junshi* was usually the second most important figure only to a general. The *junshi* undertook the responsibility of making proposals to improve the battle plan of the general by soliciting, sorting out, and analyzing various factors.

employer. The employer used the extra-budgetary funding to purchase air purifiers.

Like their counterparts in JapanMotor, although lacking the awareness of the function of the GermanyAdhesive enterprise union in aligning employer decisions with employee demands, employees in GermanyAdhesive also believed that there was a causal link between collective consultation carried out by the enterprise union and wage increases. A GermanyAdhesive union member indicated:

The employer and the trade union carry out collective consultation every year. But we almost know nothing about details. The trade union doesn't disclose to us any information relevant to the time, place, or progress of collective consultation. In most cases, together with the trade union, the employer directly informs us of the result of collective consultation. [Interview with the GermanyAdhesive union member 2]

For a GermanyAdhesive union member:

Collective consultation is a formality? Absolutely not! We have been used to regarding collective consultation as the signal of wage increases. Every year after collective consultation, all of us will get a rise in salary. We skilled workers always enjoy the highest wage increases, even up to 10% in some years. Managers only receive the wage increases of 2% to 3%. [Interview with the GermanyAdhesive union member 3]

5.7.4 Conclusion

When faced with the three questions – (1) “Are employees in a harmonious and stable relationship with their employer?”; (2) “Who or what is liable for the loss of employee interests?”; and (3) “What acts are taken to defend employee interests?” – the GermanyAdhesive enterprise union answered them in the almost same way as the JapanMotor enterprise union did. By emphasizing the constructed harmony between employee interests and employer interests, the GermanyAdhesive enterprise union also attributed the loss of employee interests to the nonalignment between employee interests and employer interests rather than solely blaming the communications breakdown between employees and their employer. For the GermanyAdhesive

enterprise union, the function of an enterprise union should be extended to aligning employer decisions with employee demands.

Like the earlier case of the JapanMotor enterprise union, in terms of the three dimensions of trade union identity – harmony and stability, liability, and solution – the definitions made by the GermanyAdhesive enterprise union also succeeded in resonating with employees to a considerable extent. Therefore, employees have an intermediate-to-high level of employee union identification.

Like the earlier cases of the ScandiMedicine and JapanMotor enterprise unions, employees in GermanyAdhesive also regarded their employer as a patriarch and believed that he respected their interests. Therefore, employees have a high level of employee identification with the employer. Employee identification is thus *dual identification*.

5.8 Diversified identities of Chinese enterprise unions and differentiated employee identification

Trade union identity – especially the identity of Chinese enterprise unions – involves three dimensions: (1) harmony and stability (i.e., “Are employees in a harmonious and stable relationship with their employer?”); (2) liability (i.e., “Who or what is liable for the loss of employee interests?”); and (3) solution (i.e., “What acts are taken to defend employee interests?”). There is a significant variation in trade union identity.

Table 5.1 presents three major identities of the Chinese enterprise unions discussed. The analysis of the variation in trade union identity points to what this thesis defines as three types of identity of the Chinese enterprise unions discussed: (1) *critical bridging*; (2) *communicative bridging*; and (3) *constructive bridging*.

Table 5.1 Three Major Identities of the Chinese Enterprise Unions Discussed

	Enterprise union	Harmony and stability	Liability	Solution
<i>Critical bridging</i>	JapanAuto enterprise union	Emphasis on interest conflict	An employer favours enterprise interests over employee interests	An enterprise union should be the representative organization of employees
<i>Communicative bridging</i>	TaiwanElectronics enterprise union	Acknowledgement of interest harmony and denial of interest conflict	Communications breakdown between employees and their employer	An enterprise union should be the administrative apparatus in charge of expressing employee demands to an employer, primarily channeling the occasional dissatisfactions of employees
	TaiwanFood enterprise union			
	ScandiMedicine enterprise union			
<i>Constructive bridging</i>	JapanMotor enterprise union	Emphasis on constructing interest harmony	Communications breakdown between employees and their employer	An enterprise union should be the administrative apparatus in charge of expressing employee demands to an employer:
	GermanyAdhesive enterprise union		Non-alignment between employee interests and employer interests	Channeling the occasional dissatisfactions of employees Aligning employer decisions with employee interests

First, under *critical bridging*, an enterprise union (e.g., the JapanAuto enterprise union) emphasizes the conflict between employee interests and employer interests. The enterprise union attributes the loss of employee interests to willful infringement by an employer, who favours enterprise interests over employee interests. On this basis, although not denying the role of the bridge between employees and their employer, the enterprise union defines itself as the representative organization of employees, defending employee rights and interests and going

beyond the role of a bridge.

Second, if trade union identity (e.g., the TaiwanElectronics, TaiwanFood, and ScandiMedicine enterprise unions) is dominated by *communicative bridging*, only the harmony between employee interests and employer interests is acknowledged. The enterprise union only attributes the loss of employee interests to the communications breakdown between employees and their employer. On this basis, the role of the bridge between employees and their employer, which is recommended by the Party-State, is imposed on the enterprise union, which defines itself as the administrative apparatus in charge of expressing employee demands to an employer, primarily channeling the occasional dissatisfactions of employees. It is therefore incumbent on the enterprise union to better express the harmony between employee interests and employer interests.

Finally, under *constructive bridging*, an enterprise union (e.g., the JapanMotor and GermanyAdhesive enterprise unions) does not regard the harmony between employee interests and employer interests as ready-made. Rather, interest harmony should be achieved through a deliberate construction on the part of the enterprise union. The enterprise union attributes the loss of employee interests not just to the communications breakdown between employees and their employer but also to the non-alignment between employee interests and employer interests. In inheriting the role of the bridge between employees and their employer, the function of the enterprise union is extended from only channeling the occasional dissatisfactions of employees to aligning employer decisions with employee interests.

An interesting dialogue emerges between the empirical findings on trade union identity and the role of the bridge between employees and their employer. Admittedly, the role of a bridge is of great significance for analyzing trade union identity. However, the complexity of trade union identity goes beyond the traditional definition of the role of a bridge in which the enterprise union is confined to acting as the transmission belt of the information between employees and their employer.

The six enterprise unions all accepted the role of the bridge between employees and their employer but interpreted it in different ways, from completely subordinated as in *communicative bridging* to more pluralistically integrative as in *constructive bridging* and then to more proactive as in *critical bridging*. The role of a bridge is therefore not monolithic in the workplace. For the enterprise union espousing *critical bridging*, our empirical findings point to a real outlier. *Critical bridging* deviates from the role of a bridge in the sense that the enterprise union seeks a relatively dominant status in the workplace. Although not challenging a subordinate status in the workplace, in comparison with the conservative enterprise union characterized by *communicative bridging*, the enterprise union espousing *constructive bridging* interprets union functions in a more constructive manner, namely participating in decision-making.

There are significant the variations in employee union identification and employee identification with the employer.

Table 5.2 presents four types of employee identification. The analysis of the variation in employee identification suggests four types of employee identification: (1) *primary union identification* (a high level of employee union identification but a low level of employee identification with the employer); (2) *dual disidentification* (low levels of employee union identification and employee identification with the employer); (3) *primary employer identification* (a low level of employee union identification but a high level of employee identification with the employer); and (4) *dual identification* (high levels of employee union identification and employee identification with the employer).

Table 5.2 Four Types of Employee Identification

	Union identification	Employer identification	Employee identification
JapanAuto	High	Low	<i>Primary union identification</i>
TaiwanElectronics	Low	Low	<i>Dual disidentification</i>
TaiwanFood	Intermediate-to-low		
ScandiMedicine	Intermediate	High	<i>Primary employer identification</i>
JapanMotor	Intermediate-to-	High	<i>Dual identification</i>
GermanyAdhesive	high		

In JapanAuto, a high level of employee union identification is accompanied by a low level of employee identification with the employer. JapanAuto is therefore characterized by *primary union identification*.

Like their counterparts in JapanAuto, employees in TaiwanElectronics and TaiwanFood also have a low level of employee identification with the employer. However, unlike JapanAuto, employee union identification in the two Taiwanese enterprises is lower. Employee identification prevailing in TaiwanElectronics and TaiwanFood is therefore *dual disidentification*.

In ScandiMedicine, an intermediate level of employee union identification is accompanied by a high level of employee identification with the employer. ScandiMedicine is therefore characterized by *primary employer identification*.

Like their counterparts in ScandiMedicine, employees in JapanMotor and GermanyAdhesive also have a high level of employee identification with the employer. However, unlike ScandiMedicine, in JapanMotor and GermanyAdhesive, employee union identification is higher. Employee identification prevailing in JapanMotor and GermanyAdhesive is therefore *dual identification*.

The empirical findings on employee union identification stand in stark contrast to a stereotype about the relevance of Chinese enterprise unions for employees. It is traditionally believed that employees lack attachment with their enterprise union. However, the cases indicate that employees in JapanAuto, JapanMotor, and GermanyAdhesive have a higher level of employee union identification.

This thesis specifies that employee identification with the employer is polarized among the six sample enterprises. In comparison with a high level of employee identification with the employer in ScandiMedicine, JapanMotor, and GermanyAdhesive, employee identification with the employer in JapanAuto, TaiwanElectronics, and TaiwanFood is lower.

Once again, the empirical findings on employee identification indicate that employee identification varies in important ways from one workplace to another. Our empirical findings run counter to what many expect on employee identification and point to the need for further analysis of this variation in the following chapters. Chapter 6 will elaborate on the variations in union instrumentality, union democracy, the frame of reference for labour relations, and the intervention of the Party-State.

Chapter 6 Comparative Analysis of the Six Sample Enterprises

Chapter 5 presented the variations in the dependent variables, namely employee union identification and employee identification with the employer. Chapter 6 now elaborates on the variations in the independent variables, namely union instrumentality, union democracy, the frame of reference for labour relations, and the intervention of the Party-State.

The two primary lines of analysis – the instrumental and constructivist accounts of employee union identification – establish the relationship of employee union identification with union instrumentality and union democracy respectively. Therefore, Chapter 3 formulated the following hypotheses:

Hypothesis 1: employee union identification is higher when union instrumentality is higher.

Hypothesis 2: employee union identification is higher when union democracy is higher.

A third line of analysis focuses on the relationship between employee identification – the configuration combining employee union identification and employee identification with the employer – and the frame of reference for labour relations. The following hypothesis was therefore advanced in Chapter 3:

Hypothesis 3: the type of employee identification varies with the type of frame of reference for labour relations.

A fourth line of analysis concerns the relationship between union democracy and the intervention of the Party-State. Therefore, Chapter 3 developed the following hypothesis:

Hypothesis 4: union democracy is higher with the intervention of the Party-State.

Chapter 6 proceeds sequentially four hypotheses. Each part first examines the variation in the

independent variable and then considers the corresponding hypothesis.

6.1 Union instrumentality

Section 6.1.1 first revisits the definition and operationalization of union instrumentality. In taking the variation in employee union identification into consideration, the six sample enterprises are divided into four groups: (1) the high-union-identification group (JapanAuto); (2) the intermediate-to-high-union-identification group (JapanMotor and GermanyAdhesive); (3) the intermediate-to-low-union-identification group (TaiwanFood and ScandiMedicine); and (4) the low-union-identification group (TaiwanElectronics).²⁸ Sections 6.1.2 to 6.1.5 are then organized in accordance with this grouping and drill down on the empirical findings on union instrumentality in each case or each pair of cases. Finally, Section 6.1.6 examines the hypothesized relationship between employee union identification and union instrumentality. As will become apparent through the analysis of union instrumentality, employee union identification is aligned closely with union instrumentality.

6.1.1 Outcome-based union instrumentality

Union instrumentality refers to “a calculative or utilitarian relationship with unions and is based on a cognitive assessment of the costs and benefits associated with union representation” (Newton & Shore, 1992, pp. 279). Union instrumentality is operationalized in outcome-based union instrumentality, which is measured as the performance of an enterprise union in improving wages, welfare benefits, working conditions, and any other aspect related to employee interests.

²⁸ As indicated in Chapter 5, employees in ScandiMedicine were defined to have an intermediate level of employee union identification. However, the definition of the ScandiMedicine enterprise union on union functions, that is, channeling the occasional dissatisfactions of employees, did not fully resonate with employees. There was a gap between the image of the ScandiMedicine enterprise union and the expectation of employees, especially in the extreme situation of labour disputes. Therefore, Chapter 6 divides the TaiwanFood and ScandiMedicine enterprise unions into the intermediate-to-low-union-identification group.

6.1.2 JapanAuto enterprise union

In terms of outcome-based union instrumentality, the performance of the JapanAuto enterprise union was remarkable.

The 2011 strike was a critical juncture in the evolution of labour relations in JapanAuto. After the 2011 strike, the JapanAuto enterprise union underwent a far-reaching restructuring, which involved not only the carrying-out of the first genuine election of union officials in the history of the enterprise union but also the setting-up of collective bargaining.

Wages have increased significantly since 2011 when the JapanAuto enterprise union carried out collective bargaining. The average wage of employees increased from less than ¥1,000 in 2010 to more than ¥4,000 in 2018. Although in recent years, the relative rate of wage growth has declined (e.g., 5% in 2018), the absolute amount of wage growth is still relatively high, for example, ¥200 in 2018. According to a JapanAuto union member:

Before 2011, it's not too much to say that our wages were a backwater. But over the past six or seven years, rocketing has occurred in our wages. Now, in comparison with other auto manufacturers in the Development Area – especially with other Japanese auto manufactures – we have been in the first echelon. [Interview with the JapanAuto union member 4]

In addition to significant wage increases, the JapanAuto enterprise union also rationalized the pattern of wage increases through collective bargaining. The employer had long determined wage increases with reference to a change in the basic salary of an employee by SinoJapanAuto, namely the primary customer of JapanAuto. If according to the latest recruitment notice issued by SinoJapanAuto, the basic salary of an employee was increased from ¥2,000 of the previous year to ¥2,100 of this year, in JapanAuto, the employer would accordingly raise wages by ¥100 for every employee, whether he was a rank-and-file employee, an office staff, or a grass-roots manager. The JapanAuto enterprise union held that differences in responsibilities and skills between employees could not be taken into account in this non-discriminatory approach for wage

increases. In collective bargaining of 2011, the JapanAuto enterprise union argued for a modification in the pattern of wage increases, from an absolute amount to a relative rate. Ultimately, the proposal of the JapanAuto enterprise union was approved by the employer.

Since 2015, the employer has claimed poor business performance with a view to breaking a series of customary practices developed since the 2011 strike, especially the average rate of wage growth of 7%. The JapanAuto enterprise union assessed that with the continuous decline of the rate of wage growth, the wage gap between rank-and-file employees and grass-roots managers that had long been concealed by significant wage increases would eventually be exposed. In collective bargaining of 2016, the JapanAuto enterprise union argued for a second modification in the pattern of wage increases, from a relative rate to the combination of “a relative rate + an absolute amount”. Ultimately, the proposal of the JapanAuto enterprise union was approved by the employer. In collective bargaining of 2017, the JapanAuto enterprise union achieved the wage increases of the combination of “5.3% + ¥40”. The JapanAuto union officer indicated:

The average wage of workers in 2017 was ¥4,000. Therefore, the wage increases of ¥40 are equivalent to the wage increases of 1%. But if our trade union required the employer to directly raise wages by 1% for every worker, then for a front-line operator whose wage was ¥2,500 and a foreman whose wage was ¥6,000, their wage increases will be ¥25 and ¥60 respectively. It's tantamount to further widening the wage gap between them. Although what we have done is just a drop in the bucket, a change often starts in small details.
[Interview with the JapanAuto union officer]

In addition to the rationalization of the pattern of wage increases, the JapanAuto enterprise union also optimized a wage regime through collective bargaining. The employer had long calculated overtime wages based on the basic salary of an employee. According to Article 17 of the *Binhai Municipality Regulations on Wage Payment*, “the calculation base of overtime wages shall not be lower than the salary due to the position of an employee.” The JapanAuto enterprise union claimed that the calculation base of overtime wages should be the total salary of an employee rather than his or her basic salary. In collective bargaining of 2015, the JapanAuto enterprise

union argued for the inclusion of the position and skill subsidies of an employee in the calculation base of overtime wages. Ultimately, the proposal of the JapanAuto enterprise union was approved by the employer. For the JapanAuto union officer:

If a worker is a foreman, doesn't he perform the duty of a foreman when he works overtime? Yes, he does. If a worker is a forklift worker, doesn't he complete the task of a forklift worker when he works overtime? Yes, he does.
[Interview with the JapanAuto union officer]

In another example, in collective bargaining of 2017, the JapanAuto enterprise union argued for the bonus of quality assurance in accordance with the customary practices of other auto manufacturers in the Binhai Economic-Technological Development Area (BEDA). Ultimately, the proposal of the JapanAuto enterprise union was approved by the employer. The employer awarded ¥100 to every employee at the end of every quarter on the premise that quality targets were achieved.

In addition to significant wage increases, the JapanAuto enterprise union also had an outstanding performance in improving welfare benefits. The JapanAuto enterprise union held that the sustainable development of JapanAuto depended on long-term labour relations, particularly considering that more than nine-tenths of employees were male migrant workers. According to the JapanAuto union officer:

The premise for workers to settle down in the Development Area is the purchase of houses and vehicles. [Interview with the JapanAuto union officer]

In 2011, the JapanAuto enterprise union argued for a petrol subsidy and the addition of shuttle buses with a view to meeting the commuting needs of the employees who purchased houses. Ultimately, the proposals of the JapanAuto enterprise union were approved by the employer. By the end of 2018, the percentages of the employees purchasing houses and vehicles reached 50% and 40% respectively.

6.1.3 JapanMotor and GermanyAdhesive enterprise unions

Employees in JapanMotor and GermanyAdhesive have an intermediate-to-high level of **employee union identification**. Could outcome-based union instrumentality in the cases of JapanMotor and GermanyAdhesive be linked to an intermediate-to-high level of employee union identification?

In JapanMotor, wages have also increased significantly since 2014 when the enterprise union was set up. Even in a lean year like 2017 when the growth rate of the gross domestic product (GDP) in the BEDA dropped sharply to 4%, the JapanMotor enterprise union and the employer still reached an agreement on the wage increases of 7% through collective consultation. According to a JapanMotor union member:

If we have the whole Development Area in view, we (wages) still lag behind the workers of Toyota and Denso. But we're approaching them step by step, just like the tortoise in the story of the Tortoise and the Hare. [Interview with the JapanMotor union member 3]

With significant wage increases for the entire workforce, the JapanMotor enterprise union achieved even greater wage increases for the core labour force through collective consultation. There was a particular group of employees in JapanMotor, known as “assistant foremen” (*banzhang fuzhu*). As a group of employees between rank-and-file employees and grass-roots managers, assistant foremen existed as “the reserve talent for production management at the grass-roots level” (the term used by the JapanMotor union officer). In collective consultation of 2017, the JapanMotor enterprise union and the employer reached an agreement according to which there were wage increases of ¥180 for every employee. Any extra rate of wage growth depended on seniority. In terms of seniority, assistant foremen were comparable to grass-roots managers. However, due to a limited number of positions, assistant foremen were unable to get rapid promotions. The proposal of the JapanMotor enterprise union – extra wage increases – was therefore in favour of the interests of assistant foremen. In collective consultation of 2018, the

proposal of the JapanMotor enterprise union appealed to the interests of assistant foremen. The JapanMotor enterprise union and the employer reached an agreement according to which there were wage increases of ¥300 for every employee. An assistant foreman enjoyed the extra wage increases of ¥300.

In another example, after two years of joint work, in 2018, the JapanMotor enterprise union and the employer launched a dual-track human resources management system. As suggested by the JapanMotor enterprise union in collective consultation of 2016, the employer set up deputy posts for each grass-roots managerial position. Although there was still only one principal grass-roots manager, the number of deputy grass-roots managers with the same level of wages was unlimited. The only difference between a deputy and a principal was that the former had no discretion of management. A rank-and-file employee would be awarded a deputy as long as he passed the professional accreditation held by his or her own department. A JapanMotor union member indicated:

The dual-track system adopted this year (i.e., 2018) is like that the enterprise lifts us on to a ladder. We're no longer a headless chicken in career planning. [Interview with the JapanMotor union member 4]

Like JapanMotor, in GermanyAdhesive, wages have also increased significantly since 2006 when the enterprise union was set up. In collective consultation of 2017, the GermanyAdhesive enterprise union and the employer reached an agreement on the wage increases of 5%. In particular, the rate of wage growth for console operators was as high as 10%. By the end of 2018, the minimum wage of console operators and office staff reached ¥3,000 and ¥4,000 respectively. For a GermanyAdhesive union member:

To tell you the truth, the business performance of the enterprise has been worrying. Even so, there're still fair wage increases every year. We ought to be ashamed of complaining about wages. [Interview with the GermanyAdhesive union member 4]

Like the JapanMotor enterprise union, with significant wage increases for the entire workforce,

the GermanyAdhesive enterprise union also achieved even greater wage increases for the core labour force through collective consultation. As a typical technology-intensive enterprise, there was a particular group of employees in GermanyAdhesive – console operators – who undertook the responsibility of operating fully automated production lines. Console operators existed as “the cornerstone of the enterprise” (the term used by the GermanyAdhesive union officer). In collective consultation of 2016, the employer proposed the wage increases of 5%. Subsequently, the GermanyAdhesive enterprise union suggested that the employer further raise the rate of wage growth for console operators. Ultimately, the proposal of the GermanyAdhesive enterprise union was approved by the employer. The GermanyAdhesive enterprise union and the employer reached an agreement according to which the rate of wage growth for console operators doubled to 10%.

In addition to significant wage increases, the JapanMotor and GermanyAdhesive enterprise unions also had outstanding performances in improving welfare benefits.

In 2017, after moving into the new dormitory building of JapanMotor, employees complained to the JapanMotor enterprise union that the electric charge of the dormitory building rose from ¥0.5 per kilowatt-hour to ¥1 per kilowatt-hour and, just as important – particularly considering that most of the occupants were young employees – internet speed was slow. Subsequently, the JapanMotor enterprise union suggested that the employer subsidize the electricity bills of employees with a view to bringing their living costs back to an original level and install high-speed broadband internet in the dormitory building. Ultimately, the proposal of the JapanMotor enterprise union was approved by the employer. In 2018, as suggested by the JapanMotor enterprise union, the employer invested \$200,000 to renovate the dormitory building.

In 2016, employees proposed to the GermanyAdhesive enterprise union that the employer should set the corporate family day in accordance with the customary practices of other foreign-owned enterprises (FOEs) in the BEDA. After consulting the GermanyAdhesive enterprise union, the

employer agreed to hold the corporate family day every year on the premise that safety production targets were achieved. In 2017, after 500 successive days of safe production, the employer kept his promise, holding the first-ever corporate family day and arranging the excursion for employees and their families.

In GermanyAdhesive, another example in 2016 concerned the proposal of the employer to amend enterprise rules and regulations, reducing sick leaves from fourteen days to ten days. The GermanyAdhesive enterprise union convened the worker congress to discuss this issue. At the worker congress, employee representatives proposed to the GermanyAdhesive enterprise union that if the employer insisted on reducing sick leaves, he should establish an award to demonstrate his recognition of employees with full attendance. After consulting the GermanyAdhesive enterprise union, the employer agreed to only reduce sick leaves by two days and reward employees with full attendance of the previous year at the beginning of every year.

In terms of employment stability, the performance of the GermanyAdhesive enterprise union was still remarkable. In 2010, due to a reduction in orders, the employer abolished one production department and dismissed nearly 60 employees. The GermanyAdhesive enterprise union suggested that the employer relocate the employees concerned to other departments or, when possible, upstream and downstream enterprises. The GermanyAdhesive enterprise union also proposed to the employer that if an employee was reluctant to be relocated, the employer should pay compensation to the employee at a standard higher than that prescribed by labour law.²⁹ Ultimately, the proposals of the GermanyAdhesive enterprise union were all approved by the employer. In particular, the employer paid compensation at the standard of “N + 2”.

²⁹ According to Paragraph 1 of Article 47 of the *Labour Contract Law of the People's Republic of China*, “an employee shall be given compensation based on the number of years he has worked for an employer and at the rate of the wages of one month for each full year he worked.” Article 40 of the *Labour Contract Law* stipulates that “an employer might dissolve a labor contract if he notifies an employee in writing 30 days in advance or after the employer pays the employee the wages of an extra month.” Therefore, the statutory standard of compensation is “N + 1” in which N refers to the number of years that an employee works for an employer.

The GermanyAdhesive enterprise union hosted several communications meetings with a view to informing the employees concerned of the decision of the employer and persuading them to accept it. By communicating one-to-one with every employee, the GermanyAdhesive enterprise union also took the personalized demands of employees into consideration. For example, a salesman complained to the GermanyAdhesive enterprise union that compensation was not commensurate with his seniority. After consulting the GermanyAdhesive enterprise union, the employer agreed to raise the compensation for the salesman to the standard of “N + 3”. In another example, as suggested by the GermanyAdhesive enterprise union, the employer agreed to relocate a quality engineer to another production department as a console operator and pay him a one-time bonus one year later.

Unlike the GermanyAdhesive enterprise union, the JapanMotor enterprise union did not have any outstanding performance in maintaining employment stability. In 2017, due to a reduction in orders, the employer abolished one production line. The employer did not dismiss the employees concerned but has pursued a strategy of natural attrition. Nearly 60 employees were relocated to other production lines. If an employee was reluctant to be relocated, he or she would leave voluntarily without any compensation. Instead of suggesting an alternative, the JapanMotor enterprise union hosted several communications meetings with a view to informing the employees concerned of the decision of the employer and persuading them to accept it.

6.1.4 TaiwanFood and ScandiMedicine enterprise unions

Employees in TaiwanFood and ScandiMedicine have an intermediate-to-low level of employee union identification. Could outcome-based union instrumentality in the cases of TaiwanFood and ScandiMedicine be linked to an intermediate-to-low level of employee union identification?

The work of the TaiwanFood and ScandiMedicine enterprise unions primarily followed the logic of “the BEDA Federation of Trade Unions issued an order → an enterprise union executed the order”.

The BEDA Federation of Trade Unions required every enterprise to establish the “worker home” (*zhigong zhijia*) with a view to enriching the spare time of employees. The TaiwanFood enterprise union and the employer jointly established a psychological counseling room in the dormitory building of TaiwanFood. Decompression chambers with diversified themes (e.g., music, calligraphy, painting, etc.) were also established by the TaiwanFood enterprise union on each floor of the dormitory building.

In addition to the worker home, the BEDA Federation of Trade Unions also required every enterprise to select a work team every year to participate in the competition of the “gold medal team” (*jinpai tuandui*) with a view to soliciting, sorting out, and disseminating the best teamwork experience. In ScandiMedicine, it was the ScandiMedicine enterprise union every year that undertook the responsibility of selecting and instructing a participating work team. According to the ScandiMedicine union officer:

Participating in the competitions organized by the Area Federation of Trade Unions is not for personal honour but to win honours for the enterprise. Every achievement will be published in the weekly newsletter of the enterprise, informing all workers of the good news and increasing their sense of pride.
[Interview with the ScandiMedicine union officer]

The TaiwanFood and ScandiMedicine enterprise unions routinely carried out “heart-warming activities” (*song wennuan huodong*) under the deployment of the BEDA Federation of Trade Unions, providing rice, pork, oil, and other daily necessities for poverty-stricken employees.

The basic salary of employees in TaiwanFood was the statutory minimum wage in Binhai City. The employer determined wage increases with reference to an adjustment in the statutory minimum wage by the Binhai Municipal Government. TaiwanFood is the headquarters of its Taiwanese parent company in one of China’s main regions. Therefore, the employees managed by TaiwanFood included not only the employees working in the BEDA plant but also the salesmen working for the marketing agencies scattered across this region. The wage of a salesman was determined by the employer through the following formula:

Wage of a salesman = Regional wage coefficient × Basic salary of the employee working in the BEDA plant

The salesmen working for the marketing agency in, what we label for the purpose of anonymity, Dongshan City once complained to the TaiwanFood enterprise union that the Dongshan wage coefficient was only 0.85, while their counterparts in Binhai City enjoyed the regional wage coefficient as high as 1.14. After listening to the report of the TaiwanFood enterprise union, the employer decided to survey the living costs of salesmen in Dongshan City with a view to determining whether or not to adjust the Dongshan wage coefficient.

It was, however, doubtful that the TaiwanFood enterprise union ever achieved significant wage increases. The TaiwanFood union officer indicated:

After our trade union suggested the adjustment of the wage coefficient for salesmen in Dongshan City, the rest was left to the discretion of the employer. We didn't keep a close eye on his follow-up. You know, we don't put pressure on the employer. The boundary of our work is very clear. We know clearly what may be done and what may not be done. Wage determination is his privilege. Therefore, we'll never interrupt it. Otherwise, we'll break the delicate balance between the employer and us, thus threatening our survival. [Interview with the TaiwanFood union officer]

The TaiwanFood enterprise union aimed at achieving wage increases within the limit defined by enterprise rules and regulations instead of suggesting an alternative. For the TaiwanFood union officer:

This policy (i.e., paying the statutory minimum wage and determining wage increases with reference to an adjustment in the statutory minimum wage by the Binhai Municipal Government) has been in effect for years. You know, what is rational is actual, what is actual is rational. [Interview with the TaiwanFood union officer]

Like the TaiwanFood enterprise union, the ScandiMedicine enterprise union also did not achieve significant wage increases. The ScandiMedicine union officer indicated:

Wages have never been the consultation matter between the employer and our trade union. In the first few years after our trade union was set up, we consulted him on the improvement of collective welfare, for example, the increase of a heatstroke prevention subsidy. In recent years, with the continuous improvement of welfare systems, the consultation between him and us has gradually shifted to annual vacations and recreational activities. For example, enterprise rules and regulations clearly stipulate that the calculation base of a year-end bonus is three-months wages. As always, we don't challenge it. We also warn employees not to have any inordinate ambition. [Interview with the ScandiMedicine union officer]

The TaiwanFood enterprise union was willing to improve welfare benefits to a rather limited extent. More than eight-tenths of the salesmen working for the marketing agency in, what we label for the purpose of anonymity, Xijing City were not local residents. According to relevant regulations formulated by the Xijing Municipal Government, a non-local resident was not eligible to purchase houses and vehicles in Xijing City until he has paid personal income tax in Xijing City for five successive years. In 2015, salesmen in Xijing City complained to the TaiwanFood enterprise union that over the years, the location where they paid personal income tax was designated by the employer to be Binhai City. Subsequently, the TaiwanFood enterprise union learned from the employer that the amount of the corporate tax rebates that TaiwanFood would get from the Binhai Municipal Government depended on the amount of the personal income tax that TaiwanFood contributed to the Municipal Government. The TaiwanFood enterprise union held that salesmen in Xijing City helped the employer increase corporate tax rebates at the expense of their personal interests but the employer had never rewarded them in any way. The TaiwanFood enterprise union also assessed that with the persistently high employee turnover of salesmen in Xijing City and the intensification of market competition, the employer would be increasingly unable to maintain the existing sales channels in Xijing City, which was the primary market of TaiwanFood. After listening to the report of the TaiwanFood enterprise union, the employer decided to transfer the payment location of personal income tax from Binhai City to Xijing City with a view to demonstrating his goodwill to salesmen in Xijing City.

Although employees were plagued by economic insecurity, the limited performance of the TaiwanFood enterprise union in improving welfare benefits was still endorsed by employees. According to a TaiwanFood union member:

I work for the warehouse. Together with my colleagues, I once complained to the trade union about the inconvenience of working outdoors in winter. The trade union immediately used the trade union funding to purchase thermal adhesives for us. This measure has been continued up to now. The trade union is reliable on trivial issues, no matter whether the issue is the defect of labour protection equipment or the non-supply of hot water in the dormitory building. [Interview with the TaiwanFood union member 1]

Like the TaiwanFood enterprise union, the ScandiMedicine enterprise union was also willing to improve welfare benefits to a rather limited extent. Employees once proposed to the ScandiMedicine enterprise union that the employer should provide a petrol subsidy in accordance with the customary practices of other FOEs in the BEDA. After listening to the report of the ScandiMedicine enterprise union, the employer decided to add shuttle buses with a view to temporarily meeting the commuting needs of employees and promised to formulate a petrol-subsidy policy as soon as possible.

When faced with employee demands, the ScandiMedicine enterprise union, however, “is not always a soft touch” (the term used by the ScandiMedicine union member 3). Employees once proposed to the ScandiMedicine enterprise union that with the continuous rise of the rate of sick leave, the employer should establish an award to demonstrate his recognition of employees with full attendance. After consulting the human resources department, the quality department, the environment, health and safety department, and production departments, the ScandiMedicine enterprise union assessed that if the employer awarded employees with full attendance, sick employees would be motivated to drag themselves to production lines, thus reducing the quality of medicines, endangering the health of patients, and eventually damaging the reputation of ScandiMedicine. Ultimately, the proposal of employees was rejected by the ScandiMedicine enterprise union.

6.1.5 TaiwanElectronics enterprise union

In terms of outcome-based union instrumentality, the performance of the TaiwanElectronics enterprise union was underwhelming.

Like the earlier cases of the TaiwanFood and ScandiMedicine enterprise unions, the work of the TaiwanElectronics enterprise union also primarily followed the logic of “the BEDA Federation of Trade Unions issued an order → an enterprise union executed the order. The Federation of Trade Unions required every enterprise to establish the worker home with a view to enriching the spare time of employees. The TaiwanElectronics enterprise union and the employer jointly established an activity centre in the office area of the enterprise union, offering dance, gymnastics, yoga, and other courses to employees during lunch breaks and off-work hours.

The TaiwanElectronics enterprise union routinely carried out heart-warming activities under the deployment of the BEDA Federation of Trade Unions, providing rice, pork, oil, and other daily necessities for poverty-stricken employees.

Like the earlier cases of the TaiwanFood and ScandiMedicine enterprise unions, the TaiwanElectronics enterprise union also regarded the enterprise rules and regulations determined by the employer as the only standard to be followed. According to the TaiwanElectronics union officer:

Wages fall within the competency of the human resources department. It has formulated a mature wage policy. If our trade union works even harder, the rate of wage growth will be increased by another 0.5% or 1%? I’m not sure. The human resources department has also established the perfect system for the payment of a year-end bonus. [Interview with the TaiwanElectronics union officer]

The underwhelming performance of the TaiwanElectronics enterprise union in improving outcome-based union instrumentality was criticized by employees. The TaiwanElectronics union member indicated:

No one is born to work overtime. Our basic salary is the statutory minimum wage in Binhai City. Therefore, we have to pay extra sweat. But sometimes even such a little wish can't be fulfilled. Our production line once complained to the trade union about too few overtime arrangements at that time. The trade union coldly replied to us by phone that scheduling was an internal issue in our department and the trade union could do nothing about it. [Interview with the TaiwanElectronics union member 4]

6.1.6 Relationship between employee union identification and union instrumentality

Table 6.1 presents the assessment of the six sample enterprises on union instrumentality. In taking the variation in union instrumentality into consideration, the six sample enterprises are divided into four groups: (1) the high-union-instrumentality group (JapanAuto); (2) the intermediate-to-high-union-instrumentality group (JapanMotor and GermanyAdhesive); (3) the intermediate-to-low-union-instrumentality group (TaiwanFood and ScandiMedicine); and (4) the low-union-instrumentality group (TaiwanElectronics).

Table 6.1 Assessment of the Six Sample Enterprises on Union Instrumentality

	Wages	Welfare benefits	Employment stability	Assessment of union instrumentality
JapanAuto	Significant wage increases Rationalization of the pattern of wage increases Optimization of a wage regime	Effective improvement	Not applicable	High
JapanMotor	Significant increases, especially for the core labour force	Effective improvement	Compliance with the decision of the employer	Intermediate-to-high
GermanyAdhesive	Significant increases, especially for the core labour force	Effective improvement	Participation in decision-making	
ScandiMedicine	Compliance with enterprise rules and regulations	Limited improvement	Not applicable	Intermediate-to-low
TaiwanFood	Compliance with enterprise rules and regulations	Limited improvement	Not applicable	
TaiwanElectronics	Compliance with enterprise rules and regulations	Little improvement	Not applicable	Low

In terms of wages, welfare benefits, and employment stability, the JapanAuto, JapanMotor, and GermanyAdhesive enterprise unions have a higher level of union instrumentality. On the surface, the three enterprise unions all achieved significant wage increases. However, with significant wage increases for the entire workforce, an enterprise union might either emphasize the fairness of the wage regime for the entire workforce (e.g., the JapanAuto enterprise union) or particular

incentives for the core labour force, namely assistant foremen in JapanMotor and console operators in GermanyAdhesive.

In contrast, the TaiwanElectronics, TaiwanFood, and ScandiMedicine enterprise unions are characterized by a lower level of union instrumentality. Although the TaiwanElectronics, TaiwanFood, and ScandiMedicine enterprise unions did not achieve significant wage increases, there were still subtle differences in union instrumentality between them. In comparison with the TaiwanElectronics enterprise union, which was almost a shell union, the TaiwanFood and ScandiMedicine enterprise unions were more effective in improving welfare benefits.

This thesis formulated the following hypothesis:

Hypothesis 1: employee union identification is higher when union instrumentality is higher.

The variation in employee union identification is associated with the variation in union instrumentality (see Table 6.2). The grouping of the six sample enterprises on employee union identification is consistent with the grouping based on union instrumentality. Based on the qualitative assessment of the six sample enterprises, our empirical findings support hypothesis 1 as regards the importance of union instrumentality for employee union identification.

Table 6.2 Relationship between Employee Union Identification and Union Instrumentality

	Assessment of employee union identification	Assessment of union instrumentality
JapanAuto	High	High
JapanMotor	Intermediate-to-high	Intermediate-to-high
GermanyAdhesive		
ScandiMedicine	Intermediate-to-low	Intermediate-to-low
TaiwanFood		
TaiwanElectronics	Low	Low

6.2 Union democracy

Section 6.2.1 first revisits the operationalization of union democracy. The empirical findings on employee union identification indicate that the six sample enterprises are divided into four groups in accordance with the variation in employee union identification: (1) the high-union-identification group (JapanAuto); (2) the intermediate-to-high-union-identification group (JapanMotor and GermanyAdhesive); (3) the intermediate-to-low-union-identification group (TaiwanFood and ScandiMedicine); and (4) the low-union-identification group (TaiwanElectronics). Sections 6.2.2 to 6.2.5 are then organized in accordance with this grouping and drill down on the empirical findings on union democracy in each case or each pair of cases. Finally, Section 6.2.6 examines the hypothesized relationship between employee union identification and union democracy. As will become apparent through the analysis of union democracy, employee union identification is aligned closely with union democracy.

6.2.1 Internal mechanisms of union representation

Union democracy is operationalized in the internal mechanisms of union representation. The internal mechanisms of union representation – especially for Chinese enterprise unions – are the aggregate of the election of union officials, a network of union stewards, and the worker congress.

6.2.2 JapanAuto enterprise union

The JapanAuto enterprise union is characterized by strong internal mechanisms of union representation.

During the 2011 strike, employees demanded the recall of their union officer, which was not democratically elected by employees but directly appointed by their employer. After the 2011 strike, the first genuine election of union officials in the history of the JapanAuto enterprise union was carried out by the enterprise union.

The election of the union officer carried out by the JapanAuto enterprise union was previously an indirect election. By following the customary practices of other enterprise unions in the BEDA, in the first-ever election of union officials after the 2011 strike, the union officer was elected through the internal voting of the union committee.

The election of the union officer carried out by the JapanAuto enterprise union was moving in a more democratic direction, towards a direct election. In 2016, several existing union committee members were persuaded to resign from the union committee. The JapanAuto enterprise union invited other employee activists to join in the union committee. According to the JapanAuto union officer:

The qualifications of a union committee member have nothing to do with his managerial position but reside in his moral conduct and critical thinking skills. As a union committee member, only obeying my orders is far from enough. He must also be brave in expressing his opinions. It's in line with teamwork spirits. The more opinions in our discussion stage, the greater the correctness of our decision. [Interview with the JapanAuto union officer]

After drafting the preliminary list of candidates for the union committee, the JapanAuto enterprise union consulted the heads of the departments where candidates worked with a view to determining the final list. The JapanAuto union officer indicated:

Their (the heads of relevant departments) right to know must be respected. Without their endorsement, union committee members probably encounter a lot of resistance when carrying out union work in the future. [Interview with the JapanAuto union officer]

Subsequently, the JapanAuto enterprise union published the final list of candidates for the union committee to employees. Ultimately, at the worker congress, union stewards voted for the union committee on behalf of employees.

After the election of the union committee, union stewards went on to vote for the union officer. The election of the union officer carried out by the JapanAuto enterprise union was a multi-candidate election. Neither the JapanAuto enterprise union, the BEDA Federation of Trade

Unions, nor the employer presupposed the conditions of the candidate for the union officer or examined one's qualifications as the candidate for the union officer. For the JapanAuto union officer:

The four candidates who competed with me all claimed that the only reason they ran for the election was to better serve workers. In my opinion, they undoubtedly had sinister motives, such as personal political ambitions. But no matter how I looked at competitors, I didn't place obstacles for them. I wasn't afraid of challenges. Rather, I would like to take the election as an opportunity to test whether or not the road I chose for our trade union over the years was recognized by workers. [Interview with the JapanAuto union officer]

If more than one candidate for the union officer was elected as union committee members, union stewards would vote for the union officer from between them. However, if no candidate succeeded in entering the union committee, two alternate candidates would be first elected through the internal voting of the union committee. Subsequently, union stewards would vote for the union officer from these two. Ultimately, in the election of the union officer in 2016, by following the principle of a simple majority, the same union officer remained in office with an absolute advantage of 75 votes to 38 votes.

The JapanAuto enterprise union established a network of union stewards as a channel to articulate employee demands to union leadership. Prior to the 2011 strike, the JapanAuto enterprise union was a typical hollow organization without any link between employees and their enterprise union. After the 2011 strike, the JapanAuto enterprise union established the organizational structure of "the union committee (the union officer + two union vice-officers + six union committee members) → sixty-six union stewards → employees". There was a clear hierarchy between union stewards and the union committee. Sixty-six union stewards were divided into six union-steward teams. Each union committee member was in charge of a union-steward team.

At a union-steward team meeting every month, the union committee member in charge listened to

the reports of union stewards under his or her jurisdiction, which primarily involved the latest workplace dynamics. After the meeting, the union committee member sorted out and analyzed the labour issues solicited by union stewards, distinguishing the priority of labour issues and proposing solutions to important and urgent ones. At the subsequent plenary meeting of the union committee every month, the union officer listened to the briefing reports of union committee members. Together with union committee members, the union officer developed the working arrangement of the JapanAuto enterprise union for the following month. According to a JapanAuto union member:

The operation of the trade union isn't the game of thrones between several union cadres, let alone dictatorial rule by the union chair. As ordinary union members, it's easy for us to complain to union stewards about any concern during working hours. Moreover, the union chair always joins us for lunch with a sympathetic ear. [Interview with the JapanAuto union member 5]

The JapanAuto enterprise union emphasized the representational capacity of union stewards. After the election of union officials in 2016, the JapanAuto enterprise union invited the officials of the BEDA Federation of Trade Unions and the experts recommended by the Federation of Trade Unions to train newly-elected union stewards, instructing them how to solicit employee demands. The JapanAuto enterprise union also planned to increase training on how to sort out and analyze employee demands in the future. The JapanAuto union officer indicated:

The duty of a union steward is to make the decisions above known to the people below and have the situations below known to the people above (*shangchuan xiada*). But he shouldn't be satisfied with only playing the role of a megaphone. A union steward must analyze the priority of issues and avoid using individualized concerns to occupy the limited resources of our trade union. In the future, he must even have a certain degree of problem-solving ability. Ideally, the worker concerns reported to me will only be complex or cross-departmental concerns. [Interview with the JapanAuto union officer]

The JapanAuto enterprise union has empowered union stewards. The transformation of union stewards stemmed from the fact that since the election of union officials in 2016, rank-and-file

employees have gradually replaced grass-roots managers as the main force of union stewards. For the JapanAuto union officer:

As foremen on production lines, their cognitive ability is indeed better than that of front-line operators. But the control of foremen over union stewards led union stewards to increasingly become a special interest group, putting group interests above worker interests. It led to the failure of many of my good ideas. For example, in 2016, I proposed that since foremen had benefited for five or six years as vested interests, collective bargaining must be inclined to the interests of front-line operators. Therefore, I suggested implementing the pattern of ‘a relative rate + an absolute amount’ for wage increases. But due to the fierce opposition of union stewards, my proposal died without a sickness. It prompted me to make up my mind to reform union stewards. [Interview with the JapanAuto union officer]

The JapanAuto enterprise union allowed union stewards to undertake the responsibility of performing union work to a greater extent than before. Previously, the union committee – especially the union officer – was fully responsible for organizing union activities, for example, a basketball match, a marathon, a sports meet, and so on. The JapanAuto enterprise union has devolved the planning, organizing, leading, and controlling of union activities to union stewards.

According to a JapanAuto union steward:

I’ve been a union steward since 2016. In this year (i.e., 2018), the union-steward team where I belong was put in charge of the corporate family day. Specifically, we were in full charge of arranging shuttle buses. We must find out which families needed to take the bus, how many people in each family took the bus, when and where each family took the bus, how to ensure their safety, and so on. [Interview with the JapanAuto union steward 1]

Similarly, a JapanAuto union steward indicated:

After the successful holding of union activities, we really feel that we have heavy duties on our shoulders for the development of our trade union and the well-being of our colleagues. [Interview with the JapanAuto union steward 2]

The JapanAuto enterprise union has involved union stewards in collective bargaining, which was once completely controlled by the union committee, especially the union officer. Before

collective bargaining of 2018, the JapanAuto enterprise union first required each of the six union-steward teams to select two union negotiators. Subsequently, twelve union negotiators were divided into two camps, playing the role of the JapanAuto enterprise union and the employer respectively. The simulated collective bargaining was carried out four times, each time in two and a half hours. Ultimately, by simulating collective bargaining, the JapanAuto enterprise union formulated the general proposal for wage increases and identified the challenges likely to be raised by the employer. The involvement of union stewards also extended to the process of collective bargaining. For a JapanAuto union steward:

This year (i.e., 2018) was the first time for me to sit in on collective bargaining since I was elected as a union steward in 2016. When faced with the obstacles deliberately put by the employer in our way, our union chair took advantage of a ten-minute break to organize a discussion with all of us. Everyone was required to express personal opinions and elaborate on his reasons. Our union officer then proposed two or three alternatives for us to vote on. [Interview with the JapanAuto union steward 3]

Similarly, according to a JapanAuto union steward:

Collective bargaining touched us deeply. Our sense of ownership (*zhurenweng yishi*) was stimulated. We share the weal and woe of our trade union. [Interview with the JapanAuto union steward 4]

The far-reaching restructuring of the JapanAuto enterprise union after the 2011 strike involved not only the carrying-out of the first genuine election of union officials in the history of the enterprise union but also the setting-up of the worker congress. By following the customary practices of other enterprise unions in the BEDA, the JapanAuto enterprise union integrated the representative assembly of union members with the worker congress. At the worker congress, each union steward performed duties as the employee representative of his or her department.

The worker congress not only undertook the responsibility of organizing the election of union officials but also achieved that “workers wear the pants” (*gongren dangjia zuozhu*; the term used by the JapanAuto union officer). Every May, after the first and second rounds of collective

bargaining, the JapanAuto enterprise union convened the worker congress in which union stewards listened to the report of the union committee on the progress of collective bargaining. On the basis of soliciting, sorting out, and analyzing the feedbacks of union stewards, the union committee formulated the guideline for follow-up negotiations. Every July, the JapanAuto enterprise union convened the worker congress again. If there was no objection, the union committee would be authorized by union stewards to sign a collective contract with the employer. The JapanAuto union officer indicated:

Our trade union is accountable to the worker congress. [Interview with the JapanAuto union officer]

The JapanAuto enterprise union has transformed the representative assembly of union members into an authentic worker congress. The transformation was synchronized with the reform of a network of union stewards by the JapanAuto enterprise union. Whereas the position of union steward was once monopolized by grass-roots managers, with the first-round election for the election of union officials in 2016, union stewards went through the first genuine election in the history of the JapanAuto enterprise union. By the end of 2018, rank-and-file employees accounted for 45% of union stewards. For the JapanAuto union officer:

Previously, union stewards only represented the interests of a special group, namely the interests of foremen. But now, their essence has become authentic worker representatives. Therefore, the worker congress has been more worthy of the name. [Interview with the JapanAuto union officer]

6.2.3 JapanMotor and GermanyAdhesive enterprise unions

Employees in JapanMotor and GermanyAdhesive have an intermediate-to-high level of employee union identification. Could the internal mechanism of union representation in the cases of JapanMotor and GermanyAdhesive be linked to an intermediate-to-high level of employee union identification?

The JapanMotor and GermanyAdhesive enterprise unions carried out the election of union

officials in a formalistic manner.

The election of the union officer carried out by the JapanMotor and GermanyAdhesive enterprise unions was an indirect election. At the worker congress, union stewards or employee representatives voted for the union committee on behalf of employees. After the election of the union committee, by following the customary practices of other enterprise unions in the BEDA, the union officer was elected through the internal voting of the union committee.

The election of the union officer carried out by the JapanMotor and GermanyAdhesive enterprise unions was a single-candidate election. Just as important, in JapanMotor and GermanyAdhesive, the only candidates for the union officers were appointed by the employers. In JapanMotor and GermanyAdhesive, the only candidates for the union officers were the chief of the general affairs section and the assistant to the general manager respectively. Even the prelude to the election of the union officer – the election of the union committee – was also a tailor-made election. In the election of union officials in 2017, the JapanMotor enterprise union co-opted five more union committee members, all selected by the five newly established production lines. The adjustment of the organizational structure of the JapanMotor enterprise union was the response to the expansion of the production and operation of JapanMotor.

The JapanMotor enterprise union established a network of union stewards as a channel to articulate employee demands to union leadership. The JapanMotor enterprise union had the organizational structure of “the union committee (the union officer + thirteen union committee members, including one full-time union committee member through recruitment by the employer) → union stewards → employees”. There was no clear hierarchy between union stewards and the union committee. Union stewards reported workplace dynamics to the full-time union committee member. For example, during our interview with the full-time union committee member, she kept receiving text messages from union stewards, which conveyed the complaints of employees about the same issue. Employees complained to union stewards that the drinks

provided by the enterprise that day were not cool drinks. According to the JapanMotor union officer:

Our trade union has the requirement for union stewards as same as that of the enterprise for managers, that is, treating workers like their own children and putting themselves in the shoes of workers. In fact, almost all union stewards are foremen on production lines. Listening to and communicating with front-line operators are where their duties lie. The identity of union stewards helps to strengthen a sense of duty. [Interview with the JapanMotor union officer]

A JapanMotor union member indicated:

I don't know if my understanding is correct. The essence of democracy is making decisions for the people (*weimin zuozhu*) instead of making decisions by the people (*yumin zuozhu*). If so, the trade union has sufficient legitimacy since it's competent enough to absorb and respond to our concerns. [Interview with the JapanMotor union member 5]

The JapanMotor enterprise union emphasized the representational capacity of union stewards. After the election of union officials in 2017, the JapanMotor enterprise union invited the officials of the BEDA Federation of Trade Unions to train newly-elected union stewards, instructing them how to solicit employee demands. In 2018, with the help of the experts recommended by the Federation of Trade Unions, the JapanMotor enterprise union evaluated the capacities of union stewards on four dimensions: (1) basic qualities; (2) executive abilities; (3) communication skills; and (4) teamwork spirits. The JapanMotor enterprise union ranked the ten weakest capacities of union stewards and accordingly developed the five-year training program for union stewards. For the JapanMotor union officer:

It's far from enough for union stewards to only play the role of the porter of worker concerns. Our trade union wants them to classify concerns at least before reporting concerns to us. For a simple issue, a union steward must first contact the personnel and general affairs department for a solution. If and only if the solution fails to work, he may then contact us to take follow-up actions. Otherwise, in the eyes of workers, the personnel and general affairs department seems to be idle. That's why we regularly arrange the training for union stewards. [Interview with the JapanMotor union officer]

Like the JapanMotor enterprise union, the articulation of employee demands to union leadership was also achieved by the GermanyAdhesive enterprise unions. The GermanyAdhesive enterprise union had the organizational structure of “the union committee (the union officer + the union vice-officer who was also the union committee member in charge of the enterprise union funding + five union committee members) → employees”. Although the GermanyAdhesive enterprise union has not yet established a network of union stewards, each union committee member performed duties as the union steward of his or her department.

At the plenary meeting of the union committee every month, the union officer listened to the briefing reports of union committee members, which primarily involved the latest workplace dynamics. Together with union committee members, the union officer sorted out and analyzed the labour issues solicited by union committee members, distinguishing the priority of labour issues and proposing solutions to important and urgent ones. According to the GermanyAdhesive union officer:

Communications between me and union committee members are not limited to the single form of a monthly meeting. If deeming it necessary, they can send me a message at any time or directly knock the door of my office. As you can see, the enterprise is a typical small and medium-sized business. Therefore, a flattened organizational structure is more suitable for our trade union, improving the efficiency of communication and avoiding the unnecessary costs of communication. [Interview with the GermanyAdhesive union officer]

A GermanyAdhesive union member indicated:

During working hours, we can easily find the union committee member in charge of our department to report any issue. We can also contact him through WeChat (similar to WhatsApp) after work. As long as the trade union is here, we'll never have to worry about nowhere to complain. [Interview with the GermanyAdhesive union member 5]

In GermanyAdhesive, employee demands did give an impetus to union work. In 2016, employees complained to the GermanyAdhesive enterprise union that due to the persistence of severe smog in Binhai City, air quality in workshops was poor. Subsequently, the GermanyAdhesive enterprise

union suggested that the employer install air purifiers in workshops. After repeated unsuccessful communications with the employer, the GermanyAdhesive enterprise union decided to “win by surprise tactics” (the term used by the GermanyAdhesive union officer). The union officer first consulted the smog warning issued by the Binhai Municipal Government. Subsequently, by taking advantage of her position as the assistant to the general manager, the union officer arranged a monthly management meeting on the smoggiest day of that month. After personally experiencing the working conditions harmful to employees, the employer eventually approved the proposal of the GermanyAdhesive enterprise union, using the extra-budgetary funding to purchase air purifiers.

The JapanMotor and GermanyAdhesive enterprise unions set up the worker congress.

By following the customary practices of other enterprise unions in the BEDA, the JapanMotor enterprise union integrated the representative assembly of union members with the worker congress. At the worker congress, each union steward performed duties as the employee representative of his or her department. The integration between the representative assembly of union members and the worker congress led to that the worker congress taking on the responsibility of organizing the election of union officials. Every July, the JapanMotor enterprise union convened the worker congress in which union stewards listened to the report of the union committee on the complete process of collective consultation, especially the original proposal of the JapanMotor enterprise union, the feedback of the employer, the revised proposal of the JapanMotor enterprise union, and a draft collective contract. If there was no objection, the union committee would be authorized by union stewards to sign a collective contract with the employer.

Employee representatives in GermanyAdhesive were not permanent positions but were temporarily elected to the worker congress. By following the customary practices of other enterprise unions in the BEDA, the representative assembly of union members and the worker congress were merged into a single entity, undertaking the responsibility of organizing the

election of union officials and, in exceptional circumstances, deliberating revised enterprise rules and regulations. For the GermanyAdhesive union officer:

Our trade union only convenes the worker congress when deeming it necessary, for example, when the employer seeks the revision of enterprise rules and regulations and the revision may be controversial. Apart from that, we won't drag in too many people. For example, last year (i.e., 2016), he proposed to amend provisions on sick leaves, reducing them from fourteen days to ten days. We were aware that it was not a trivial issue. Therefore, we convened the worker congress. [Interview with the GermanyAdhesive union officer]

6.2.4 TaiwanFood and ScandiMedicine enterprise unions

Employees in TaiwanFood and ScandiMedicine have an intermediate-to-low level of employee union identification. Could the internal mechanisms of union representation in the cases of TaiwanFood and ScandiMedicine be linked to an intermediate-to-low level of employee union identification?

The TaiwanFood and ScandiMedicine enterprise unions carried out the election of union officials in a formalistic manner through an indirect election. At the worker congress, employee representatives voted for the union committee on behalf of employees. After the election of the union committee, by following the customary practices of other enterprise unions in the BEDA, the union officer was elected through the internal voting of the union committee.

The election of the union officer carried out by the TaiwanFood and ScandiMedicine enterprise unions was a single-candidate election. Just as important, in TaiwanFood and ScandiMedicine, the only candidate for the union officer was appointed by the employer. In TaiwanFood, during the first round of fieldwork, the union officer was about to retire. The employer appointed the head of the human resources department as a successor. According to the TaiwanFood union officer:

Inviting her (i.e., the head of the human resources department) to participate in today's interview is to let her learn more about union work. I'm going to pass

the baton to her. Everything is ready except for one key element, namely the procedural confirmation of her nomination by the worker congress. [Interview with the TaiwanFood union officer]

Similarly, the ScandiMedicine union officer indicated:

I've never encountered any opponent in the election. More precisely, I'm always the only candidate. It's not too much to say that I'm automatically elected as the union chair. [Interview with the ScandiMedicine union officer]

In TaiwanFood, the articulation of employee demands to union leadership occurred only to a rather limited extent. The TaiwanFood enterprise union has long been a typical hollow organization without any link between employees and their enterprise union. The TaiwanFood enterprise union has set out to optimize its organizational structure since 2014. Production safety was the core union work. Seven trade-union teams were established under the union committee member in charge of production safety. The seven trade-union teams corresponded to seven workshops.

The TaiwanFood enterprise union held a communications meeting with the directors of the seven trade-union teams every month, informing them of the working arrangement of the enterprise union for the following month and the latest employer decisions, including the ongoing amendment of enterprise rules and regulations. Subsequently, the directors of trade-union teams passed the information on to employees. The TaiwanFood enterprise union also required the director of a trade-union team to select two or three employees in his or her department every month to conduct interviews and submit interview records with the signatures of both sides to the enterprise union. In addition to soliciting employee demands, interviews focused on asking for the suggestions of employees for production safety. For the TaiwanFood union officer:

A trade-union-team interview is designed to match with the duty of the directors of trade-union teams as foremen on production lines. Our trade union is kind enough to provide them with the tool for production management. The directors of trade-union teams can take advantage of monthly interviews to

check the hidden dangers of production. [Interview with the TaiwanFood union officer]

According to a TaiwanFood union member:

I was once called to see the line supervisor during a lunch break. He was the director of our trade-union team at that time. The line supervisor asked me several questions for about fifteen minutes. He asked me if I experienced any difficulty in work and life. But his major concern was whether or not I had suggestions for the improvement of working conditions. I made two suggestions at that time, one about the update of labour protection equipment and the other about the repair of a workshop floor. Line supervisors bear the pressure of performance appraisal, especially the rate of work-related injuries. Therefore, it was no surprise that the line supervisor asked me such questions. [Interview with the TaiwanFood union member 3]

Decision-making in the ScandiMedicine enterprise union was characterized by centralization. In collective consultation every year, the union committee granted the union officer with full authority to consult the employer. After reaching a consensus with the employer, the union officer informed union committee members of a draft collective contract through e-mails. If there was no objection, the union officer would be authorized by the union committee to sign a collective contract with the employer.

There was a particular group of employees in ScandiMedicine, known as “union volunteers” (*gonghui jijifenzi*). The position of union volunteer was monopolized by grass-roots managers. Union volunteers were not a formal part of the organizational structure of the ScandiMedicine enterprise union. Union volunteers undertook the responsibility of assisting union committee members in performing union work, for example, managing the “reading corner” (*yuedu jiao*). However, unlike union stewards, union volunteers were not responsible for articulating employee demands to union leadership.

Like the TaiwanFood enterprise union, in ScandiMedicine, the articulation of employee demands to union leadership occurred only to a rather limited extent. The ScandiMedicine enterprise union had the organizational structure of “the union committee (the union officer + fifteen union

committee members) → employees”. Although the ScandiMedicine enterprise union has not yet established a network of union stewards, each union committee member performed duties as the union steward of his or her department.

Each department held a management meeting with employees every month. The union committee member in charge of the department attended the meeting and borrowed half an hour to communicate with employees. In addition to soliciting employee demands, the union committee member primarily informed employees of the working arrangement of the ScandiMedicine enterprise union for the following month and the latest employer decisions, including the ongoing amendment of enterprise rules and regulations, such as replacing overtime wages with supplementary rests. A ScandiMedicine union member indicated:

In the monthly management meeting, we report our concerns to the union committee member in charge. But in what identity does he face us? A manager? A union cadre? By which department are our concerns handled? The administrative department? The trade union? We know nothing about it.
[Interview with the ScandiMedicine union member 4]

Employee representatives in TaiwanFood and ScandiMedicine were not permanent positions but were temporarily elected to the worker congress. By following the customary practices of other enterprise unions in the BEDA, the representative assembly of union members and the worker congress were merged into a single entity, primarily undertaking the responsibility of organizing the election of union officials. According to the TaiwanFood enterprise union, routinely convening the worker congress was not practical. For the TaiwanFood union officer:

Our trade union has long planned to convene the worker congress every year. But this wish may not be fulfilled before I retire. You know, we serve nearly 5,000 workers, including more than 3,000 marketers working and living in other cities. Therefore, without the support of the Group, it's almost impossible to convene the worker congress. But promoting the worker congress has never been put on the agenda of the Group. We feel powerless. [Interview with the TaiwanFood union officer]

According to the ScandiMedicine union officer, routinely convening the worker congress was not

necessary. According to the ScandiMedicine union officer:

The worker congress is only a ceremony. If our trade union is capable of anticipating what workers are anxious about, will it still be necessary to have this ceremony? [Interview with the ScandiMedicine union officer]

6.2.5 TaiwanElectronics enterprise union

The TaiwanElectronics enterprise union is characterized by weak internal mechanisms of union representation.

The TaiwanElectronics enterprise union has never gone through the election of union officials. The union officer and ten union committee members were parachuted into their roles as full-time union officials through recruitment by the employer. The election of union officials was therefore only applicable to trade-union teams, division-group trade unions, and business-group trade unions.

The election of union officials was, however, merely formalistic. According to a TaiwanElectronics union member:

I can say without exaggeration that all the systems you just mentioned are flowers in the mirror and moon on the water (*jinghua shuiyue*). How dare we expect to have a voice in the trade union? Taking the election that just ended as an example, one day, the line supervisor (*xian zhang*) suddenly informed us that we had to elect the director of our trade-union team. He then directly took away our union membership cards during the lunch break and filled out all votes for us. We didn't know if there was any other candidate. The one eventually elected was the line supervisor himself. [Interview with the TaiwanElectronics union member 5]

The organizational structure of the TaiwanElectronics enterprise union was not conducive to the articulation of employee demands to union leadership. The complex organizational structure of “trade-union teams → division-group trade unions → business-group trade unions → the industrial-park trade union (the TaiwanElectronics enterprise union)” was doomed to the low efficiency of bidirectional information-sharing. Prior to the election of union officials in 2017, the

TaiwanElectronics enterprise union set out to flatten its organizational structure. After dissolving the largest business-group trade union covering nearly 5,000 employees, the TaiwanElectronics enterprise union set up several factory trade unions (*changbu gonghui*) under the division-group trade unions concerned. However, the optimization of organizational structure by the TaiwanElectronics enterprise union was not to facilitate the articulation of employee demands to union leadership. According to the TaiwanElectronics union officer:

Under the original organizational structure, the orders issued by our trade union were always unresponsive at the grass-roots level. Workers never knew anything about our activities, for example, a basketball match. Figuratively speaking, we had no leverage for management at the grass-roots level. A more flattened organizational structure helps to shorten the distance between us and production lines, having more workers participate in our activities and raising the on-the-spot atmosphere. [Interview with the TaiwanElectronics union officer]

The TaiwanElectronics enterprise union recounted that since the setting-up of the enterprise union in 2013, it has convened the worker congress every year. According to the *Guidance of Trade Union Construction* formulated by the group trade union of the parent company, prior to collective consultation every year, the TaiwanElectronics enterprise union should convene the first preparatory meeting of the worker congress in which the union committee would listen to the reports of employee representatives on employee demands. Subsequently, employee representatives would vote for the top ten employee demands. On this basis, the union committee would formulate the proposal for collective consultation. After making headway in collective consultation, the TaiwanElectronics enterprise union should convene the second preparatory meeting of the worker congress in which employee representatives would listen to the report of the union committee on the progress of collective consultation. On the basis of soliciting, sorting out, and analyzing the feedbacks of employee representatives, the union committee would formulate the guideline for follow-up negotiations. After reaching a consensus with the employer, the TaiwanElectronics enterprise union should convene the formal worker congress. If there was

no objection, the union committee would be authorized by employee representatives to sign a collective contract with the employer.

However, the TaiwanElectronics enterprise union set up the worker congress in a formalistic manner. A TaiwanElectronics union member indicated:

The worker congress in my memory isn't as complex as you just described. I remember that at the worker congress several years ago, the trade union invited the director of the human resources department to announce and explain the rate of wage growth that year to us worker representatives. His report was approved by acclamation. That's all. Although I have no longer been a worker representative since then, I believe the situation is similar every year.
[Interview with the TaiwanElectronics union member 1]

6.2.6 Relationship between employee union identification and union democracy

Table 6.3 presents the assessment of the six sample enterprises on union democracy. In taking the variation in union democracy into consideration, the six sample enterprises are divided into four groups: (1) the high-union-democracy group (JapanAuto); (2) the intermediate-to-high-union-democracy group (JapanMotor and GermanyAdhesive); (3) the intermediate-to-low-union-democracy group (TaiwanFood and ScandiMedicine); and (4) the low-union-democracy group (TaiwanElectronics).

Table 6.3 Assessment of the Six Sample Enterprises on Union Democracy

	Election of union officials	Network of union stewards	Worker congress	Assessment of union democracy
JapanAuto	Direct election Multiple candidates	Articulating employee demands to union leadership	Electing union officials Deliberating about negotiations Approving or vetoing collective contracts	High
JapanMotor	Indirect election Single candidate appointed by the employer	Articulating employee demands to union leadership	Electing union officials Approving or vetoing collective contracts	Intermediate-to-high
GermanyAdhesive	Indirect election Single candidate appointed by the employer	Articulating employee demands to union leadership	Electing union officials Deliberating about revised enterprise rules and regulations	
TaiwanFood	Indirect election Single candidate appointed by the employer	Articulating employee demands to union leadership to a rather limited extent	Electing union officials	Intermediate-to-low
ScandiMedicine	Indirect election Single candidate appointed by the employer	Articulating employee demands to union leadership to a rather limited extent	Electing union officials	
TaiwanElectronics	Not applicable	Serving top-down information-sharing	Formalistic worker congress	Low

In terms of the election of union officials, a network of union stewards, and the worker congress, the JapanAuto, JapanMotor, and GermanyAdhesive enterprise unions have a higher level of union democracy. The empirical findings on union democracy stand in stark contrast to

stereotypes about union democracy in China. It is traditionally believed that the election of union officials and the worker congress are merely formalistic. However, the cases indicate that an enterprise union (e.g., the JapanAuto enterprise union) might carry out the election of union officials in a more substantive manner. In addition to undertaking the election of union officials, the worker congress might also be associated with deliberating about negotiations (e.g., the JapanAuto enterprise union), approving or vetoing collective contracts (e.g., the JapanAuto and JapanMotor enterprise unions), and deliberating about revised enterprise rules and regulations (e.g., the GermanyAdhesive enterprise union). An enterprise union might even establish a network of union stewards as a channel to articulate employee demands to union leadership.

In contrast, the TaiwanElectronics, TaiwanFood, and ScandiMedicine enterprise unions are characterized by a lower level of union democracy. Although the TaiwanElectronics, TaiwanFood, and ScandiMedicine enterprise unions set up the election of union officials and the worker congress in a formalistic manner, there were still subtle differences in union democracy between them. In comparison with the TaiwanElectronics enterprise union, the TaiwanFood and ScandiMedicine enterprise unions were more likely to articulate employee demands to union leadership.

This thesis formulated the following hypothesis:

Hypothesis 2: employee union identification is higher when union democracy is higher.

The variation in employee union identification is associated with the variation in union democracy (see Table 6.4). The grouping of the six sample enterprises on employee union identification is consistent with the grouping of union democracy. Based on the qualitative assessment of the six sample enterprises, our empirical findings support hypothesis 2 as regards the importance of union democracy for employee union identification.

Table 6.4 Relationship between Employee Union Identification and Union Democracy

	Assessment of employee union identification	Assessment of union democracy
JapanAuto	High	High
JapanMotor	Intermediate-to-high	Intermediate-to-high
GermanyAdhesive		
ScandiMedicine	Intermediate-to-low	Intermediate-to-low
TaiwanFood		
TaiwanElectronics	Low	Low

6.3 Frame of reference for labour relations

Section 6.3.1 first revisits the definition and operationalization of the frame of reference. In taking the variations in employee union identification and **employee identification with the employer** into consideration, the six sample enterprises are divided into four groups: (1) the *primary-union-identification* group (JapanAuto); (2) the *dual-disidentification* group (TaiwanElectronics and TaiwanFood); (3) the *primary-employer-identification* group (ScandiMedicine); and (4) the *dual-identification* group (JapanMotor and GermanyAdhesive). Sections 6.3.2 to 6.3.5 are then organized in accordance with this grouping and drill down on the empirical findings on the frame of reference in each case or each pair of cases. Finally, Section 6.3.6 examines the hypothesized relationship between employee identification and the frame of reference. As will become apparent through the analysis of the frame of reference, employee identification is aligned closely with the frame of reference.

6.3.1 Structures and processes of decision-making

The frame of reference for labour relations refers to the “packages of values and assumptions pertaining to the interests of the parties to the employment relationship ... and the degree to which these interests are compatible” (Budd & Bhawe, 2008, pp. 93). The frame of reference is operationalized in the structures and processes of decision-making, which can cover four types:

(1) decision-making based on the relative power between employees and their employer; (2) bilateral decision-making through the representational structures of employees and their employer; (3) unilateral employer decision-making; and (4) voluntary decision-making through the individual contracting between an employee and his or her employer as equal agents.

6.3.2 JapanAuto

In JapanAuto, the structures and processes of decision-making are distributive collective bargaining in which employees and their employer achieve the distribution of interests through the competition between their respective representatives.

During the 2011 strike, employees demanded that their employer abandon the appointment of the union officer in favour of an election. As a result, the union officer was ousted from his position as the result of a vote by employees. The Japanese general manager was also recalled by the Japanese parent company. A new Japanese general manager turned his attention to the long-silent JapanAuto enterprise union. According to the JapanAuto union officer:

After the strike in 2011, the employer was aware that due to the lack of communicational channels, a dispute that should have been properly settled deteriorated into an irreversible conflict. Therefore, he repeatedly expressed to our trade union his willingness to work with us, establishing communications mechanisms, cultivating communications habits, and developing a communications culture. [Interview with the JapanAuto union officer]

In JapanAuto, as one of the effects of the 2011 strike, the employer brought in the system of “labour-management consultative meetings” (*laoshi kentanhui*), a practice that was widely adopted in Japanese local enterprises. Since the 2011 strike, a labour-management consultative meeting has been carried out by the employer every month. The improvement of wages, welfare benefits, and working conditions and the adjustment of the working arrangement of employees were all the issues dealt with in labour-management consultative meetings. The JapanAuto enterprise union endeavoured to move from labour-management consultative meetings every

May to July to collective bargaining.

Since the 2011 strike, the JapanAuto enterprise union has routinely carried out collective bargaining. Every April, the JapanAuto enterprise union solicited employee demands through union stewards, investigated the salary status of other auto manufacturers in the BEDA, and searched for the regional macroeconomic data (e.g., the consumer price index (CPI) and the gross domestic product (GDP)) of the previous year. Subsequently, the JapanAuto enterprise union formulated the proposal for collective bargaining and made a contract offer to the employer. The JapanAuto enterprise union negotiated with the employer from every May to June. Under normal circumstances, every July, a collective contract was concluded between the JapanAuto enterprise union and the employer.

With regard to the process of negotiations, collective bargaining between the JapanAuto enterprise union and the employer was characterized by competition and even confrontation. The JapanAuto union officer indicated:

No matter which year, collective bargaining has never been smooth sailing. Situations at the negotiating table vary from minute to minute. Therefore, our trade union always dresses in full battle array. The same is true for the employer. [Interview with the JapanAuto union officer]

The following example was the one that the JapanAuto enterprise union delighted in recounting. In collective bargaining one year, the union officer and the employer took advantage of the period of an adjournment to reach a preliminary agreement on wage increases. For the JapanAuto enterprise union, the last round of collective bargaining was supposed to finalize a draft collective contract. However, the employer overturned his promise after returning to the negotiating table. As a response, the union officer made a prompt decision. The union officer pretended to faint as if suffering a tremendous blow. Other union negotiators cooperated with the “show” of the union officer, immediately sending him to the hospital. When the employer arrived at the hospital, other union negotiators told him that “if you still break your words, our union chair may never wake up

again.” After taking all adverse impacts – especially the gossip between employees – into consideration, the employer was forced to comply with his promise with a view to avoiding provoking the collective memory of employees, namely the 2011 strike.

The aftermath of the above drama was by no means limited to wage increases that year. The JapanAuto enterprise union was prompted to reform collective bargaining – especially communications mechanisms between employees and the enterprise union – with a view to improving openness and transparency of information and imposing restraints on the employer. Every May, after the first and second rounds of collective bargaining, the JapanAuto enterprise union convened the worker congress in which union stewards listened to the report of the union committee on the progress of collective bargaining. Union stewards were required to pass the information on to employees. For the JapanAuto union officer:

It will prevent the employer from playing tricks again at the negotiating table and also prevent our trade union from falling into passivity once more. Awakening the memory of workers of the 2011 strike is not what he would like to see. [Interview with the JapanAuto union officer]

According to a JapanAuto union member:

The union chair dares to bang the table in front of the employer. Did the former emperor-assigned union chair dare to do that? Absolutely not! Communications between the trade union and the employer are a real pitched battle, not a powder-puff show (*huaquan xiutui*). Wages and benefits aren't determined by the employer hiding in his office. Even a one-penny raise is what the trade union wins for us at the negotiating table. We have such awareness. We must never be a man without a conscience. Am I right? [Interview with the JapanAuto union member 1]

As far as the results of negotiations were concerned, collective bargaining between the JapanAuto enterprise union and the employer was biased towards employee interests. In addition to significant wage increases, the JapanAuto enterprise union also rationalized the pattern of wage increases and optimized a wage regime through collective bargaining. The JapanAuto enterprise union achieved the two rounds of modifications in the pattern of wage increases, from an

absolute amount to a relative rate and then to the combination of “a relative rate + an absolute amount”. The JapanAuto enterprise union also included the position and skill subsidies of an employee in the calculation base of overtime wages. This suggests that the JapanAuto enterprise union developed collective bargaining into the platform for assessing the fairness of a wage regime. The JapanAuto union officer indicated:

After sitting at the negotiating table, what our trade union pursues is to shift the attention of the employer to the issue of fairness. Collective bargaining is definitely not the game that ‘I ask for ¥100 but you only promise to pay ¥50’. To borrow a popular term, we want workers to have a sense of gain (*huode gan*) when they look at the wages they earn and think about the sweat they pay.³⁰ [Interview with the JapanAuto union officer]

The structures and processes of decision-making characterized by distributive collective bargaining suggest that *adversarial pluralism* prevails in JapanAuto. *Adversarial pluralism* is predicated on the multiplicity of interests in the workplace, namely separate interests between employees and their employer. *Adversarial pluralism* assumes that each party, for employees and for their employer, is solely responsible for achieving its own interests and only has minimal responsibility for addressing the interests of the other party.

6.3.3 TaiwanElectronics and TaiwanFood

TaiwanElectronics and TaiwanFood are characterized by *dual disidentification*, that is, employees identify with neither their trade union nor their employer. Could the structures and processes of decision-making in the cases of TaiwanElectronics and TaiwanFood be linked to *dual disidentification*?

The TaiwanElectronics enterprise union recounted that since the setting-up of the enterprise union in 2013, it has routinely carried out collective consultation in accordance with the *Guidance of Trade Union Construction* formulated by the group trade union of the parent company. The

³⁰ The term *huode gan* was proposed by President Jinping Xi in 2015, referring to the happiness that the people experience when sharing the fruits of economic reforms.

TaiwanElectronics enterprise union even seriously criticized the absence of cooperation of the employer. According to the TaiwanElectronics union officer:

Our trade union takes a clear-cut stand defending worker rights and interests. We always fight hard at the negotiating table. But we're painfully aware of the difficulty to get a glimpse of the full picture of the enterprise. We only have access to information on the output value, revenue, and taxation of the enterprise. If the complete financial report of the enterprise is unavailable from the employer, we'll have trouble in formulating the acceptable proposal for wage increases from him. [Interview with the TaiwanElectronics union officer]

However, the TaiwanElectronics enterprise union set up collective consultation in a formalistic manner. A TaiwanElectronics union member indicated:

The employer and the trade union negotiate every year? Well, we know nothing about it. In fact, the trade union has never collected our concerns, nor has it informed us of the progress of the so-called negotiation. We have never heard of any link between their negotiation and our wages. After all, what we earn is the statutory minimum wage in Binhai City. [Interview with the TaiwanElectronics union member 3]

The formalism of collective consultation between the TaiwanElectronics enterprise union and the employer was recognized to a certain extent by the enterprise union itself. For the TaiwanElectronics union officer:

Collective consultation is more like the routine between the employer and our trade union. The group trade union of the Taiwan headquarters requires the trade union of each industrial park to carry out collective consultation every year. The detailed procedure of collective consultation has been written into the *Guidance of Trade Union Construction* issued by the group trade union. Moreover, the Area Federation of Trade Unions requires us to periodically report the situation of collective consultation to it. [Interview with the TaiwanElectronics union officer]

Collective consultation does not occur in TaiwanFood. According to the TaiwanFood union officer:

The enterprise has not yet set up collective consultation. In fact, neither the employer nor our trade union has such a plan for the time being. Like the worker congress, collective consultation has also never been put on the agenda of the Group. [Interview with the TaiwanFood union officer]

In TaiwanElectronics and TaiwanFood, in the absence of authentic collective bargaining, there were other communications mechanisms between the enterprise unions and the employers. However, limited communications mechanisms between the enterprise unions and the employers were not the institutional basis for the consultation or co-determination between the parties concerned in the workplace. Rather, communications mechanisms were designed to achieve the role of an enterprise union as the administrative apparatus in charge of expressing employee demands to an employer, primarily channeling the occasional dissatisfactions of employees.

According to the *Guidance of Trade Union Construction* formulated by the group trade union of the parent company, the TaiwanElectronics enterprise union should be invited to attend the executive meeting held by the employer every week. Before an executive meeting, the TaiwanElectronics enterprise union should rank the employee demands solicited by the directors of trade-union teams in the past week. The primary criterion would be reasonableness, namely conformity to the current situation of TaiwanElectronics. If the selected demands had a great deal of the commonality between employees, the TaiwanElectronics enterprise union should select employee representatives to participate in the meeting.

In TaiwanFood, the Chinese headquarters of its Taiwanese parent company held an executive meeting with the three subsidiaries in the BEDA every six months. The chief of staff of the Chinese headquarters listened to the reports of the chief human resources officer and union officer of each subsidiary, which primarily involved workplace dynamics in the past half a year.

In TaiwanElectronics and TaiwanFood, in comparison with formal mechanisms, interactions between the enterprise unions and the employers relied more on informal communications. For the TaiwanFood union officer:

If the employer and our trade union don't keep certain concerns under the table, they may embarrass all of us. Therefore, in most cases, we prefer to report worker concerns to him in private instead of discussing them in public. In this way, whether the employer handles concerns or not, we still maintain a sufficient room for maneuver. [Interview with the TaiwanFood union officer]

Informal communications between the TaiwanElectronics enterprise union and the employer were characterized by “the flexible use of tricks” (the term used by the TaiwanElectronics union officer). Employees once complained to the TaiwanElectronics enterprise union that workshops were overheated in summer. Subsequently, the TaiwanElectronics enterprise union suggested that the employer install air conditioners in workshops. After repeated unsuccessful communications with the employer, the union officer directly went to his office and turned off the air conditioner for half an hour, having the employer personally experience the poor working conditions of employees. Unfortunately, the employer still rejected the proposal of the TaiwanElectronics enterprise union in the end.

The marginal status of the TaiwanElectronics and TaiwanFood enterprise unions in decision-making was perceived by employees. “A mouthpiece” was the term most frequently used by employees when portraying the TaiwanFood enterprise union. Similarly, according to a TaiwanElectronics union member:

What the employer says goes into the enterprise. As for the trade union, it's nothing more than the megaphone between us and the employer. [Interview with the TaiwanElectronics union member 5]

The structures and processes of decision-making characterized by unilateral employer decision-making without consultation suggest that *autocratic unitarism* prevails in TaiwanElectronics and TaiwanFood. *Autocratic unitarism* is predicated on the unicity of interests in the workplace, namely common interests between employees and their employer. *Autocratic unitarism* assumes that an employer undertakes full responsibility for and has sufficient expertise in achieving common interests between employees and the employer.

6.3.4 ScandiMedicine

In ScandiMedicine, the structures and processes of decision-making are unilateral employer decision-making following consultation.

The ScandiMedicine enterprise union has routinely carried out collective consultation since 2010. The human resources department has entrusted a third party to conduct an annual salary survey since that time, which targeted the salary status of the primary competitors in the pharmaceutical industry. Subsequently, in taking the business performance (e.g., sales and net profit) of ScandiMedicine and macroeconomic data (e.g., the CPI and the GDP) in the BEDA of the previous year into consideration, the human resources department formulated the guideline for wage increases. Subsequently, the ScandiMedicine enterprise union solicited employee demands. The ScandiMedicine enterprise union negotiated with the employer every June. Under normal circumstances, every July, a collective contract was concluded between the ScandiMedicine enterprise union and the employer.

The formalism of collective consultation between the ScandiMedicine enterprise union and the employer was, however, recognized to a certain extent by the enterprise union itself. According to the ScandiMedicine union officer:

Our trade union doesn't regard collective consultation as the negotiation between the employer and us. It's inevitably subjective, illogical, and unscientific to determine wages through a negotiation. Wage determination must take multiple factors into account. The annual salary survey is sufficient to provide the reliable basis for the enterprise to determine the rate of wage growth. The survey ensures the objectivity, logic, and scientific nature of the guideline for wage increases. Therefore, in our view, the authority of the guideline is beyond doubt. We'll never challenge it. The only thing we need to do is to write the guideline into a collective contract in black and white so as to have it enjoy the same force and effect as enterprise rules and regulations.
[Interview with the ScandiMedicine union officer]

In ScandiMedicine, the employer has pursued employee involvement. The employer entrusted a

third party to conduct a work climate survey every year. The work climate survey primarily evaluated the physical and mental health of employees by asking them the following questions: “Have you suffered any physical pain at work in the past month?”; “Have you suffered any mental stress in the past month?”; “If so, did your mental stress come from work or life?”; “If so, did your supervisor help you relieve mental stress at work?”, and so on. Feedbacks from employees guided the decision-making of the employer in improving working conditions. A ScandiMedicine union member indicated:

The employer regularly sets up the project team comprised of environment-health-safety engineers, production engineers, maintenance engineers, and worker representatives. The project team is in charge of improving working conditions. Lifiable seats along production lines are one of the masterpieces of the project team. In fact, I once had a good fortune to be selected as a worker representative to participate in the project team. I’m delighted to bring benefits to my colleagues. [Interview with the ScandiMedicine union member 5]

As suggested by the employer, the third party has added another dimension – the quality of the working relationship – to the work climate survey since 2018. The quality of the working relationship was evaluated by asking employees the following questions: “Would your supervisor support you if you encounter problems at work?”; “Would you get feedback on your performance in a timely manner?”; “Do you have an impact on work?”, and so on. For the ScandiMedicine union officer:

The employer reviews and revises the management system in a rolling manner every year. He learns from the answers of workers in the annual work climate survey what type of management practices may destroy the working atmosphere or reduce the work engagement of workers and then thinks about how to ensure the organizational health of the enterprise, not just the personal health of workers. [Interview with the ScandiMedicine union officer]

The structures and processes of decision-making characterized by unilateral employer decision-making following consultation suggest that *consultative unitarism* prevails in ScandiMedicine. *Consultative unitarism* is predicated on the unicity of interests in the workplace, namely common

interests between employees and their employer. *Consultative unitarism* assumes that only with the assistance of employees will the employer be able to undertake the responsibility of achieving their common interest. Otherwise, it is hard for the employer to prevent opportunistic behaviours.

6.3.5 JapanMotor and GermanyAdhesive

JapanMotor and GermanyAdhesive are characterized by *dual identification*, that is, employees identify with both their trade union and their employer. Could the structures and processes of decision-making in the cases of JapanMotor and GermanyAdhesive be linked to *dual identification*?

The JapanMotor enterprise union has routinely carried out collective consultation since 2015. Every April, the employer formulated the proposal for collective consultation and made a contract offer to the JapanMotor enterprise union. Subsequently, the JapanMotor enterprise union then applied to the employer for access to information on the business performance (e.g., sales and net profit) of JapanMotor of the previous year. The JapanMotor enterprise union also solicited employee demands through union stewards, investigated the salary status of other auto manufacturers in the BEDA, and searched for the regional macroeconomic data (e.g., the CPI and the GDP) in of the previous year. The JapanMotor enterprise union negotiated with the employer from every May to June. Under normal circumstances, every July, a collective contract was concluded between the JapanMotor enterprise union and the employer. In fact, every April, prior to formal collective consultation, the union committee entrusted the union officer to informally consult the employer, playing the role of “a pathfinder” (the term used by the JapanMotor union officer). After reaching an initial consensus with the employer, the union officer led the union committee to refine the proposal for collective consultation.

Like the JapanMotor enterprise union, since the setting-up of the GermanyAdhesive enterprise union in 2006, collective consultation has also been a regular feature of labour relations. Every

April, in taking the business performance (e.g., sales and net profit) of GermanyAdhesive and macroeconomic data (e.g., the CPI and the GDP) in the BEDA of the previous year into consideration, the human resources department suggested the rate of wage growth to the employer. The GermanyAdhesive enterprise union solicited employee demands through union committee members. Subsequently, every May, the GermanyAdhesive enterprise union convened the plenary meeting of the union committee with a view to discussing the rate of wage growth formulated by the human resources department. Under normal circumstances, every June, a collective contract was concluded between the GermanyAdhesive enterprise union and the employer.

Like the JapanAuto enterprise union, the decision-making of the GermanyAdhesive enterprise union in collective consultation was also characterized by centralization. According to the GermanyAdhesive union officer:

As the assistant to the general manager, when the general manager is on a business trip or before a new general manager takes office, I'm in full charge of managing the enterprise. I can say without exaggeration that no one knows more about the production and operation of the enterprise than me. Moreover, I used to study abroad in Germany. My language advantage is also not available to other Chinese managers. Therefore, granting me a full authority in collective consultation stands high in popular favour. [Interview with the GermanyAdhesive union officer]

In JapanMotor and GermanyAdhesive, with regard to the process of negotiations, collective consultation between the enterprise union and the employer was not characterized by competition, let alone confrontation. In JapanMotor and GermanyAdhesive, the union officers were the chief of the general affairs section and the assistant to the general manager respectively. In JapanMotor, the union officer was even the most qualified candidate for the director of the personnel and general affairs department. In JapanMotor and GermanyAdhesive, the enterprise unions were subordinated to the employers. The JapanMotor union officer indicated:

It's the director of the personnel and general affairs department who sits at the negotiating table on behalf of the employer. He's my immediate superior. Moreover, we're very good friends. It's unthinkable that the director of the personnel and general affairs department and the chief of the general affairs section engage in the battle of words at the negotiating table. [Interview with the JapanMotor union officer]

Similarly, for the GermanyAdhesive union officer:

The employer possesses the power to determine wages. Although our trade union is empowered to make suggestions, it in no way means that we'll reinvent the wheel. Otherwise, we'll function as a state within a state in the enterprise [Interview with the GermanyAdhesive union officer]

By implementing the selective disclosure of information, the JapanMotor and GermanyAdhesive enterprise unions established the image of cooperative labour relations for employees. According to the JapanMotor union officer:

In order to ensure the necessary flexibility at the negotiating table in the future, there's a tacit agreement between the employer and our trade union. We'll never disclose any adjustments we have made at his request. For example, in collective consultation last year (i.e., 2017), we initially suggested that the employer increase a housing subsidy by ¥70 per month. But for the sake of flexibility, his final decision was to increase the award of full attendance by the same amount per month. We remained tight-lipped about the behind-the-scenes story. [Interview with the JapanMotor union officer]

Similarly, the GermanyAdhesive union officer indicated:

No, our trade union will never inform workers of any detail of collective consultation. All they need to know is that the employer regularly consults us and collective consultation does yield results. That's all. [Interview with the GermanyAdhesive union officer]

Employees in JapanMotor and GermanyAdhesive did lack awareness of interactions between their enterprise unions and employers in collective consultation. Although "attending to each one's own duty" was the term most frequently used by employees once asked about the dynamics underlying wage increases, it seemed to be difficult for them to portray the division of labour

between the GermanyAdhesive enterprise union and the employer in collective consultation. Similarly, for a JapanMotor union member:

We know nothing about what exactly happens at the negotiating table. But we're convinced that communications between the trade union and the employer are by no means antagonistic but cooperative. We have grown accustomed to leaving wage increases to collective consultation. It's reliable. [Interview with the JapanMotor union member 1]

In JapanMotor and GermanyAdhesive, as far as the results of negotiations were concerned, collective consultation between the enterprise union and the employer was not merely formalistic but integrated employee interests with employer interests. With significant wage increases for the entire workforce, the JapanMotor and GermanyAdhesive enterprise unions achieved even greater wage increases for the core labour force through collective consultation. This suggests that the JapanMotor and GermanyAdhesive enterprise unions developed collective consultation into the platform for developing and retaining the core labour force, namely assistant foremen in JapanMotor and console operators in GermanyAdhesive.

JapanMotor has pursued lean production. Developing and retaining the specific orientation for its labour force became the top priority for human resources management. As a group of employees between rank-and-file employees and grass-roots managers, assistant foremen existed as the reserve talent for production management at the grass-roots level. The JapanMotor enterprise union assessed that with the continuous advancement of lean production by the enterprise, it would increasingly rely on assistant foremen to carry out standard operating procedures and play the role of mentors for rank-and-file employees. Developing assistant foremen and maintaining their employment stability thus was of great significance for JapanMotor.

In terms of seniority and skills, assistant foremen were superior to rank-and-file employees. In comparison with the rank-and-file employee who only needed two to four weeks of training, the development of an assistant foreman generally took one to two years. However, the wage of an assistant foreman was only ¥50 higher than the wage of a rank-and-file employee. Therefore, the

JapanMotor enterprise union argued for the replacement of non-discriminatory wages with a competitive wage regime, which was tailored to placate assistant foremen. From extra wage increases to the dual-track human resources system, these were all the manifestations of the JapanMotor enterprise union in achieving a competitive wage regime.

GermanyAdhesive was a typical technology-intensive enterprise, not a labour-intensive enterprise. Unlike the scenario in which multiple employees were located along a production line, in the workshop of GermanyAdhesive, each fully automated production line was equipped with only one or two console operators. The GermanyAdhesive enterprise union assessed that if a long-serving console operator left, the employer would take at least half a year to train a newcomer to fill a vacancy. Maintaining the stability of labour relations – especially the employment stability of console operators – was therefore the top priority for human resources management. The GermanyAdhesive enterprise union thus argued for extra wage increases for console operators, for example, the doubling of the rate of wage growth for console operators in collective consultation of 2016.

Consultative unitarism assumes that the employer undertakes the responsibility of attaining organizational goals – common interests between employees and their employer – with the assistance of employees with a view to preventing opportunistic behaviours. If *consultative unitarism* prevails in the workplace, the structures and processes of decision-making will be unilateral employer decision-making following consultation.

In JapanMotor and GermanyAdhesive, the structures and processes of decision-making were what this thesis defines as integrative collective consultation, which was the variant of unilateral employer decision-making following consultation but with Chinese characteristics. Different from the absence of trade union in the general form of unilateral employer decision-making following consultation, integrative collective consultation entails the presence of the trade union as the administrative apparatus in charge of expressing employee demands to an employer, not

only channeling the occasional dissatisfactions of employees but also aligning employer decisions with employee demands.

Integrative collective consultation is different from integrative collective bargaining in which employees and their employer make trade-offs to jointly achieve their common interest.

Integrative collective consultation is not characterized by cooperation, namely the process in which potentially competitive parties temporarily put aside incompatible goals and work side-by-side towards compatible goals. Integrative collective consultation is manifested in collaboration in which a trade union, as the party subordinated to an employer, works in support of the goal for which the employer is ultimately in charge.

The frame of reference for labour relations prevailing in JapanMotor and GermanyAdhesive might be described as *coordinated unitarism*. It is a variant of *consultative unitarism* with Chinese characteristics. In inheriting all the assumptions of *consultative unitarism* on interest compatibility and responsibility mutuality, *coordinated unitarism* assumes that a trade union is neither the representative organization of employees nor an unwelcome outsider in the employment relationship but rather the coordinator between employees and their employer. According to *coordinated unitarism*, the trade union undertakes the responsibility of supporting employees and their employer to develop and achieve a shared vision of ideal labour relations.

6.3.6 Relationship between employee identification and the frame of reference for labour relations

Table 6.5 presents the types of frame of reference for labour relations among the six sample enterprises. In taking the variation in the frame of reference into consideration, the six sample enterprises are divided into four types: (1) *adversarial pluralism* (JapanAuto); (2) *autocratic unitarism* (TaiwanElectronics and TaiwanFood); (3) *consultative unitarism* (ScandiMedicine); and (4) *coordinated unitarism* (JapanMotor and GermanyAdhesive).

Table 6.5 Type of Frame of Reference for Labour Relations among the Six Sample Enterprises

	Structures and processes of decision-making	Type of frame of reference for labour relations
JapanAuto	Distributive collective bargaining <ul style="list-style-type: none"> • A trade union as the representative organization of employees • Competition 	<i>Adversarial pluralism</i>
TaiwanElectronics	Unilateral employer decision-making without consultation	<i>Autocratic unitarism</i>
TaiwanFood		
ScandiMedicine	Unilateral employer decision-making following consultation	<i>Consultative unitarism</i>
JapanMotor	Integrative collective consultation <ul style="list-style-type: none"> • A trade union as the administrative apparatus in charge of expressing employee demands to an employer • Collaboration 	<i>Coordinated unitarism</i>
GermanyAdhesive		

In terms of the structures and processes of decision-making, *adversarial pluralism* prevails in JapanAuto. The empirical findings on the frame of reference for labour relations stand in stark contrast to a stereotype about the frame of reference in the Chinese workplace. It is traditionally believed that the structures and processes of decision-making are unilateral employer decision-making. However, the cases indicate that an enterprise union and an employer (e.g., the enterprise union and the employer in JapanAuto) might engage in distributive collective bargaining.

In contrast, the remaining five sample enterprises are characterized by the forms of *unitarism*, which is manifested in *autocratic unitarism*, *consultative unitarism*, and *coordinated unitarism*. Correspondingly, unilateral employer decision-making diverged among TaiwanElectronics, TaiwanFood, ScandiMedicine, JapanMotor, and GermanyAdhesive as unilateral employer decision-making without consultation, unilateral employer decision-making following consultation, and integrative collective consultation.

This thesis formulated the following hypothesis:

Hypothesis 3: the type of employee identification varies with the type of frame of reference for labour relations.

The variation in employee identification is associated with the variation in the frame of reference for labour relations (see Table 6.6). The grouping of the six sample enterprises on employee identification varies with the type of frame of reference. Based on the qualitative assessment of the six sample enterprises, our empirical findings support hypothesis 3 as regards the importance of the frame of reference for employee identification.

Table 6.6 Relationship between Employee Identification and the Frame of Reference for Labour Relations

	Assessment of employee identification	Type of frame of reference for labour relations
JapanAuto	<i>Primary union identification</i>	<i>Adversarial pluralism</i>
TaiwanElectronics	<i>Dual disidentification</i>	<i>Autocratic unitarism</i>
TaiwanFood		
ScandiMedicine	<i>Primary employer identification</i>	<i>Consultative unitarism</i>
JapanMotor	<i>Dual identification</i>	<i>Coordinated unitarism</i>
GermanyAdhesive		

6.4 Intervention of the Party-State

Part 6.4 shifts the focus from the workplace to the intervention of the Party-State. Section 6.4.1 first revisits the definition and operationalization of the intervention of the Party-State. Section 6.4.2 then drills down on the empirical findings on the intervention of the Party-State at play in the area observed in this study, namely the BEDA. Finally, Section 6.4.3 examines the hypothesized relationship between union democracy and the intervention of the Party-State. As will become apparent through the analysis of the intervention of the Party-State, the intervention of the Party-State is linked to union democracy in a more complex manner than anticipated.

6.4.1 Strategy of the local government and federation of trade unions to improve the responsiveness of enterprise unions to employee demands

The intervention of the Party-State denotes the strategy of the Party-State to intervene in union associational power. For the intervention of the Party-State, this thesis focuses on the strategy of the local government and federation of trade unions to improve the responsiveness of enterprise unions to employee demands, thus tackling one of the most problematic issues in the Chinese labour relations system.

6.4.2 Interventions of the BEDA Federation of Trade Unions

The BEDA Federation of Trade Unions has conducted enterprise union reforms since 2010, which were characterized by the “three-one action” (*sangeyi xingdong*) of “listening-communicating-improving” (*qingting-goutong-gaishan*) according to which the Federation of Trade Unions suggested that an enterprise union listen to employee demands at least once every year, carry out labour-management consultation at least once every year, and implement practices to stabilize labour relations at least once every year. According to the officer of the Federation of Trade Unions:

Our trade union has long taken the initiative to go down to the grass-roots level and grasp workplace dynamics. But our efforts produced very little effect. The volume of labour disputes increased instead of decreasing. After deep thinking, we made the conclusion that the main party for preventing labour disputes must be enterprise unions. We shouldn't meddle in their affairs. Moreover, the effectiveness of enterprise unions in preventing labour disputes depends on the institutional basis and the mass basis, namely collective consultation and the acceptance of collective consultation by labour and management. [Interview with the officer of the BEDA Federation of Trade Unions]

In 2011, the BEDA Federation of Trade Unions achieved the first transition in enterprise union reforms, having them evolve from the three-one action to the “three-one mechanism” (*sangeyi jizhi*). According to the Federation of Trade Unions, an enterprise union should establish at least

one system for listening to employee demands, create at least one mechanism for carrying out labour-management consultation, and implement at least one practice to stabilize labour relations. In 2013, the Federation of Trade Unions succeeded in upgrading enterprise union reforms to the third version, namely the “three-one working method” (*sangeyi gongzuofa*). In 2019, the Federation of Trade Unions formulated the *Opinions on Implementing the Three-One Working Method of Building Harmonious Labour Relations* in which the Federation of Trade Unions elaborated on the three-one working method (see Table 6.7). The officer of the Federation of Trade Unions indicated:

In the first stage of grassroots trade union reforms, our trade union expected to develop the communications consciousness between labour and management. Now is the time to move forward. What we’re pursuing is to institutionalize and normalize labour-management communication, establishing communications mechanisms, communications habits, and even a communications culture and embedding communication into the genes of enterprises. [Interview with the officer of the BEDA Federation of Trade Unions]

Table 6.7 Three-one Working Method

	Contents
Listening	Establishing communications mechanisms between a grassroots trade union committee, union stewards or employee representatives, and employees
	Routinely communicating with employees
	Routinely soliciting, sorting out, and analyzing employee demands
Communication	Differentiating employee demands as general ones, urgent ones, and important ones
	Establishing customary practices and mechanisms for labour-management consultation
	Routinely consulting an employer
	Promptly informing employees of the process of labour-management consultation and guiding employees to defend their rights and interests rationally
Improvement	Recording and confirming the results of labour-management consultation in the form of a meeting minute, a collective contract, or enterprise rules and regulations and promptly informing employees through an announcement, the worker congress, and so on
	Assisting an employer in implementing practices to stabilize labour relations and promptly reporting the problems arising in the implementation process to an employer
	Exploring the practices suitable for the current situation of an enterprise to stabilize labour relations

By the end of 2014, there were more than 300 enterprises implementing the three-one working method, which accounted for more than 70% of enterprises in the BEDA. Together with harmonious labour relations, the listening-communicating-improving initiative has become the dominant political discourse concerning labour relations in the BEDA.

The policies and practices of the BEDA Federation of Trade Unions to conduct enterprise union reforms retained the characteristics of the top-down administrative approach. According to the *Opinions on Implementing the Three-One Working Method of Building Harmonious Labour Relations* issued by the Federation of Trade Unions in 2019, the Federation of Trade Unions

carried out an appraisal and recognition every year. The Federation of Trade Unions established the *Special Contribution Prize for Promoting the Stability of Labour Relations*, the *Contribution Prize for Promoting the Stability of Labour Relations*, and the *Prize for Promoting the Stability of Labour Relations* and provided prize-winners with financial support. The core criterion for these prizes was the performances of enterprise unions in implementing the three-one working method. For the officer of the Federation of Trade Unions:

With the help of publicity in the annual appraisal and recognition, our trade union expects to deepen the awareness of trade unions on the three-one working method. Moreover, we hope that under the inspiration of honorary recognitions and financial support, the trade unions which are still in the waiting-and-seeing stage can take a brave step forward. [Interview with the officer of the BEDA Federation of Trade Unions]

In promoting collective consultation, the BEDA Federation of Trade Unions went beyond the traditional pattern for setting up collective consultation. In addition to retaining the characteristics of the top-down administrative approach, the policies and practices of the Federation of Trade Unions to conduct enterprise union reforms also involved improving the network embeddedness of enterprise unions. By organizing the activity of “mutual comparison and learning” (*hubi huxue*) every year, the Federation of Trade Unions solicited, sorted out, and disseminated the best trade union practices emerging in implementing the listening-communicating-improving initiative by enterprise unions. According to the ScandiMedicine union officer:

At the Outstanding Achievement Exhibition of the Three-one Working Method organized by the Area Federation of Trade Unions, our trade union learned that JapanSemiconductor (anonymized) established a corporate ethics committee, integrating the professional ethics of workers with the social responsibility of the employer. Isn't that exactly what we need? This practice enlightened us to formulate the code of conduct for both the employer and workers to a considerable extent. [Interview with the ScandiMedicine union officer]

The policies and practices of the BEDA Federation of Trade Unions to conduct enterprise union reforms involved establishing conceptual leadership in enterprise unions. In the annual appraisal

and recognition, the Federation of Trade Unions first divided enterprise unions into several groups. Each group had a maximum of seven enterprise unions. Subsequently, the Federation of Trade Unions appointed the mentor for each group. Mentors were the officers of the enterprise unions which have been awarded the *Special Contribution Prize for Promoting the Stability of Labour Relations* and the *Contribution Prize for Promoting the Stability of Labour Relations* of the previous year. An intra-group appraisal was carried out before the final competition. Every mentor undertook the responsibility of analyzing the current situation of each enterprise union in his or her group, identifying the primary problems faced by each enterprise union in implementing listening-communication-improvement, and assisting each enterprise union in figuring out solutions. Ultimately, every mentor recommended the list of winners in his or her group to the BEDA Federation of Trade Unions. The officer of the Federation of Trade Unions indicated:

Executing the mentor-responsibility system is to set the bellwethers of trade unions. The annual appraisal and recognition shouldn't be reduced to the selection of the triple-A students (*sanhao xuesheng*) but must be developed into a mechanism to improve the performance of trade unions in implementing the three-one working method. An excellent final report must be the result of re-examining the importance of the three-one working method and exploring the potential of union work under the inspiration of the advanced experiences of bellwethers. Our trade union expects to nurture a new group of bellwethers with the help of the existing ones. [Interview with the officer of the BEDA Federation of Trade Unions]

By conceptualizing collective consultation into three interlinked components – the listening-communicating-improving initiative – which corresponded to the input, process, and output of stylized collective consultation respectively, the BEDA Federation of Trade Unions allowed enterprise unions to carry out any reinvention with a view to improving the compatibility between collective consultation and the existing resources of potential adopters rather than confining to the rigid form of collective consultation. For the officer of the Federation of Trade Unions:

Since the very beginning of grassroots trade union reforms, our trade union has decided to avoid collective consultation falling into the trap of formalistic consultation. Therefore, we didn't directly ask trade unions to set up collective consultation but decomposed collective consultation into three simple but core elements – listening, communication, and improvement – so as to facilitate trade unions to integrate the spirit of collective consultation with the existing practices in enterprises. [Interview with the officer of the BEDA Federation of Trade Unions]

6.4.3 Relationship between union democracy and the intervention of the Party-State

This thesis formulated the following hypothesis:

Hypothesis 4: union democracy is higher with the intervention of the Party-State.

As indicated above, the logic of the BEDA Federation of Trade Unions to conduct enterprise union reforms was to promote substantial communications between enterprise unions and employers (“communicating-improving”) through the enhanced responsiveness of enterprise unions to employee demands (“listening”). The Federation of Trade Unions sought to improve the responsiveness of enterprise unions to employee demands through proactive policies and practices (e.g., the narrative resource of “listening-communicating-improving”, network embeddedness, conceptual leadership, etc.).

Although there was a proactive local federation of trade unions in the BEDA, the development of union democracy among the six sample enterprises was not undifferentiated. The empirical findings on union democracy indicate that the level of union democracy among the six sample enterprises is highly differentiated. There are four groups: (1) the high-union-democracy group (JapanAuto); (2) the intermediate-to-high-union-democracy group (JapanMotor and GermanyAdhesive); (3) the intermediate-to-low-union-democracy group (TaiwanFood and ScandiMedicine); and (4) the low-union-democracy group (TaiwanElectronics). Although they all faced the same high-level authority, the six enterprise unions responded to the interventions of the

Federation of Trade Unions to varying degrees. This suggests the need for the more nuanced assessment of the impact of the intervention of the Party-State on union democracy.

The relationship of the JapanAuto, JapanMotor, and GermanyAdhesive enterprise unions with the BEDA Federation of Trade Unions was characterized by a strong vertical connection. After the election of union officials in 2016, the JapanAuto enterprise union invited the officials of the Federation of Trade Unions and the experts recommended by the Federation of Trade Unions to train newly-elected union stewards, instructing them how to solicit employee demands. The reform of a network of union stewards by the JapanAuto enterprise union in 2016 also benefited from the insights of the Federation of Trade Unions in the design of the reform. According to the JapanAuto union officer:

Although realizing the necessity of reforming union stewards, how to implement proportional representation? How to carry out the first-ever election of union stewards? How to avoid frictions and conflicts? The Area Federation of Trade Unions was our only reliable foreign aid. [Interview with the JapanAuto union officer]

Like the JapanAuto enterprise union, after the election of union officials in 2017, the JapanMotor enterprise union invited the officials of the BEDA Federation of Trade Unions to train newly-elected union stewards. In 2018, with the help of the experts recommended by the Federation of Trade Unions, the JapanMotor enterprise union evaluated the capacities of union stewards. The JapanMotor union officer indicated:

Our trade union had established a network of union stewards at the very beginning of the establishment of the plant. At that time, union stewards primarily served the need for business management, focusing on the top-down rather than the bottom-up. But after participating in a series of the three-one training organized by the Area Federation of Trade Unions, we were aware that union stewards might also serve the expression of worker concerns. After the re-election of union stewards last year (i.e., 2017), we set out to strengthen the capacity building of union stewards in implementing the three-one working method. [Interview with the JapanMotor union officer]

Similarly, for the GermanyAdhesive union officer:

Before the initiation of the three-one action by the Area Federation of Trade Unions, our trade union had established a series of mechanisms for listening and communication. But they've been in a very fragmented state for years. In our view, the proposal of listening-communicating-improving by the Area Federation of Trade Unions is like a technical bundle. As the saying goes, 'snapping someone out of a dazed state'. We're inspired to integrate the existing mechanisms and strengthen the link between them, achieving the smooth flow of information. [Interview with the GermanyAdhesive union officer]

The TaiwanFood enterprise union established a network of trade-union teams. The TaiwanFood enterprise union attributed the setting-up of a network of trade-union teams to the improvement of the network embeddedness of enterprise unions by the BEDA Federation of Trade Unions.

According to the TaiwanFood union officer:

The trade-union-team system with which our trade union is experimenting is inspired by the practice of the JapanAuto trade union for establishing a network of union stewards. Without the information-sharing platform established by the Area Federation of Trade Unions, we're inward-looking. [Interview with the TaiwanFood union officer]

However, in TaiwanFood, a network of trade-union teams primarily served top-down information-sharing, expressing the orders of union leadership to employees. Limited bottom-up information-sharing was primarily to "supplement management shortcomings and enrich management channels" (the term used by the TaiwanFood union officer) rather than articulating employee demands to union leadership.

Unlike the JapanAuto, JapanMotor, and GermanyAdhesive enterprise unions, the TaiwanElectronics and ScandiMedicine enterprise unions did not involve the BEDA Federation of Trade Unions in the development of a network of union stewards or any similar mechanism, for example, a network of trade-union teams. Although nominally observing the principle of dual leadership – the Federation of Trade Unions and the group trade union of the parent company

were supposed to share leadership over the TaiwanElectronics enterprise union – the enterprise union primarily followed the orientations suggested by the group trade union, setting up a network of trade-union teams, the worker congress, collective consultation, and other mechanisms in accordance with the *Guidance of Trade Union Construction* formulated by the group trade union. There was not any intervention of the Federation of Trade Unions in TaiwanElectronics.

Table 6.8 presents the characteristics of the intervention of the Party-State and its impact on union democracy.

Table 6.8 Characteristics of the Intervention of the Party-State and Its Impact on Union Democracy

	Union democracy	Characteristics of the intervention of the Party-State	Impact of the intervention of the Party-State on union democracy
JapanAuto	High	Involvement in the reform of a network of union stewards Assistance to the training of union stewards	Reinforcement of union democracy
JapanMotor	Intermediate-to-high	Assistance to the training of union stewards	
GermanyAdhesive		Inspiration for the activation of a network of union committee members	
TaiwanFood	Intermediate-to-low	Inspiration for the setting-up of a network of trade-union teams which primarily served top-down information-sharing	Non-reinforcement of union democracy
ScandiMedicine	Intermediate-to-low	Absence	
TaiwanElectronics	Low		

In terms of the characteristics of the intervention of the Party-State, the JapanAuto, JapanMotor, and GermanyAdhesive enterprise unions had a proactive response to the interventions of the BEDA Federation of Trade Unions. Under the guidance of the Federation of Trade Unions, the three enterprise unions all developed a fully functional network of union stewards or a similar mechanism. The interventions of the Federation of Trade Unions reinforced union democracy in JapanAuto, JapanMotor, and GermanyAdhesive.

In contrast, the TaiwanFood enterprise union developed an opportunistic response to the interventions of the BEDA Federation of Trade Unions, establishing a network of trade-union teams as advocated by the Federation of Trade Unions but transforming it to primarily serve top-down information-sharing. The TaiwanElectronics and ScandiMedicine enterprise unions showed the total disregard for the interventions of the Federation of Trade Unions, as the Federation of Trade Unions did not get involved in the development of a network of union stewards or any similar mechanism, for example, a network of trade-union teams. Therefore, the interventions of the Federation of Trade Unions did not reinforce union democracy in TaiwanElectronics, TaiwanFood, and ScandiMedicine.

To recap, the empirical findings on the intervention of the Party-State are mixed. The cases of the JapanAuto, JapanMotor, and GermanyAdhesive enterprise unions pointed to the expected positive relationship between union democracy and the intervention of the Party-State. However, the cases of the TaiwanElectronics, TaiwanFood, and ScandiMedicine enterprise unions run counter to the prediction. It is therefore a more complex relationship between union democracy and the intervention of the Party-State than what hypothesis 4 initially anticipated.

Why do the characteristics of the intervention of the Party-State vary among enterprises? Is there any other factor at play in the relationship between union democracy and the intervention of the Party-State? The JapanAuto union officer portrayed relationships between enterprise unions and the BEDA Federation of Trade Unions as follows:

Relationships between the Area Federation of Trade Unions and us are like relationships between a Buddhist abbot and monks. As the saying goes, ‘the master teaches the trade but the apprentice’s skill is self-made’. The Buddhist abbot guides the practices of monks. But there’re different ways for everyone to attain Buddhahood. [Interview with the JapanAuto union officer]

What is the factor linking up “monks” (enterprise unions) and “abbot” (the local government and federation of trade unions)? The empirical findings on the intervention of the Party-State point to a need to examine more closely the “apprentice’s skill” or, what this thesis labels, union strategic capacity, a question to which we shall return in Chapter 7.

6.5 Conclusion

Chapter 6 has explored the role of union instrumentality, union democracy, the frame of reference for labour relations, and the intervention of the Party-State in the variations of employee union identification and employee identification with the employer.

Employee union identification varies in important ways among the six sample enterprises. It ranges from a high level (JapanAuto) to an intermediate-to-high level (JapanMotor and GermanyAdhesive), then to an intermediate-to-low level (TaiwanFood and ScandiMedicine), and finally, to a low level (TaiwanElectronics).

As predicted in hypotheses 1 and 2, the variation in employee union identification is associated with the variation in union instrumentality and union democracy. Employee union identification increases with the change of union instrumentality from low to high. The same is true for the relationship between employee union identification and union democracy.

Employee identification also varies in important ways among the six sample enterprises. It ranges from *primary union identification* (JapanAuto) to *dual disidentification* (TaiwanElectronics and TaiwanFood), then to *primary employer identification* (ScandiMedicine), and finally, to *dual identification* (JapanMotor and GermanyAdhesive).

As predicted in hypothesis 3, the variation in employee identification is associated with the

variation in the frame of reference for labour relations. There was a direct correlation between employee identification and the frame of reference: *primary union identification* corresponds to *adversarial pluralism*, *dual disidentification* to *autocratic unitarism*, *primary employer identification* to *consultative unitarism*, and *dual identification* to *coordinated unitarism*.

An interesting dialogue emerges between union democracy and the intervention of the Party-State. The relationship between union democracy and the intervention of the Party-State is not linear as anticipated. The impact of the intervention of the Party-State on union democracy is differentiated among workplaces. There appears to be other factors at play in the relationship between union democracy and the intervention of the Party-State.

The empirical findings on the independent variables raise the question as to how union instrumentality, union democracy, the frame of reference for labour relations, and the intervention of the Party-State interact in a fuller account of the variations in employee union identification and employee identification with the employer among the six sample enterprises. Therefore, Chapter 7 turns to the integration of four lines of analysis.

Chapter 7 Explaining the Variation in Employee Union identification

Chapters 5 and 6 explored our empirical findings. Chapter 5 presented the variation in the dependent variables, namely employee union identification and employee identification with the employer. Chapter 6 elaborated on the variation in the independent variables, namely union instrumentality, union democracy, the frame of reference for labour relations, and the intervention of the Party-State.

Chapter 7 now integrates four lines of analysis underlying the four hypotheses examined in Chapter 6. The key objective of this thesis is to understand the dynamics underlying the variations in employee union identification and employee identification with the employer. This chapter proceeds in three steps. Chapter 7 first revisits the empirical findings on the dependent and independent variables. This chapter then mobilizes union instrumentality, union democracy, the frame of reference for labour relations, and the intervention of the Party-State to explain the variations in employee union identification and employee identification with the employer among the six sample enterprises. Finally, Chapter 7 integrates these four lines of analysis, seeking to explain the variations in employee union identification and employee identification with the employer in a more holistic manner.

7.1 Revisiting the empirical findings

Section 7.1.1 first examines the link between trade union identity and employee identification, namely the configuration combining employee union identification and employee identification with the employer. Section 7.1.2 then revisits the empirical findings on the independent variables.

7.1.1 Dependent variable: employee union identification

As indicated in Chapter 2, **employee union identification** refers to the extent to which an

employee identifies with the values and beliefs of his or her trade union, especially trade union identity as manifested in union policies and practices. Therefore, the core of employee union identification resides in the identity of a particular trade union, not trade unionism in the abstract. Trade union identity is thus a priori to employee union identification. In other words, examining employee union identification requires the answers to two questions. First, what is the identity of a particular trade union? Second, to what extent do employees identify with this trade union identity?

In order to achieve a better understanding of the variation in employee union identification, this thesis explores, in complement to employee union identification, the concept of **employee identification with the employer**. The issue of dual identification involves the question of whether or not an employee would develop simultaneous identifications with both his or her trade union and employer or there is an inherent conflict of the loyalty between the two (Angle & Perry, 1986).

As indicated in Chapter 3, trade union identity – especially the identity of Chinese enterprise unions – involves three dimensions: (1) harmony and stability (i.e., “Are employees in a harmonious and stable relationship with their employer?”); (2) liability (i.e., “Who or what is liable for the loss of employee interests?”); and (3) solution (i.e., “What acts are taken to defend employee interests?”).

The empirical findings on trade union identity point to three major identities of the Chinese enterprise unions discussed: (1) *critical bridging*; (2) *communicative bridging*; and (3) *constructive bridging*. *Critical bridging* emphasizes the conflict between employee interests and employer interests and defines an enterprise union as the representative organization of employees. On the contrary, *communicative bridging* and *constructive bridging* acknowledge the (ready-made or constructed) harmony between employee interests and employer interests. *Communicative bridging* regards the enterprise union as the administrative apparatus in charge of

expressing employee demands to an employer, primarily channeling the occasional dissatisfactions of employees. However, according to *constructive bridging*, the function of the enterprise union is extended to aligning employer decisions with employee interests.

The variation in trade union identity is an important finding since it challenges an easy stereotype to the effect that Chinese enterprise unions comply with the dominant political discourse concerning the role of an enterprise union, namely the bridge between employees and their employer.

Whereas the JapanAuto enterprise union is characterized by *critical bridging*, the identities of the TaiwanElectronics, TaiwanFood, and ScandiMedicine enterprise unions are *communicative bridging*. For the JapanMotor and GermanyAdhesive enterprise unions, their identities are characterized by *constructive bridging*.

Employee union identification diverges among the six sample enterprises. Whereas *critical bridging* and *constructive bridging* correspond to a higher level of employee union identification, *communicative bridging* is associated with a lower level of employee union identification. The extent to which employees identify with each type of trade union identity is therefore variable.

In taking the variation in employee union identification into consideration, the six sample enterprises are divided into four groups: (1) the high-union-identification group (JapanAuto); (2) the intermediate-to-high-union-identification group (JapanMotor and GermanyAdhesive); (3) the intermediate-to-low-union-identification group (TaiwanFood and ScandiMedicine); and (4) the low-union-identification group (TaiwanElectronics).

As indicated in Chapter 3, if the hegemonic nature of the harmonious society (Hui & Chan, 2011) is tenable, the dominant political discourse as regards the interests of the parties concerned in the workplace – harmonious labour relations with an emphasis on *unitarism* – suggests that the core of employee identification with the employer will reside in the family-like close relationship between employees and their employer.

The empirical findings on employee identification with the employer indicate that like employee union identification, employee identification with the employer also diverges among the six sample enterprises. The variation in employee identification with the employer is characterized by a sharp duality, either high or low. Employees do not necessarily define the relationship with their employer as a family-like close relationship, let alone regard their employer as a patriarch. This is true for some workplaces but not for others.

In taking the variation in employee identification with the employer into consideration, the six sample enterprises are divided into two groups: (1) the high-employer-identification group (JapanMotor, GermanyAdhesive, and ScandiMedicine) and (2) the low-employer-identification group (JapanAuto, TaiwanElectronics, and TaiwanFood).

As indicated in Chapter 2, the configuration combining employee union identification and employee identification with the employer is labelled as employee identification. The empirical findings on employee identification highlight four types of employee identification: (1) *primary union identification* (a high level of employee union identification but a low level of employee identification with the employer); (2) *dual disidentification* (low levels of employee union identification and employee identification with the employer); (3) *primary employer identification* (a low level of employee union identification but a high level of employee identification with the employer); and (4) *dual identification* (high levels of employee union identification and employee identification with the employer).

The variation in employee identification is an important finding since it points to the complexity of the relationship between employee union identification and employee identification with the employer within the Chinese labour relations system. It also demonstrates a need to better understand what factors might explain significant differences between workplaces.

Three of the six sample enterprises belong to the low-employer-identification group but they vary in employee union identification. Whereas JapanAuto (the high-union-identification group) is

characterized by *primary union identification*, TaiwanElectronics (the low-union-identification group) and TaiwanFood (the intermediate-to-low-union-identification group) are in the *dual disidentification* category. JapanMotor and GermanyAdhesive, which belong to the intermediate-to-high-union-identification group and the high-employer-identification group, are characterized by *dual identification*. In ScandiMedicine, employee identification with the employer is superior to employee union identification, thus constituting *primary employer identification*.

Table 7.1 presents the link between trade union identity and employee identification.

Table 7.1 Link between Trade Union Identity and Employee Identification

	Trade union identity	Employee identification
JapanAuto	<i>Critical bridging</i>	<i>Primary union identification</i>
TaiwanElectronics	<i>Communicative bridging</i>	<i>Dual disidentification</i>
TaiwanFood		
ScandiMedicine		<i>Primary employer identification</i>
JapanMotor	<i>Constructive bridging</i>	<i>Dual identification</i>
GermanyAdhesive		

First, when trade union identity is *critical bridging*, which emphasizes the conflict between employee interests and employer interests and defines the role of an enterprise union as the representative organization of employees, as in the case of JapanAuto, the workplace is characterized by *primary union identification*.

Second, if trade union identity is characterized by *communicative bridging*, which acknowledges the harmony between employee interests and employer interests and defines the role of an enterprise union as the administrative apparatus in charge of expressing employee demands to an employer, primarily channeling the occasional dissatisfactions of employees, as in the cases of TaiwanElectronics, TaiwanFood, and ScandiMedicine, employee identification prevailing in the workplace will be variable, ranging from *dual disidentification* to *primary employer*

identification.

Finally, when trade union identity is *constructive bridging*, which emphasizes the constructed harmony between employee interests and employer interests and defines the role of an enterprise union as the administrative apparatus in charge of expressing employee demands to an employer, not only channeling the occasional dissatisfactions of employees but also aligning employer decisions with employee demands, as in the cases of JapanMotor and GermanyAdhesive, the workplace is characterized by *dual identification*.

The link between trade union identity and employee identification is an important finding since it is consistent with an emphasis on trade union identity in the western literature. According to Hyman (1994, pp. 131), trade union identity “relates dialectically to the interconnecting dynamics of interests, democracy, agenda and power”. More precisely, trade union identity is “both the point of origin and the end-result of these interconnecting processes” (Hyman, 1994, pp. 119). Drawing on the theorization by Hodder & Edwards (2015), trade union identity is a root structure, with union democracy, collective bargaining, and interaction with the state operating at a less fundamental level; by developing strategic union policies and practices, the interrelationship between the internal and external elements of a trade union leads to outcomes.

The link between trade union identity and employee identification raises the question as to why the type of employee identification changes in tandem with the type of trade union identity. We will return to this question in Part 7.3. Section 7.1.2 first revisits the empirical findings on the independent variables.

7.1.2 Relationship between the dependent and independent variables

As indicated in Chapter 2, this thesis seeks to explore and explain the variations in employee union identification and employee identification with the employer through four lines of analysis. The two primary lines of analysis – the instrumental and constructivist accounts of employee union identification – establish the relationship of employee union identification with union

instrumentality and union democracy respectively. A third line of analysis focuses on the relationship between employee identification and the frame of reference for labour relations. A fourth line of analysis concerns the relationship between union democracy and the intervention of the Party-State.

Union instrumentality denotes the perception of employees of the ability of their trade union to secure desired outcomes (Sinclair & Tetrick, 1995). Union instrumentality is operationalized in outcome-based union instrumentality, which is measured as the extent to which a trade union guarantees that employees are treated fairly by their employer on wages, welfare benefits, and any other aspect related to employee interests.

The empirical findings on union instrumentality point to the variation in union instrumentality. Outcome-based union instrumentality extends from shell trade unions to significant wage increases and the effective improvement of welfare benefits. However, even in the case of significant wage increases for the entire workforce, an enterprise union might emphasize either the fairness of the wage regime for the entire workforce or particular incentives for the core labour force.

In taking the variation in union instrumentality into consideration, the six sample enterprises are divided into four groups: (1) the high-union-instrumentality group (JapanAuto); (2) the intermediate-to-high-union-instrumentality group (JapanMotor and GermanyAdhesive); (3) the intermediate-to-low-union-instrumentality group (TaiwanFood and ScandiMedicine); and (4) the low-union-instrumentality group (TaiwanElectronics).

The variation in union instrumentality is an important finding since it suggests that employee union identification is aligned closely with union instrumentality. The grouping of the six sample enterprises on employee union identification is consistent with the grouping based on union instrumentality. For example, in TaiwanElectronics, a lower level of union instrumentality is associated with a lower level of employee union identification. In sharp contrast, in JapanAuto, a

higher level of union instrumentality is linked to a higher level of employee union identification. Therefore, the empirical findings on union instrumentality provide strong support for hypothesis 1, namely that union instrumentality is the important factor affecting employee union identification.

Hypothesis 1: employee union identification is higher when union instrumentality is higher.

Union democracy is operationalized in the internal mechanisms of union representation. The internal mechanisms of union representation – especially for Chinese enterprise unions – are the aggregate of the election of union officials, a network of union stewards, and the worker congress.

The empirical findings on union democracy indicate the variation in union democracy. As the core of the internal mechanisms of union representation, the election of union officials might be merely formalistic or more substantive. As the internal mechanism of union representation with Chinese characteristics, in addition to undertaking the election of union officials, the worker congress might also be associated with deliberating about negotiations, approving or vetoing collective contracts, and deliberating about revised enterprise rules and regulations. An enterprise union might even establish a network of union stewards as a channel to articulate employee demands to union leadership.

In taking the variation in union democracy into consideration, the six sample enterprises are divided into four groups: (1) the high-union-democracy group (JapanAuto); (2) the intermediate-to-high-union-democracy group (JapanMotor and GermanyAdhesive); (3) the intermediate-to-low-union-democracy group (TaiwanFood and ScandiMedicine); and (4) the low-union-democracy group (TaiwanElectronics).

The variation in union democracy is an important finding since it reveals the positive effect of union democracy on employee union identification. Employee union identification increases as union democracy increases. For example, in TaiwanElectronics, a lower level of union

democracy is associated with a lower level of employee union identification. In sharp contrast, in JapanAuto, a higher level of union democracy is linked to a higher level of employee union identification. Therefore, the empirical findings on union democracy provide the strong support for hypothesis 2, namely that union democracy is the important factor affecting employee union identification.

Hypothesis 2: employee union identification is higher when union democracy is higher.

As indicated in Chapter 2, the frame of reference for labour relations denotes the assumptions of the extent to which the interests of the parties concerned in the workplace are compatible and the extent to which one party takes a certain degree of the responsibility for addressing the interests of the other party (Bray, Budd, & Macneil, 2019). The frame of reference is operationalized in the structures and processes of decision-making, which can cover four types: (1) decision-making based on the relative power between employees and their employer; (2) bilateral decision-making through the representational structures of employees and their employer; (3) unilateral employer decision-making; and (4) voluntary decision-making through the individual contracting between an employee and his or her employer as equal agents.

The empirical findings on the frame of reference for labour relations highlight the variation in the frame of reference. The structures and processes of decision-making might be unilateral employer decision-making or an enterprise union and an employer might carry out distributive collective bargaining in which employees and their employer achieve the distribution of interests through the competition between their respective representatives. Unilateral employer decision-making is notably characterized by diversity, namely unilateral employer decision-making without consultation, unilateral employer decision-making following consultation, and integrative collective consultation, which is manifested in collaboration in which a trade union, as the party subordinated to an employer, works in support of the goal for which the employer is ultimately in charge.

In taking the variation in the frame of reference for labour relations into consideration, the six sample enterprises are divided into four types: (1) *adversarial pluralism* (JapanAuto); (2) *autocratic unitarism* (TaiwanElectronics and TaiwanFood); (3) *consultative unitarism* (ScandiMedicine); and (4) *coordinated unitarism* (JapanMotor and GermanyAdhesive).

The variation in the frame of reference for labour relations is an important finding. Employee identification extends along a continuum – from *primary union identification* to *dual disidentification*, then to *primary employer identification*, and finally, to *dual identification* – with the transition of the frame of reference from *adversarial pluralism* to *autocratic unitarism*, then to *consultative unitarism*, and finally, to *coordinated unitarism*. Therefore, the empirical findings on the frame of reference provide the strong support for hypothesis 3, namely the frame of reference as an important factor affecting employee identification.

Hypothesis 3: the type of employee identification varies with the type of frame of reference for labour relations.

As indicated in Chapter 2, the intervention of the Party-State denotes the strategy of the Party-State to intervene in union associational power. For the intervention of the Party-State, this thesis focuses on the strategy of the local government and federation of trade unions to improve the responsiveness of enterprise unions to employee demands.

The empirical findings on the intervention of the Party-State point to that the intervention of the Party-State might be the significant external force for enterprise union reforms. Instead of fulfilling the quotas set by higher-level trade unions and providing enterprise unions and employers with collective contract templates for them to sign, the policies and practices of the Binhai Economic-Technological Development Area (BEDA) Federation of Trade Unions to improve the responsiveness of enterprise unions to employee demands involve providing the narrative resource of “listening-communicating-improving”, improving the network embeddedness of enterprise unions, and establishing conceptual leadership in enterprise unions.

In three of the six sample enterprises – JapanAuto, JapanMotor, and GermanyAdhesive – enterprise unions proactively responded to the interventions of the Federation of Trade Unions and developed a higher level of union democracy as manifested in a fully functional network of union stewards or a similar mechanism. However, in the other three sample enterprises – TaiwanElectronics, TaiwanFood, and ScandiMedicine – the interventions of the Federation of Trade Unions did not bring about any reinforcement of union democracy.

The mixed empirical findings on the intervention of the Party-State are an important finding since it points to a more complex relationship between union democracy and the intervention of the Party-State than what hypothesis 4 initially anticipated. Since our findings on the relationship between union democracy and the intervention of the Party-State are mixed, they do not support hypothesis 4.

Hypothesis 4: union democracy is higher with the intervention of the Party-State.

The relationship between union democracy and the intervention of the Party-State is not linear as anticipated. Rather, as illustrated in the earlier cases of TaiwanElectronics, TaiwanFood, and ScandiMedicine, the intervention of the Party-State does not always result in a high level of union democracy. In other words, the impact of the intervention of the Party-State on union democracy is highly differentiated among workplaces. There appears to be other factors at play in the relationship between union democracy and the intervention of the Party-State.

7.2 Integrating four hypotheses

Part 7.1 revisited the empirical findings on the dependent and independent variables. Until now, however, this thesis has not considered the relative weight of each of four hypotheses and their potential sequencing in explaining the variations in employee union identification and employee identification with the employer among the six sample enterprises.

Many studies of trade unionism simply seek to establish the relevance and effect of different lines

of analysis. This thesis strives for a better understanding of the relationship between different lines of analysis and inasmuch as possible, their sequencing in explaining the variations in employee union identification and employee identification with the employer. This requires tackling a number of analytical puzzles. First, employee union identification is higher when union instrumentality is higher (hypothesis 1). The same is true for union democracy (hypothesis 2). Therefore, a first analytical puzzle concerns the relationship between the instrumental and constructivist accounts of employee union identification.

Second, the type of employee identification varies with the type of frame of reference for labour relations (hypothesis 3). How does the frame of reference lead to employee identification?

Finally, a third analytical puzzle concerns the link between union democracy and the intervention of the Party-State. Although the empirical findings on the intervention of the Party-State are mixed, there is certain evidence that hypothesis 4 holds for three of the six sample enterprises (JapanAuto, JapanMotor, and GermanyAdhesive). What are the factors at play in the relationship between union democracy and the intervention of the Party-State?

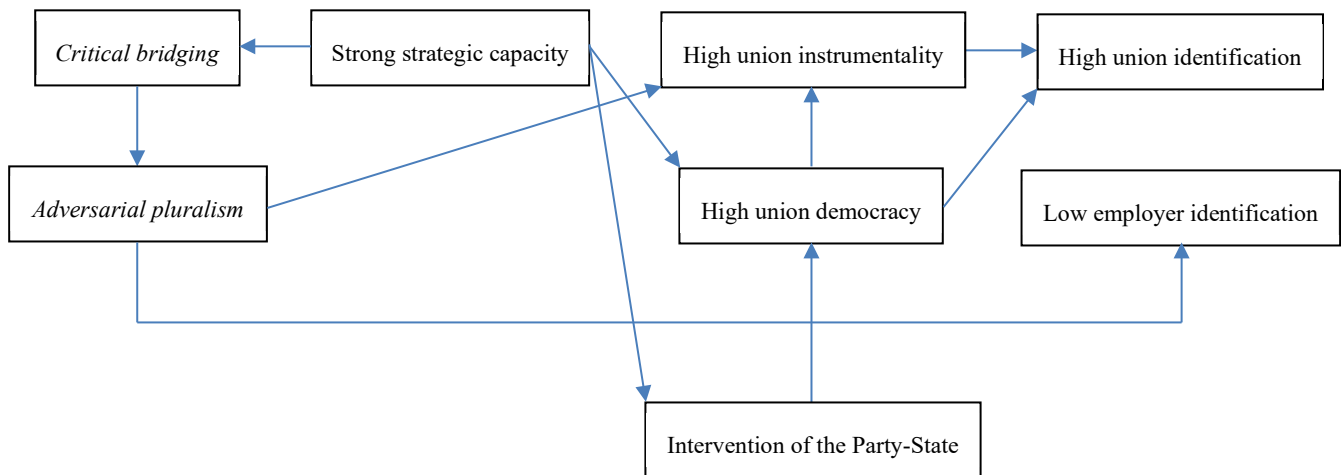
In seeking to mobilize union instrumentality, union democracy, the frame of reference for labour relations, and the intervention of the Party-State, Part 7.2 proceeds sequentially with the grouping of the six sample enterprises on employee identification: (1) the *primary-union-identification* group (JapanAuto); (2) the *dual-disidentification* group (TaiwanElectronics and TaiwanFood); (3) the *primary-employer-identification* group (ScandiMedicine); and (4) the *dual-identification* group (JapanMotor and GermanyAdhesive).

7.2.1 JapanAuto

JapanAuto is characterized by *primary union identification*, namely the configuration combining a high level of employee union identification but a low level of employee identification with the employer. In other words, employees identify with their enterprise union, not their employer.

Figure 7.1 illustrates relationships between the factors to be explored in the case of JapanAuto throughout Section 7.2.1. This is a complex set of relationships, which involves a number of analytical puzzles as regards the factors leading to a high level of employee union identification but a low level of employee identification with the employer.

Figure 7.1 What Leads to A High Level of Employee Union Identification but A Low Level of Employee Identification with the Employer? The Case of JapanAuto



Since the JapanAuto enterprise union is characterized by high levels of union instrumentality and union democracy, is it possible to distinguish the relative impacts of the instrumental and constructivist accounts of employee union identification?

In addition to undertaking the election of union officials, the worker congress was also associated by the JapanAuto enterprise union with collective bargaining, deliberating about negotiations and approving or vetoing collective contracts. The JapanAuto enterprise union also established a network of union stewards as a channel to articulate employee demands to union leadership, emphasized the representational capacity of union stewards, and even empowered union stewards. Therefore, while not wishing to discount a direct positive impact on employee union identification, a high level of union democracy also indirectly contributes to employee union

identification through enhanced union instrumentality.

The JapanAuto enterprise union and the employer are bound by *adversarial pluralism*. In *adversarial pluralism*, employees and their employer pursue separate interests in a way that respects the legitimacy of the interests of each. Therefore, an analytical puzzle emerges as to how *adversarial pluralism* leads to *primary union identification*.

The JapanAuto enterprise union achieved significant wage increases through collective bargaining. In addition to significant wage increases, the JapanAuto enterprise union also had an outstanding performance in improving welfare benefits. By implementing openness and transparency of information, the JapanAuto enterprise union established the image of antagonistic labour relations for employees. By leading to a high level of union instrumentality, *adversarial pluralism* results in a high level of employee union identification.

The 2011 strike was the sobering experience for employees, which reminded them that in order to defend enterprise interests, their employer would never hesitate to break a long-term tacit agreement with employees, for example, putting off the adjustment of the wage scale supposed to take place every January. By engraving the multiplicity of interests on the mind of employees, the collective memory of the 2011 strike meant that employees attributed the loss of their interests to willful infringement by their employer, thus resulting in a low level of employee identification with the employer. In other words, *adversarial pluralism* is working to the detriment of employee identification with the employer.

Another analytical puzzle concerns the interventions of the Party-State in JapanAuto. In JapanAuto, the dominance and special interests of grass-roots managers hindered a network of union stewards. By involving the BEDA Federation of Trade Unions in the reform of a network of union stewards as designing the reform and training newly-elected union stewards, the JapanAuto enterprise union improved the representativeness of union stewards. Therefore, the intervention of the Party-State leads to a high level of union democracy, which not only directly

improves employee union identification but also contributes to union instrumentality and in turn, has an indirect positive impact on employee union identification.

Since the JapanAuto enterprise union is characterized by *critical bridging*, does *adversarial pluralism* (the frame of reference for labour relations) precede *critical bridging* (trade union identity) or does *critical bridging* lead to *adversarial pluralism*?

If *adversarial pluralism* prevails in the workplace, the structures and processes of decision-making will be distributive collective bargaining. As one of the effects of the 2011 strike, the employer brought in the system of labour-management consultative meetings so the JapanAuto enterprise union endeavoured to move from labour-management consultative meetings every May to July to collective bargaining. The JapanAuto enterprise union has routinely carried out collective bargaining since the 2011 strike. The JapanAuto enterprise union achieved significant wage increases through collective bargaining. The interaction between the JapanAuto enterprise union and the employer was characterized by competition and even confrontation.

Collective bargaining between the JapanAuto enterprise union and the employer was characterized by the pursuit of distributive justice. The strategy of the JapanAuto enterprise union in achieving wage increases was to emphasize the fairness of the wage regime for the entire workforce, especially the internal pay equity between rank-and-file employees and grass-roots managers and the external pay equity between employees in JapanAuto and their counterparts in other auto manufacturers.

In response to the primary question as regards trade union identity (i.e., “Are employees in a harmonious and stable relationship with their employer?”), *critical bridging* emphasizes the conflict between employee interests and employer interests, as opposed to highlighting the harmony between them. As regards what actions are taken to defend employee interests, *critical bridging* defines an enterprise union as the representative organization of employees. Therefore, distributive collective bargaining is not only the distinct manifestation of *adversarial pluralism*

but also the defining feature of *critical bridging*.

However, it could be argued that *critical bridging* leads to *adversarial pluralism*. In JapanAuto, prior to the 2011 strike, the union officer was not democratically elected by employees but directly appointed by the employer. The union officer position was held by the deputy general manager. During the 2011 strike, employee demands involved the restructuring of their enterprise union, especially the recall of their union officer. In the first genuine election of union officials in the history of JapanAuto after the 2011 strike, a new union officer who was until then a grass-roots manager became the full-time union officer. The same union officer remained in office after the election of union officials in 2016. Since the 2011 strike, the JapanAuto enterprise union has been relatively independent of the employer. By developing a proactive trade union identity – *critical bridging* – the JapanAuto enterprise union thus played an active role in constructing the frame of reference for labour relations, namely *adversarial pluralism*.

It is at this point that this thesis must introduce an additional factor in exploring the dynamics underlying the variations in employee union identification and employee identification with the employer. This is the role of union strategic capacity, which this thesis alluded to in Chapter 2. Strategic capacity features the recent literature on union renewal (e.g., Lévesque & Murray, 2010; Murray, et al., 2010) but is not a factor in hypothesized relationships.

Internally, the JapanAuto enterprise union associated the worker congress with collective bargaining, having the worker congress deliberate about negotiations and approve or veto collective contracts, and established a network of union stewards as a channel to articulate employee demands to union leadership. Externally, the JapanAuto enterprise union involved the BEDA Federation of Trade Unions in enterprise union reforms. In other words, the JapanAuto enterprise union demonstrated a capacity to develop and use substantial internal and external resources. This suggests that the JapanAuto enterprise union is characterized by strong strategic capacity.

Adjusting union representation constituted the foundation of the narrative resource of “listening-communicating-improving” of the BEDA Federation of Trade Unions. However, adjusting union representation does not necessarily entail improving union democracy. In the context of the legal framework of the worker congress, in theory, an enterprise union should be accountable to the worker congress. However, in reality, the enterprise union is likely to be the executive organ in charge of organizing the worker congress. Therefore, whether or not the worker congress functions properly – for example, electing employee representatives – relies on the initiative and capacity of the enterprise union. How to operationalize the worker congress and associated systems – for example, the election of union officials and a network of union stewards – to meet the demand of the BEDA Federation of Trade Unions as regards adjusting union representation thus depends on the initiative and capacity of the enterprise union. Therefore, strategic capacity is seen to moderate the impact of the intervention of the BEDA Federation of Trade Unions on union democracy is premised on the ambiguity embedded in the legal framework of the worker congress.

A potential line of analysis establishing the relationship between strategic capacity and trade union identity emerges from the case of JapanAuto. *Critical bridging* is related to strong strategic capacity. For example, it was because of the significant capacity of framing that the JapanAuto enterprise union developed and used substantial narrative resources, breaking through the dominant political discourse concerning the role of an enterprise union – the bridge between employees and their employer – and formulating the role of an enterprise union as the representative organization of employees.

To recap, in JapanAuto, strong strategic capacity leads to a particular trade union identity – *critical bridging* – which then structures a particular frame of reference of labour relations, namely *adversarial pluralism*.

In JapanAuto, union instrumentality and union democracy play a crucial role in leading to a high

level of employee union identification. However, there are antecedents in the sequence of events, namely the frame of reference for labour relations, trade union identity, and strategic capacity.

There is a sequential link between strong strategic capacity and *critical bridging*. Internally, an enterprise union with strong strategic capacity takes the initiative to develop a high level of union democracy. A high level of union democracy not only directly improves employee union identification but also contributes to union instrumentality and in turn, has an indirect positive impact on employee union identification. Externally, by virtue of strong strategic capacity, the enterprise union is able to proactively use the intervention of the Party-State with a view to enhancing union democracy, which leads to a high level of union instrumentality.

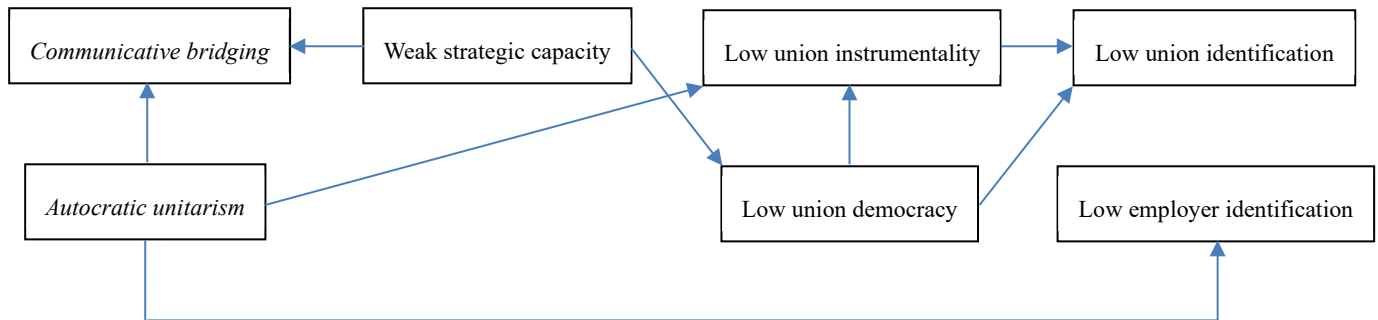
Critical bridging that arises from strong strategic capacity leads to *adversarial pluralism*. By resulting in a high level of union instrumentality, *adversarial pluralism* is associated with a high level of employee union identification. *Adversarial pluralism* also leads to a low level of employee identification with the employer. Of course, relationships between the dependent and independent variables are tightly bound but the case of a high level of employee union identification and a low level of employee union identification at JapanAuto offers the first set of insights into the singular nature of *adversarial pluralism*.

7.2.2 TaiwanElectronics and TaiwanFood

TaiwanElectronics and TaiwanFood are characterized by *dual disidentification*, namely the configuration combining low levels of employee union identification and employee identification with the employer. In other words, employees identify with neither their enterprise union nor their employer.

What leads to low levels of employee union identification and employee identification with the employer? Relationships between the factors to be explored in the cases of TaiwanElectronics and TaiwanFood throughout Section 7.2.2 are illustrated in Figure 7.2.

Figure 7.2 What Leads to Low Levels of Employee Union Identification and Employee Identification with the Employer? The Cases of TaiwanElectronics and TaiwanFood



Since the TaiwanElectronics and TaiwanFood enterprise unions are characterized by low levels of union instrumentality and union democracy, is it possible to distinguish the relative impacts of the instrumental and constructivist accounts of employee union identification?

Neither the TaiwanElectronics enterprise union nor the TaiwanFood enterprise union associated the worker congress with collective consultation. The worker congress was set up by the TaiwanElectronics enterprise union in a formalistic manner. The TaiwanFood enterprise union has not yet routinely convened the worker congress. Although the mechanisms similar to a network of union stewards were established by the TaiwanElectronics and TaiwanFood enterprise unions, a network of trade-union teams primarily served top-down information-sharing, expressing the orders of union leadership to employees. In TaiwanFood, limited bottom-up information-sharing was primarily to supplement management shortcomings and enrich management channels rather than articulating employee demands to union leadership. Therefore, in addition to a direct negative impact on employee union identification, a low level of union democracy also works indirectly to the detriment of employee union identification through a low level of union instrumentality.

In TaiwanElectronics and TaiwanFood, the enterprise unions and the employers are bound by *autocratic unitarism*. In *autocratic unitarism*, employees follow the directives of their employer

for attaining organizational goals, which in turn are assumed to benefit employees. Therefore, an analytical puzzle emerges as to how *autocratic unitarism* leads to *dual disidentification*.

The TaiwanElectronics and TaiwanFood enterprise unions did not achieve significant wage increases. Collective consultation was set up by the TaiwanElectronics enterprise union in a formalistic manner. The TaiwanFood enterprise union has not yet set up collective consultation. However, in comparison with the TaiwanElectronics enterprise union, since the 2010 strike, the TaiwanFood enterprise union was willing to play a more active role in improving welfare benefits but had little achievement to date. Therefore, *autocratic unitarism* plays a crucial indirect role through the effect of a low level of union instrumentality on employee union identification.

In TaiwanElectronics, the employer has pursued a kind of militarized management in which the employer used aggressive military tactics to intensify control over employees with a view to requiring the compliance of employees with discipline and the execution of orders. In TaiwanFood, by refusing to renew labour contracts with rank-and-file employees, the employer avoided concluding indefinite-term labour contracts, thus leading to precarious employment. Under *autocratic unitarism*, by resulting in the willful infringement of employee interests by an employer, the unrestrained discretion of the employer is associated with a low level of employee identification with the employer. In other words, *autocratic unitarism* is working to the detriment of employee identification with the employer.

Another analytical puzzle concerns the interventions of the Party-State in TaiwanElectronics and TaiwanFood. Although nominally observing the principle of dual leadership – the Federation of Trade Unions and the group trade union of the parent company were supposed to share leadership over the TaiwanElectronics enterprise union – the enterprise union did not involve the Federation of Trade Unions in any enterprise union reform. Rather, the TaiwanElectronics enterprise union followed the orientations suggested by the group trade union, setting up a network of trade-union teams, the worker congress, collective consultation, and other mechanisms in accordance with the

Guidance of Trade Union Construction formulated by the group trade union. There was not any intervention of the Federation of Trade Unions in TaiwanElectronics.

By organizing the activity of mutual comparison and learning every year, the BEDA Federation of Trade Unions solicited, sorted out, and disseminated the best trade union practices emerging in implementing the listening-communicating-improving initiative by enterprise unions. Through the information-sharing platform of the Federation of Trade Unions, by learning the practice of the JapanAuto enterprise union, the TaiwanFood enterprise union sought to duplicate a network of union stewards and established a network of trade-union teams. However, in TaiwanFood, a network of trade-union teams primarily served top-down information-sharing, expressing the orders of union leadership to employees. Limited bottom-up information-sharing was primarily to supplement management shortcomings and enrich management channels rather than articulating employee demands to union leadership. Therefore, a network of trade-union teams was a merely crude imitation of a network of union stewards. This suggests that the interventions of the Party-State either did not occur (TaiwanElectronics) or reinforced top-down information-sharing (TaiwanFood).

Since the TaiwanElectronics and TaiwanFood enterprise unions are characterized by *communicative bridging*, does *autocratic unitarism* (the frame of reference for labour relations) precede *communicative bridging* (trade union identity) or does *communicative bridging* lead to *autocratic unitarism*?

If *autocratic unitarism* prevails in the workplace, the structures and processes of decision-making will be unilateral employer decision-making without consultation. The TaiwanElectronics and TaiwanFood enterprise unions did not establish any substantial mechanism of consultation or co-determination. Collective consultation was set up by the TaiwanElectronics enterprise union in a formalistic manner. The TaiwanFood enterprise union has not yet set up collective consultation.

The TaiwanElectronics and TaiwanFood enterprise unions did not achieve significant wage

increases, let alone criticize a wage regime. In TaiwanElectronics and TaiwanFood, handing over a wage regime to the discretion of the employers suggested that the enterprise unions regarded the enterprise rules and regulations determined by the employers as the only standard to be followed.

In response to the primary question as regards trade union identity (i.e., “Are employees in a harmonious and stable relationship with their employer?”), *communicative bridging* acknowledges the harmony between employee interests and employer interests, as opposed to emphasizing the conflict between them. As regards what actions are taken to defend employee interests, *communicative bridging* defines an enterprise union as the administrative apparatus in charge of expressing employee demands to an employer, primarily channeling the occasional dissatisfactions of employees. Therefore, unilateral employer decision-making without consultation represents the overlap between *autocratic unitarism* and *communicative bridging*.

However, it could be argued that *autocratic unitarism* leads to *communicative bridging*. The TaiwanFood enterprise union carried out the election of union officials in a formalistic manner. The election of the union officer carried out by the TaiwanFood enterprise union was not only an indirect election but also a single-candidate election. Just as important, the only candidate for the union officer was appointed by the employer. The TaiwanElectronics enterprise union has never even gone through the election of union officials. In TaiwanElectronics and TaiwanFood, the enterprise unions were subordinated to the employers, thus having to be bound by a passive trade union identity – *communicative bridging* – which corresponded to *autocratic unitarism*.

Internally, the TaiwanElectronics and TaiwanFood enterprise unions neither associated the worker congress with collective consultation nor established any internal mechanism of union representation as a channel to articulate employee demands to union leadership. Externally, the TaiwanElectronics and TaiwanFood enterprise unions did not involve the BEDA Federation of Trade Unions in any enterprise union reform. In other words, unlike the earlier case of

JapanAuto, the TaiwanElectronics and TaiwanFood enterprise unions did not develop or use any internal or external resources. This suggests that the TaiwanElectronics and TaiwanFood enterprise unions are characterized by weak strategic capacity.

Whereas *critical bridging* in JapanAuto is related to strong strategic capacity, *communicative bridging* in TaiwanElectronics and TaiwanFood is linked to weak strategic capacity. For example, in the absence of capacity of framing, the TaiwanElectronics and TaiwanFood enterprise unions hardly developed or used any narrative resources but abided by the role of the bridge between employees and their employer, formulating the role of an enterprise union as the administrative apparatus in charge of expressing employee demands to an employer, primarily channeling the occasional dissatisfactions of employees.

To recap, in TaiwanElectronics and TaiwanFood, a particular frame of reference for labour relations – *autocratic unitarism* – leads to a particular trade union identity, namely *communicative bridging*. *Communicative bridging* is abetted by weak strategic capacity.

In TaiwanElectronics and TaiwanFood, union instrumentality and union democracy are important factors in understanding a low level of employee union identification in the workplace.

Autocratic unitarism plays a crucial indirect role through the effect of a low level of union instrumentality on employee union identification. *Autocratic unitarism* also leads to a low level of employee identification with the employer.

Autocratic unitarism also leads to *communicative bridging*. Like the relationship between strong strategic capacity and *critical bridging*, there is also a sequential link between weak strategic capacity and *communicative bridging*. Internally, an enterprise union with weak strategic capacity is not proactive in developing a high level of union democracy. A low level of union democracy not only directly weakens employee union identification but also works to the detriment of union instrumentality and in turn, has an indirect negative impact on employee union identification. Externally, the enterprise union with weak strategic capacity is unable to proactively use the

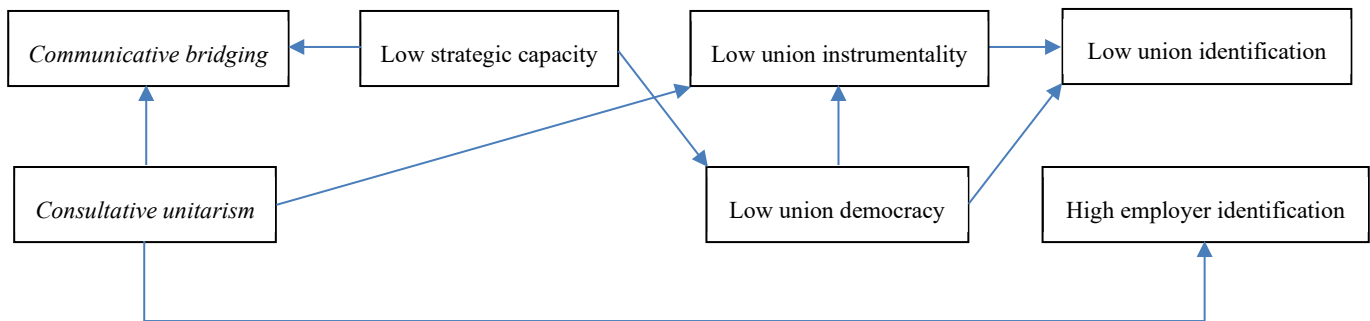
intervention of the Party-State. Rather, the enterprise union is caught in a vicious cycle of dependency as a result of different factors at play.

7.2.3 ScandiMedicine

ScandiMedicine is characterized by *primary employer identification*, namely the configuration combining a low level of employee union identification but a high level of employee identification with the employer. In other words, employees identify with their employer, not their enterprise union.

Figure 7.3 illustrates relationships between the factors to be explored in the case of ScandiMedicine throughout Section 7.2.3. This is a complex set of relationships, which leads to a low level of employee union identification but a high level of employee identification with the employer.

Figure 7.3 What Leads to A Low Level of Employee Union Identification but A High Level of Employee Identification with the Employer? The Case of ScandiMedicine



Since the ScandiMedicine enterprise union was characterized by low levels of union instrumentality and union democracy, is it possible to distinguish the relative impacts of the instrumental and constructivist accounts of employee union identification?

The ScandiMedicine enterprise union has not yet associated the worker congress with collective

consultation. The worker congress is not even routinely convened by the ScandiMedicine enterprise union. The ScandiMedicine enterprise union has not yet established a network of union stewards or any similar mechanism, for example, a network of trade-union teams. As a result, in ScandiMedicine, the articulation of employee demands to union leadership occurred only to a rather limited extent. Like the earlier cases of TaiwanElectronics and TaiwanFood, in ScandiMedicine, in addition to a direct negative impact on employee union identification, a low level of union democracy also works indirectly to the detriment of employee union identification through a low level of union instrumentality.

The ScandiMedicine enterprise union and the employer are bound by *consultative unitarism* in which employees and their employer work together for organizational goals in a way that is established by management through consultation. Therefore, an analytical puzzle emerges as to how *consultative unitarism* leads to *primary employer identification*.

The ScandiMedicine enterprise union did not achieve significant wage increases through collective consultation. Collective consultation was set up by the ScandiMedicine enterprise union in a formalistic manner. The ScandiMedicine enterprise union only improved welfare benefits to a rather limited extent. Like the earlier cases of TaiwanElectronics and TaiwanFood, in ScandiMedicine, *consultative unitarism* also plays a crucial indirect role through the effect of a low level of union instrumentality on employee union identification.

In ScandiMedicine, the employer practiced a kind of humanized management in which the employer appeared to establish substantial welfare programs for employees and weaken managerial despotism. Under *consultative unitarism*, by leading to the improvement of employee interests by an employer, paternalistic employer leadership results in a high level of employee identification with the employer. In other words, *consultative unitarism* is working to favour employee identification with the employer.

Another analytical puzzle concerns the interventions of the Party-State in ScandiMedicine.

Through the information-sharing platform of the BEDA Federation of Trade Unions, by learning the practice of the JapanSemiconductor enterprise union, the ScandiMedicine enterprise union duplicated a corporate ethics committee and formulated the code of conduct for employees and their employer. However, the ScandiMedicine enterprise union failed to make any link between union democracy and union instrumentality. This suggests that the dominant political discourse concerning labour relations in the BEDA – the listening-communicating-improving initiative – did not inspire the ScandiMedicine enterprise union to initiate any enterprise union reform. There was not any intervention of the Federation of Trade Unions in ScandiMedicine.

Since the ScandiMedicine enterprise union was characterized by *communicative bridging*, does *consultative unitarism* (the frame of reference for labour relations) precede *communicative bridging* (trade union identity) or does *communicative bridging* lead to *consultative unitarism*?

If *consultative unitarism* prevails in the workplace, the structures and processes of decision-making will be unilateral employer decision-making following consultation. The ScandiMedicine enterprise union did not establish any substantial mechanism of consultation or co-determination. Collective consultation was set up by the ScandiMedicine enterprise union in a formalistic manner. However, the employer has pursued employee involvement.

The ScandiMedicine enterprise union did not achieve significant wage increases, let alone criticize a wage regime. Handing over a wage regime to the discretion of the employer suggested that the ScandiMedicine enterprise union regarded the enterprise rules and regulations determined by the employer as the only standard to be followed.

In response to the primary question as regards trade union identity (i.e., “Are employees in a harmonious and stable relationship with their employer?”), *communicative bridging* acknowledges the harmony between employee interests and employer interests, as opposed to emphasizing the conflict between them. As regards what actions are taken to defend employee interests, *communicative bridging* defines an enterprise union as the administrative apparatus in

charge of expressing employee demands to an employer, primarily channeling the occasional dissatisfactions of employees. Like the earlier cases of TaiwanElectronics and TaiwanFood, in ScandiMedicine, unilateral employer decision-making following consultation also represents the overlap between *consultative unitarism* and *communicative bridging*.

However, it could be argued that *consultative unitarism* leads to *communicative bridging*. The ScandiMedicine enterprise union carried out the election of union officials in a formalistic manner. The election of the union officer carried out by the ScandiMedicine enterprise union was not only an indirect election but also a single-candidate election. Just as important, the only candidate for the union officer was appointed by the employer. The ScandiMedicine enterprise union was therefore subordinated to the employer. Paternalistic employer leadership turned into the prototype for the employer to develop the labour relations system. As a result, the employer strategically chose *consultative unitarism*. By having the ScandiMedicine enterprise union be bound by a particular type of trade union identity – *communicative bridging* – the employer developed the formal structure for employee involvement without the participation of the enterprise union.

Internally, the ScandiMedicine enterprise union neither associated the worker congress with collective consultation nor established any internal mechanism of union representation as a channel to articulate employee demands to union leadership. Externally, the ScandiMedicine enterprise union did not initiate any enterprise union reform in accordance with the discourse of the BEDA Federation of Trade Unions. In other words, like the earlier cases of TaiwanElectronics and TaiwanFood, the ScandiMedicine enterprise union also did not develop or use any internal or external resources. This suggests that the ScandiMedicine enterprise union is also characterized by weak strategic capacity.

Like the earlier cases of TaiwanElectronics and TaiwanFood, in ScandiMedicine, *communicative bridging* is related to weak strategic capacity. For example, like its counterparts in

TaiwanElectronics and TaiwanFood, in the absence of capacity of framing, the ScandiMedicine enterprise union also hardly developed or used any narrative resources but abided by the role of the bridge between employees and their employer.

To recap, like the earlier cases of TaiwanElectronics and TaiwanFood, in ScandiMedicine, *consultative unitarism* also leads to *communicative bridging*. *Communicative bridging* is abetted by weak strategic capacity.

Like the earlier cases of TaiwanElectronics and TaiwanFood, in ScandiMedicine, union instrumentality and union democracy are also important factors in understanding a low level of employee union identification in the workplace.

Consultative unitarism plays a crucial indirect role through the effect of a low level of union instrumentality on employee union identification. However, *consultative unitarism* also leads to a high level of employee identification with the employer.

Consultative unitarism also leads to *communicative bridging*. It is possible to observe the sequential link between weak strategic capacity and *communicative bridging*. Internally, an enterprise union with weak strategic capacity does not display any great initiative in developing a high level of union democracy. A low level of union democracy weakens employee union identification, either directly or indirectly. Externally, due to weak strategic capacity, the enterprise union is unable to proactively use the intervention of the Party-State. The enterprise union is caught in a subordinate role where employees exhibit a low level of employee union identification but a high level of employee identification with the employer.

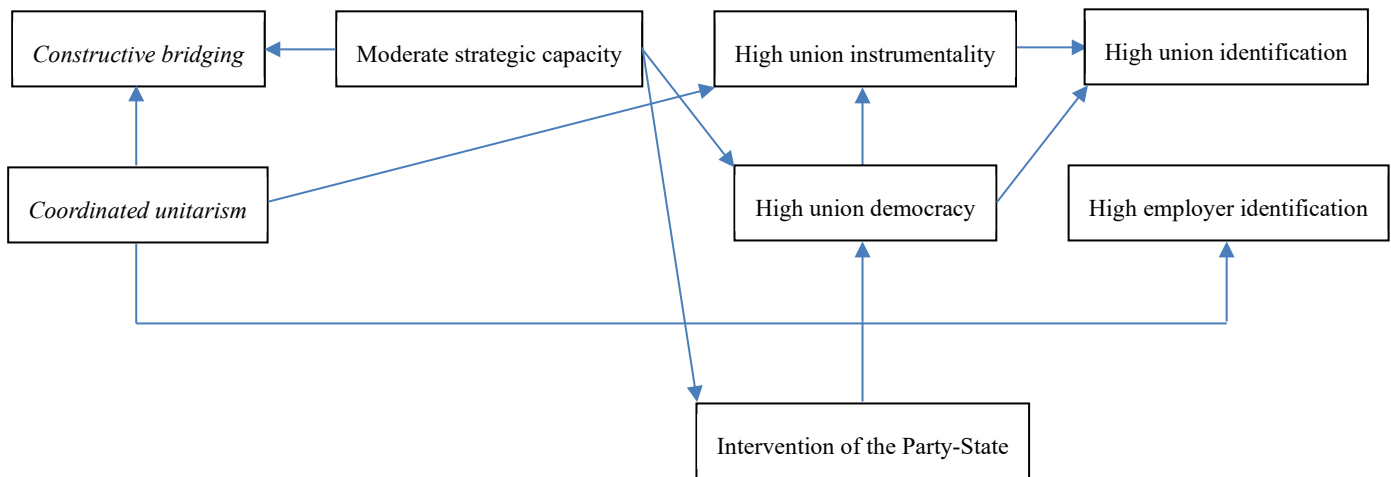
7.2.4 JapanMotor and GermanyAdhesive

JapanMotor and GermanyAdhesive are characterized by *dual identification*, namely the configuration combining high levels of employee union identification and employee identification with the employer. In other words, employees identify with both their enterprise

union and their employer.

What leads to high levels of employee union identification and employee identification with the employer? Relationships between the factors to be explored in the cases of JapanMotor and GermanyAdhesive throughout Section 7.2.4 are illustrated in Figure 7.4.

Figure 7.4 What Leads to High Levels of Employee Union Identification and Employee Identification with the Employer? The Cases of JapanMotor and GermanyAdhesive



Since the JapanMotor and GermanyAdhesive enterprise unions are characterized by high levels of union instrumentality and union democracy, is it possible to distinguish the relative impacts of the instrumental and constructivist accounts of employee union identification?

In addition to undertaking the election of union officials, the worker congress was also associated by the JapanMotor enterprise union with collective consultation to a certain extent, approving or vetoing collective contracts. The GermanyAdhesive enterprise union had the worker congress deliberate about revised enterprise rules and regulations. A network of union stewards was established by the JapanMotor enterprise union as a channel to articulate employee demands to union leadership. The JapanMotor enterprise union also emphasized the representational capacity of union stewards. Although a network of union stewards or any similar mechanism (e.g., a

network of trade-union teams) has not yet been established by the GermanyAdhesive enterprise union, each union committee member performed duties as the union steward of his or her department. Therefore, the GermanyAdhesive enterprise union achieved the articulation of employee demands to union leadership. Like the earlier case of JapanAuto, in JapanMotor and GermanyAdhesive, while not wishing to discount a direct positive impact on employee union identification, a high level of union democracy also indirectly contributes to employee union identification through enhanced union instrumentality.

In JapanMotor and GermanyAdhesive, the enterprise unions and the employers are bound by *coordinated unitarism*. Like *consultative unitarism*, in *coordinated unitarism*, employees and their employer also work together for organizational goals in a way that is established by management through consultation. However, in *coordinated unitarism*, one will expect to see formal participatory structures with the involvement of a trade union, which acts as the coordinator between employees and their employer and undertakes the responsibility of supporting employees and their employer to develop and achieve a shared vision of ideal labour relations. Therefore, an analytical puzzle emerges as to how *coordinated unitarism* leads to *dual identification*.

In JapanMotor and GermanyAdhesive, even during the period of shrinking production, the enterprise unions still achieved significant wage increases through collective consultation with the employers. In JapanMotor and GermanyAdhesive, in addition to significant wage increases, the enterprise unions and the employers also had outstanding performances in improving welfare benefits. By implementing the selective disclosure of information, the JapanMotor and GermanyAdhesive enterprise unions established the image of cooperative labour relations for employees. Under *coordinated unitarism*, by leading to a high level of union instrumentality and the improvement of employee interests by an employer, paternalistic employer leadership with the involvement of an enterprise union results in high levels of employee union identification and employee identification with the employer. In other words, *coordinated unitarism* is working to

favour employee union identification and employee identification with the employer.

Another analytical puzzle concerns the interventions of the Party-State in JapanMotor and GermanyAdhesive. By conceptualizing collective consultation into three interlinked components – the listening-communicating-improving initiative – the BEDA Federation of Trade Unions emphasized the link between union democracy – listening – and union instrumentality, namely communicating and improving. Inspired by the dominant political discourse concerning labour relations in the BEDA – the listening-communicating-improving initiative – the GermanyAdhesive enterprise union activated a long-dormant network of union committee members with a view to turning it into both top-down and bottom-up information-sharing.

Although still undertaking the responsibility of expressing the orders of union leadership to employees, a network of union stewards has been associated by the JapanMotor enterprise union with the articulation of employee demands to union leadership. By involving the BEDA Federation of Trade Unions in the perfection of a network of union stewards by training newly-elected union stewards and evaluating the capacities of union stewards, the JapanMotor enterprise union improved the representativeness of union stewards. Therefore, like the earlier case of JapanAuto, in JapanMotor and GermanyAdhesive, the intervention of the Party-State also leads to a high level of union democracy, which not only directly improves employee union identification but also contributes to union instrumentality and in turn, has an indirect positive impact on employee union identification.

Since the JapanMotor and GermanyAdhesive enterprise unions were characterized by *constructive bridging*, does *coordinated unitarism* (the frame of reference for labour relations) precede *constructive bridging* (trade union identity) or does *constructive bridging* lead to *coordinated unitarism*?

If *coordinated unitarism* prevails in the workplace, the structures and processes of decision-making will be integrative collective consultation. In JapanMotor and GermanyAdhesive,

collective consultation has been routinely carried out by the enterprise unions and the employers. In JapanMotor and GermanyAdhesive, the enterprise unions and the employers achieved significant wage increases through collective consultation. In JapanMotor and GermanyAdhesive, interactions between the enterprise unions and the employers were characterized by collaboration in which the enterprise unions as the party subordinated to the employers worked in support of the goal for which the employers were ultimately in charge.

In JapanMotor and GermanyAdhesive, collective consultation between the enterprise union and the employer was characterized by the pursuit of the integration between employee interests and employer interests. The approach that the JapanMotor and GermanyAdhesive enterprise unions strategically chose for achieving significant wage increases was to emphasize particular incentives for the core labour force, namely assistant foremen in JapanMotor and console operators in GermanyAdhesive.

In response to the primary question as regards trade union identity (i.e., “Are employees in a harmonious and stable relationship with their employer?”), *constructive bridging* emphasizes the constructed harmony between employee interests and employer interests, as opposed to highlighting the ready-made harmony between them. As regards what actions are taken to defend employee interests, *constructive bridging* defines an enterprise union as the administrative apparatus in charge of expressing employee demands to an employer, not only channeling the occasional dissatisfactions of employees but also aligning employer decisions with employee demands. Like the earlier case of JapanAuto, in JapanMotor and GermanyAdhesive, integrative collective consultation is not only the distinct manifestation of *coordinated unitarism* but also the defining feature of *constructive bridging*.

However, it could be argued that *coordinated unitarism* leads to *constructive bridging*. The JapanMotor and GermanyAdhesive enterprise unions carried out the election of union officials in a formalistic manner. The election of the union officer carried out by the JapanMotor and

GermanyAdhesive enterprise union was not only an indirect election but also a single-candidate election. Just as important, in JapanMotor and GermanyAdhesive, the only candidates for the union officers were appointed by the employers. In JapanMotor and GermanyAdhesive, the enterprise unions were subordinated to the employers. In JapanMotor and GermanyAdhesive, paternalistic employer leadership turned into the prototype for the employers to develop the labour relations system. As a result, in JapanMotor and GermanyAdhesive, the employers strategically chose *coordinated unitarism*. Like the earlier case of ScandiMedicine, in JapanMotor and GermanyAdhesive, by having the enterprise unions be bound by a particular type of trade union identity – *constructive bridging* – the employers also developed the necessary structures and processes of decision-making, namely the structure for employee involvement with the participation of the enterprise unions.

Internally, the JapanMotor enterprise union associated the worker congress with collective consultation, having the worker congress approve or veto collective contracts. The worker congress was associated by the GermanyAdhesive enterprise union with deliberating about revised enterprise rules and regulations. The JapanMotor and GermanyAdhesive enterprise unions established the internal mechanisms of union representation as a channel to articulate employee demands to union leadership. Externally, the JapanMotor and GermanyAdhesive enterprise unions initiated enterprise union reforms in accordance with the discourse of the BEDA Federation of Trade Unions. In other words, the JapanMotor and GermanyAdhesive enterprise unions developed and used internal and external resources to a considerable extent. This suggests that the JapanMotor and GermanyAdhesive enterprise unions are characterized by moderate strategic capacity, lying between the JapanAuto enterprise union and the TaiwanElectronics, TaiwanFood, and ScandiMedicine enterprise unions.

Whereas *critical bridging* in JapanAuto is related to strong strategic capacity and *communicative bridging* in TaiwanElectronics, TaiwanFood, and ScandiMedicine is linked to weak strategic capacity, *constructive bridging* in JapanMotor and GermanyAdhesive is associated with moderate

strategic capacity. For example, it was because of the adequate capacity of framing that the JapanMotor and GermanyAdhesive enterprise unions developed and used their narrative resources to a considerable extent, reinterpreting the role of the bridge between employees and their employer and formulating the role of an enterprise union as the administrative apparatus in charge of expressing employee demands to an employer, not only channeling the occasional dissatisfactions of employees but also aligning employer decisions with employee demands.

To recap, in JapanMotor and GermanyAdhesive, a particular frame of reference for labour relations – *coordinated unitarism* – leads to a particular trade union identity, namely *constructive bridging*. However, unlike the earlier cases of TaiwanElectronics, TaiwanFood, and ScandiMedicine, in JapanMotor and GermanyAdhesive, *constructive bridging* is unable to be developed in the absence of strategic capacity. Rather, moderate strategic capacity contributes to *constructive bridging*. In other words, *constructive bridging* stems from the dual influence of *coordinated unitarism* and moderate strategic capacity.

Like the earlier case of JapanAuto, in JapanMotor and GermanyAdhesive, union instrumentality and union democracy also play a crucial role in leading to a high level of employee union identification.

By leading to a high level of union instrumentality, *coordinated unitarism* results in a high level of employee union identification. *Coordinated unitarism* is also associated with a high level of employee identification with the employer.

Coordinated unitarism leads to *constructive bridging*. Like the relationship between strong strategic capacity and *critical bridging* and that between weak strategic capacity and *communicative bridging*, moderate strategic capacity also has a sequential link with *constructive bridging*. Internally, an enterprise union with moderate strategic capacity adopts a proactive approach in developing a high level of union democracy. A high level of union democracy improves employee union identification, either directly or indirectly. Externally, when exhibiting

moderate strategic capacity, the enterprise union is able to proactively use the intervention of the Party-State with a view to enhancing union democracy, which leads to a high level of union instrumentality. This appears to result in higher levels of employee union identification and employee identification with the employer.

7.3 Integrating four lines of analysis

Part 7.2 explored how union instrumentality, union democracy, the frame of reference for labour relations, and the intervention of the Party-State account for the variations in employee union identification and employee identification with the employer among the six sample enterprises. Part 7.3 now seeks to integrate four lines of analysis.

Section 7.3.1 first revisits the major concepts – employee union identification, trade union identity, union instrumentality, union democracy, the frame of reference for labour relations, the intervention of the Party-State, and strategic capacity – with a view to examining their conceptualization within the study of Chinese labour relations. Section 7.3.2 then integrates these four lines of analysis as regards the variations in employee union identification and employee identification with the employer. Finally, with regard to the constructivist approach that union democracy affects employee union identification through union identity construction, Sections 7.3.3 and 7.3.4 elaborate on the role of the frame of reference and strategic capacity in trade union identity respectively, thus exploring synergies between the frame of reference, strategic capacity, and union democracy.

7.3.1 Revisiting the major concepts

In retrospect, Chapters 2 and 3 examined the connotation and extension of the major concepts deployed in this thesis. How well do they perform? Does their use within the context of Chinese labour relations system confirm their relevance? Does their conceptualization within the study of Chinese labour relations have unique Chinese features? Section 7.3.1 considers successively

employee union identification, trade union identity, union instrumentality, union democracy, the frame of reference for labour relations, the intervention of the Party-State, and strategic capacity.

As indicated in Chapter 2, *employee union identification* refers to the extent to which an employee identifies with the values and beliefs of his or her trade union, especially trade union identity as manifested in union policies and practices.

This thesis observes that once asked about whether or not identifying with their enterprise union, employees do not directly evaluate the congruence between their personal identities and trade union identity but indirectly measure the distance between trade union identity and a more general identity, namely “a birth family” (*niang jia*). In China, the original meaning of *niang jia* is the original family of a married female, further denoting the situation where one person trusts most in interpersonal relationships. Therefore, the concept of employee union identification explored here goes through a localization within the Chinese labour relation system.

Drawing on the typology of rationality formulated by Max Weber, union commitment involves two dimensions (Sverke & Kuruvilla, 1995; Sverke & Sjöberg, 1994; Sverke & Sjöberg, 1995): (1) instrumental rationality-based union commitment and (2) value rationality-based union commitment. In comparison with “a husband’s family” (*fu jia*), *niang jia* is more likely to be the retreat of a married female, which provides the married female with spiritual belonging and material support. Similarly, in the view of employees, the overlap between their enterprise union and the image of *niang jia* stems from “listening to our hearts and satisfying our demands” (the terms used by employees in JapanAuto). Therefore, the localization of the concept of employee union identification within the Chinese labour relations system requires a kind of creative ambiguity, which integrates both instrumental rationality-based and value rationality-based union commitments.

As indicated in Chapter 3, *trade union identity* – especially the identity of Chinese enterprise unions – involves three dimensions: (1) harmony and stability (i.e., “Are employees in a

harmonious and stable relationship with their employer?”); (2) liability (i.e., “Who or what is liable for the loss of employee interests?”); and (3) solution (i.e., “What acts are taken to defend employee interests?”).

This thesis not only observes *critical bridging*, which is comparable to a major strand of trade unionism prevailing in developed market economies, but also establishes trade union identity with Chinese characteristics – *communicative bridging* and *constructive bridging* – which stem from the ideal role of an enterprise union advocated by the Party-State as the bridge between employees and their employer. Therefore, the composition of trade union identity explored here is sufficiently extensive to capture the diversified identities of the Chinese enterprise unions discussed.

As a classic concept in the western literature, the core of *union instrumentality* resides in distributive justice (Morrow & McElroy, 2006). This thesis observes that union instrumentality might be characterized not only by distributive justice but also by the integration between employee interests and employer interests. As observed among the six sample enterprises, the strategies of Chinese enterprise unions in achieving wage increases are variable, encompassing not only the concern for the entire workforce but also a special emphasis on results for a particular group of employees, namely the core labour force. According to Dufour & Hege (2010), the dominant group of employees in a workplace trade union is likely to control the development of the agenda for union policies and practices to the detriment of the peripheral group of employees. Therefore, the bias of union instrumentality towards the core labour force or, more broadly, skilled employees within the Chinese labour relations system is consistent with observations in developed market economies.

As another classic concept, *union democracy* lacks a consistent definition in the western literature. According to liberal pluralism and grass-roots activism, union democracy should be characterized by the democratic structures and processes of the decision-making of a trade union,

no matter whether the form is indirect representation structure or direct collective decision-making (Morris & Fosh, 2000). Therefore, the framing of union democracy should develop around the curbing of the accumulation of power by union leadership. However, according to consumer or service-based trade unionism, once fully aware of employee demands, union leadership should simply act on its discretion without necessarily involving employees in the structures and processes of the decision-making of a trade union, neither indirectly nor directly (Morris & Fosh, 2000). Therefore, the framing of union democracy could revolve around the improvement of the responsiveness of a trade union to employee demands.

This thesis observes that Chinese enterprise unions might establish a network of union stewards or similar mechanisms (e.g., a network of trade-union teams) as a channel to articulate employee demands to union leadership rather than directly involving employees in the structures and processes of the decision-making of a trade union. The framing of union democracy is manifested in a hybrid representational structure, namely the arrangement in which middle and senior managers retain control over union leadership and a network of union stewards comprised of front-line managers and even rank-and-file employees link up employees and union leadership (Lee, Brown, & Wen, 2016). Therefore, the framing of union democracy within the Chinese labour relations system is most typically in accordance with a vision of service-based trade unionism, not with liberal pluralism or grass-roots activism, with an emphasis on the aggregation of employee demands instead of inhibiting the iron law of oligarchy.

As indicated in Chapter 2, for the concept of *the frame of reference for labour relations*, there is a consensus in the western literature as regards a set of assumptions on interest compatibility and responsibility mutuality. According to Bray, Budd, & Macneil (2019), the frame of reference can cover six types: (1) *radicalism*; (2) *adversarial pluralism*; (3) *collaborative pluralism*; (4) *consultative unitarism*; (5) *autocratic unitarism*; and (6) *egoism*.

This thesis observes that in addition to *adversarial pluralism*, *autocratic unitarism*, and

consultative unitarism, which prevail in the workplaces of developed market economies, there might also be the variant of *consultative unitarism* with Chinese characteristics, namely *coordinated unitarism*. In this frame of reference, a trade union is the coordinator between employees and their employer and undertakes the responsibility of supporting employees and their employer to develop and achieve a shared vision of ideal labour relations. Therefore, the concept of the frame of reference is extended with a view to integrating what was observed in this study.

The intervention of the Party-State denotes the strategy of the Party-State to intervene in union associational power. Although recognizing the prevalence of the intervention of the Party-State, most researchers (e.g., Chan & Hui, 2014; Kuruvilla & Zhang, 2016; Lee, Brown, & Wen, 2016; Liu & Kuruvilla, 2016) hold that the only effective pattern is collective bargaining led by the Party-State in which “it is mostly the political power of the party-state, rather than the power of workers’ associations, that drives the employers to the negotiation table.” (Chan & Hui, 2014, pp. 238).

This thesis observes that in addition to directly facilitating collective bargaining, local governments and federations of trade unions also improve the responsiveness of enterprise unions to employee demands. Therefore, the concept of the intervention of the Party-State is extensive and constitutes the unique feature for enterprise union reforms, which leads to interesting results that not only are linked with the western literature on union renewal (Murray, 2017) but also have unique Chinese features.

In retrospect, the initial literature review did not develop the concept of *strategic capacity* as a distinct line of analysis. However, our empirical findings indicate that in order to have a better understanding of relationships between the dependent and independent variables, strategic capacity – the know-how to develop, use, and transform power resources as required by current situations – takes on a new importance. As explored in Chapter 2, strategic capacity is an

important factor in understanding differences between trade unions. An emphasis on strategic capacity is linked to the western literature on the importance of union power for union renewal (Foster, 2017; Lévesque & Murray, 2010; Murray, et al., 2010).

7.3.2 Integrating different lines of analysis

The initial focus of this thesis was on a set of linear relationships, for example, the relationship between employee union identification and union instrumentality. Part 7.2 revealed that the dependent and independent variables are linked in different ways among the six sample enterprises. Therefore, in seeking to integrate four lines of analysis, Part 7.3 disentangles antecedents and consequences in a series of tightly linked interrelationships with a view to exploring the dynamics underlying the variations in employee union identification and employee identification with the employer.

Section 7.3.2 seeks to tackle the following key analytical puzzles: (1) the relationship between the instrumental and constructivist accounts of employee union identification; (2) the role of the frame of reference for labour relations in employee identification; and (3) the relationship between union democracy, the intervention of the Party-State, and strategic capacity.

Table 7.2 compares the sequential links comprised of the dependent and independent variables among the six sample enterprises.

Table 7.2 Comparison of Sequential Links among the Six Sample Enterprises

	JapanAuto	JapanMotor GermanyAdhesive	ScandiMedicine	TaiwanElectronics TaiwanFood
Union instrumentality	Increased union instrumentality → Increased union identification		Decreased union instrumentality → Decreased union identification	
Union democracy	Increased union democracy → Increased union identification Increased union democracy → Increased union instrumentality		Decreased union democracy → Decreased union identification Decreased union democracy → Decreased union instrumentality	
Frame of reference for labour relations	<i>Adversarial pluralism</i> → Increased union instrumentality <i>Adversarial pluralism</i> → Decreased employer identification <i>Critical bridging</i> → <i>Adversarial pluralism</i>	<i>Coordinated unitarism</i> → Increased union instrumentality <i>Coordinated unitarism</i> → Increased employer identification <i>Coordinated unitarism</i> → <i>Constructive bridging</i>	<i>Consultative unitarism</i> → Decreased union instrumentality <i>Consultative unitarism</i> → Increased employer identification <i>Consultative unitarism</i> → <i>Communicative bridging</i>	<i>Autocratic unitarism</i> → Decreased union instrumentality <i>Autocratic unitarism</i> → Decreased employer identification <i>Autocratic unitarism</i> → <i>Communicative bridging</i>
Intervention of the Party-State	Intervention of the Party-State → Increased union democracy		No substantial intervention of the Party-State (TaiwanElectronics and ScandiMedicine) Intervention of the Party-State → Increased top-down information-sharing (TaiwanFood)	
Strategic capacity	Increased strategic capacity → <i>Critical bridging</i> Increased strategic capacity → Increased union democracy & Intervention of the Party-State	Increased strategic capacity → <i>Constructive bridging</i> Increased strategic capacity → Increased union democracy & Intervention of the Party-State	Decreased strategic capacity → <i>Communicative bridging</i> Decreased strategic capacity → Decreased union democracy & No substantial intervention of the Party-State	

For each of the propositions advanced in Chapter 2, Table 7.3 presents the theoretical explanation predominant in the existing literature, empirical findings, and theoretical implications for the future study of trade unionism and Chinese labour relations.

Table 7.3 Overview of the Key Empirical Findings

	Theoretical explanation	Empirical findings	Theoretical implications
Proposition 1: employee union identification is associated with union instrumentality	Social exchange theory: union instrumentality is the primary antecedent to employee union identification	Union instrumentality directly affects employee union identification	Utilitarianism in the relationship between employees and their trade union
Proposition 2: employee union identification is associated with union democracy	Union democracy affects employee union identification through union identity construction	Union democracy directly affects employee union identification: Synergies between the frame of reference, strategic capacity, and union democracy lead to union identity construction By affecting union instrumentality, union democracy also indirectly affects employee union identification	Interaction between the parties concerned in the workplace in trade union identity Relationship between union instrumentality and union democracy
Proposition 3: employee identification is associated with the frame of reference for labour relations	Cognitive dissonance theory: industrial relations climate is a common antecedent to employee union identification and employee identification with the employer	By affecting union instrumentality, the frame of reference indirectly affects employee union identification The frame of reference also affects the improvement of employee interests by an employer and in turn, has an indirect impact on employee identification with the employer	Impact of the frame of reference on union policies and practices
Proposition 4: union democracy is associated with the intervention of the Party-State	The intervention of the Party-State plays a crucial role in affecting union democracy	The intervention of the Party-State affects union democracy but as moderated by strategic capacity	Development of strategic capacity in enterprise union reforms

According to the comparative analysis of the six sample enterprises, employee union identification is associated with union instrumentality and union democracy (propositions 1 and

2). However, the two primary lines of analysis – the instrumental and constructivist accounts of employee union identification – are not independent of each other. Rather, there is a link between union democracy, union instrumentality, and employee union identification.

As indicated in Chapter 2, drawing on social exchange theory, union instrumentality is one of the primary antecedents to employee union identification (e.g., Bamberger, Kluger, & Suchard, 1999; Barling, Fullagar, & Kelloway, 1992; Deery, et al., 2014; Fullagar & Barling, 1989; Iverson & Kuruvilla, 1995; Kuruvilla, Gallagher, & Wetzel, 1993; Newton & Shore, 1992; Redman & Snape, 2005; Sverke & Sjöberg, 1994; Tan & Aryee, 2002).

Our empirical findings as regards the importance of union instrumentality for employee union identification are consistent with the instrumental approach predominant in the western literature. This suggests that like developed market economies, in the Chinese case, the relationship between employees and their enterprise union is also characterized by utilitarianism.

Chapter 2 demonstrated that as another union-related antecedent to employee union identification, union democracy is supposed to affect employee union identification through union identity construction. Union democracy provides “adequate scope for all categories of members to shape the priorities and programmes of their organisations” (Hyman, 2007, pp. 199).

Our empirical findings as regards the importance of union democracy for employee union identification are in line with the constructivist approach predominant in the western literature. Union democracy – especially deliberative vitality – lays the foundation of union identity construction. Deliberative vitality contributes to locating the kinds of collective identities present in the workplace and their meaning (i.e., gender, community origin, job status, etc.) (Murray, et al., 2010). However, simply relying on deliberative vitality hardly brings trade union identity with cohesion. In the Chinese case, synergies between the frame of reference for labour relations, strategic capacity, and deliberative vitality lead to union identity construction.

It appears that in the absence of strategic capacity, it is the frame of reference for labour relations

that overdetermines trade union identity (TaiwanElectronics, TaiwanFood, and ScandiMedicine). However, significant strategic capacity either reverses the relationship between the frame of reference and trade union identity (JapanAuto) or plays a moderating effect (JapanMotor and GermanyAdhesive). The role of the frame of reference and strategic capacity in trade union identity will be explored further in Sections 7.3.3 and 7.3.4 respectively.

Part 7.2 demonstrated that a higher level of union democracy improves union instrumentality (JapanAuto, JapanMotor, and GermanyAdhesive). On the contrary, a lower level of union democracy weakens union instrumentality (TaiwanElectronics TaiwanFood, and ScandiMedicine). In other words, the six sample enterprises reveal that the variation in union democracy leads to the variation in union instrumentality. As indicated above, employee union identification is associated with union instrumentality. Therefore, the comparative analysis of the six sample enterprises indicates that union democracy affects employee union identification through union instrumentality.

While not wishing to discount the constructivist account of employee union identification, the empirical findings as regards the importance of union democracy for union instrumentality highlight that union democracy also enhances the utilitarian relationship between employees and their trade union. This suggests that in the Chinese case, the framing of union democracy is most typically in accordance with service-based trade unionism, revolving around the improvement of the responsiveness of enterprise unions to employee demands. This is consistent with the intention of the Party-State in designing the worker congress, namely granting employees leverage vis-à-vis the discretionary power of their employer (Zhu & Chan, 2005). Therefore, this opens up the promising avenue for the future study of trade unionism and Chinese labour relations. How does the relationship between union instrumentality and union democracy affect the attachment between employees and their trade union?

According to the comparative analysis of the six sample enterprises, employee identification is

associated with the frame of reference for labour relations (proposition 3). In particular, there is a link between the frame of reference, union instrumentality, and employee union identification.

Part 7.2 demonstrated that *adversarial pluralism* and *coordinated unitarism* lead to a higher level of union instrumentality (JapanAuto, JapanMotor, and GermanyAdhesive). On the contrary, *autocratic unitarism* and *consultative unitarism* are associated with a lower level of union instrumentality (TaiwanElectronics, TaiwanFood, and ScandiMedicine). In other words, the six sample enterprises reveal that the variation in the frame of reference results in the variation in union instrumentality. As indicated above, employee union identification is associated with union instrumentality. Therefore, the comparative analysis of the six sample enterprises indicates that the frame of reference affects employee union identification through union instrumentality.

As indicated in Chapter 2, drawing on cognitive dissonance theory, employee union identification and employee identification with the employer have a common antecedent, namely industrial relations climate stemming from the frame of reference for labour relations (e.g., Angle & Perry, 1986; Deery, Erwin, & Iverson, 1999; Deery & Iverson, 2005; Deery, Iverson, & Erwin, 1994; Magenau, Martin, & Peterson, 1988; Redman & Snape, 2016; Snape & Chan, 2000; Snape, Redman, & Chan, 2000).

However, the empirical findings as regards the importance of the frame of reference for labour relations for union instrumentality point to that prevailing interpretations in the western literature could be revised, if not entirely discarded. An employee might regard social exchanges with his or her trade union and employer as separate exchanges. Therefore, by evaluating union instrumentality and the improvement of employee interests by his or her employer, the employee might decide to enter or leave social exchanges with his or her trade union and employer respectively. Employee union identification and employee identification with the employer might be the results of parallel processes, not the results of competing processes (Johnson & Jones-Johnson, 1992). This suggests that in the Chinese case, the frame of reference serves the

utilitarian relationship between employees and their enterprise union. Therefore, this opens up another promising avenue for the future study of trade unionism and Chinese labour relations. In addition to exploring diversity in the frames of reference in the contemporary world of work, how do changes in the frame of reference affect union policies and practices?

According to the comparative analysis of the six sample enterprises, there is no linear relationship between union democracy and the intervention of the Party-State as the prediction formulated in hypothesis 4.

Part 7.2 demonstrated that the interventions of the Party-State might lead to a higher level of union democracy (JapanAuto, JapanMotor, and GermanyAdhesive). However, in the cases of TaiwanElectronics, TaiwanFood, and ScandiMedicine, the interventions of the Party-State either did not occur (TaiwanElectronics and ScandiMedicine) or reinforced top-down information-sharing (TaiwanFood). Therefore, the intervention of the Party-State is linked to union democracy in a more complex manner than anticipated. The impact of the intervention of the Party-State on union democracy is differentiated among workplaces. The intervention of the Party-State has a more significant effect on union democracy when an enterprise union is characterized by strong strategic capacity. An enterprise union with strong strategic capacity seeks to use such intervention (e.g., an assistance to the training of union stewards) to achieve its own objective.

As indicated in Chapter 2, in response to the strike wave of 2010, a new pattern of collective bargaining has emerged, featuring what Pringle & Meng (2018) described as “taming labour” or, as the term used by Luo & Yang (2019), “moderated mobilization”. The core of this burgeoning pattern of collective bargaining resides in the development of the form of associational power compatible with the appropriated representation of the ACFTU.

The empirical findings as regards the importance of strategic capacity for the relationship between union democracy and the intervention of the Party-State supplement prevailing interpretations in the literature on Chinese labour relations. In order to understand the impact of

the intervention of the Party-State on union democracy, strategic capacity should be regarded as a moderating variable, ranging from no effect to a moderating effect and then to authentic enterprise union reforms. Therefore, the study of the relationship between union democracy, the intervention of the Party-State, and strategic capacity constitutes the promising avenue for the future study of trade unionism and Chinese labour relations. How do different actors pursuing enterprise union reforms understand and seek to influence the development of strategic capacity?

7.3.3 Advancing the ideological configuration combining the frame of reference for labour relations and trade union identity

Our empirical findings indicate that the type of employee identification changes in tandem with the type of trade union identity. Employee identification is also associated with the frame of reference for labour relations (proposition 3). Therefore, the link between the frame of reference, trade union identity, and employee identification raises another analytical puzzle that remains to be resolved: What is the relationship between the frame of reference and trade union identity?

According to the comparative analysis of the six sample enterprises, the frame of reference for labour relations and trade union identity consists of three types of ideological configuration: (1) *adversarial pluralism* and *critical bridging*; (2) *autocratic/consultative unitarism* and *communicative bridging*; (3) *coordinated unitarism* and *constructive bridging*.

In terms of the role of an enterprise union, the ideological configuration combining the frame of reference for labour relations and trade union identity is a deliberate arrangement, not a random combination. As one variant of *pluralism*, the *adversarial pluralism* prevailing in JapanAuto regards the representative organization of employees – especially their trade union – as a legitimate participant in the employment relationship. Under *critical bridging*, although not denying the role of the bridge between employees and their employer, the JapanAuto enterprise union defined itself as the representative organization of employees, defending employee rights and interests in a way that goes beyond the role of a bridge.

As two variants of *unitarism*, the *autocratic unitarism* prevailing in TaiwanElectronics and TaiwanFood and the *consultative unitarism* prevailing in ScandiMedicine assume that a trade union as the representative organization of employees is an unwelcome outsider in the employment relationship. Under *communicative bridging*, the role of the bridge between employees and their employer, which is recommended by the Party-State, was imposed on the TaiwanElectronics, TaiwanFood, and ScandiMedicine enterprise unions, which defined themselves as the administrative apparatus in charge of expressing employee demands to an employer, primarily channeling the occasional dissatisfactions of employees.

As another variant of *unitarism* with Chinese characteristics, the *coordinated unitarism* prevailing in JapanMotor and GermanyAdhesive regards a trade union as the coordinator between employees and their employer. The responsibility attached to the role of the coordinator is to support employees and their employer to develop and achieve a shared vision of ideal labour relations. Under *constructive bridging*, in inheriting the role of the bridge between employees and their employer, the function of the JapanMotor and GermanyAdhesive enterprise unions was extended from only channeling the occasional dissatisfactions of employees to aligning employer decisions with employee interests.

In JapanAuto, *critical bridging* leads to *adversarial pluralism*. In other words, *critical bridging* is the antecedent to *adversarial pluralism*. On the contrary, in the remaining five sample enterprises, the frame of reference for labour relations prevailing in the workplace – *autocratic unitarism* (TaiwanElectronics and TaiwanFood), *consultative unitarism* (ScandiMedicine), and *coordinated unitarism* (JapanMotor and GermanyAdhesive) respectively – appears to be the antecedent to trade union identity, namely *communicative bridging* (TaiwanElectronics, TaiwanFood, and ScandiMedicine) and *constructive bridging* (JapanMotor and GermanyAdhesive). Power relations between an enterprise union and an employer determine whether or not the enterprise union plays an active role in constructing the frame of reference. The concurrent appointment of the union officer by the employer typically reflects the

subordination of the enterprise union to the employer and the absence of autonomy of the enterprise union. Therefore, the election of the union officer by employees is indicative of a greater independence of the enterprise union relative to the employer.

The link between the frame of reference for labour relations and trade union identity might, however, be bidirectional, not unidirectional. The importance of the 2011 strike as a critical juncture in the evolution of labour relations in JapanAuto was not only the far-reaching restructuring of the JapanAuto enterprise union but also the emergence of a consciousness of separate interests between employees and their employer. In the case of the acknowledgement of the multiplicity of interests, the employer brought in the system of labour-management consultative meetings, which was used by the JapanAuto enterprise union to carry out collective bargaining with a view to achieving its role as the representative organization of employees.

In the remaining five sample enterprises, the frame of reference for labour relations and trade union identity were also mutually reinforcing. These five enterprise unions were content with a role as the administrative apparatus of the employer, which was equivalent to endorsing the unilateral employer decision-making and maintaining the dominance of *unitarism* in the workplace. In integrative collective consultation, the function of an enterprise union is to align employer decisions with employee interests. Therefore, the compliance of the JapanMotor and GermanyAdhesive enterprise unions with *constructive bridging* strengthened the prevalence of *coordinated unitarism* in the workplace.

To recap, our empirical findings indicate that the frame of reference for labour relations and trade union identity constitute a mutually reinforcing ideological configuration. However, the direction of a sequential link within a particular ideological configuration varies in important ways.

Critical bridging (trade union identity) is the antecedent to *adversarial pluralism* (the frame of reference). Both *communicative bridging* and *constructive bridging* (trade union identity) are the consequences of *unitarism*, which is manifested in *autocratic unitarism*, *consultative unitarism*,

and *coordinated unitarism* (the frame of reference). Therefore, this opens up the promising avenue for the future study of trade unionism and Chinese labour relations. In addition to exploring diversity in the frames of reference and trade union identities in the contemporary world of work, how do the frame of reference and trade union identity interact? In particular, how might we understand an exceptional case like JapanAuto where trade union identity appears to be the antecedent to the frame of reference?

7.3.4 Movement between ideological configurations: possible role of strategic capacity

If the ideological configuration combining the frame of reference for labour relations and trade union identity is regarded as a potential factor affecting employee union identification, the underlying assumption will be that ideological configurations are variable as our empirical findings confirm. If so, what are the factors leading to the variation in the ideological configuration and how might we understand the dynamics underlying a movement from one ideological configuration to the other ideological configuration? It is at this point that strategic capacity comes into play.

In JapanAuto, *critical bridging* is related to strong strategic capacity. On the contrary, in TaiwanElectronics, TaiwanFood, and ScandiMedicine, *communicative bridging* is linked to weak strategic capacity. In JapanMotor and GermanyAdhesive, *constructive bridging* is associated with moderate strategic capacity. In other words, the six enterprise unions reveal that the variation in strategic capacity leads to the variation in trade union identity.

Strategic capacity refers to “the capacity of union leaderships to interpret, express and act upon current situations” (Murray, et al., 2010, pp. 316). Without a significant strategic capacity, a trade union is unable to develop the autonomous and proactive agenda for union policies and practices and instead reacts to the initiatives of an employer and maintains path-dependent action repertoires (Hickey, Kuruvilla, & Lakhani, 2010; Hyman, 2007; Lévesque & Murray, 2003;

Lévesque & Murray, 2010; Martin, 2007; Murray, et al., 2010; Sharpe, 2004; Voss, 2010; Voss & Sherman, 2000). Empirical studies (e.g., Connolly & Darlington, 2012; Darlington, 2002; Darlington, 2009) reveal that strategic capacity does have an impact on union renewal. In particular, in comparison with right-wing union leaderships with individualistic values, left-wing union leaderships with collectivist values are more likely to play a crucial role in framing collective organizations and actions. Therefore, when an enterprise union was faced with the dominant political discourse concerning the role of a Chinese enterprise union – the bridge between employees and their employer – its strategic capacity determines whether or not the enterprise union effectively develops and uses its narrative resources, breaking through (i.e., *critical bridging*), reinterpreting (i.e., *constructive bridging*), or complying with (i.e., *communicative bridging*) the role of a bridge.

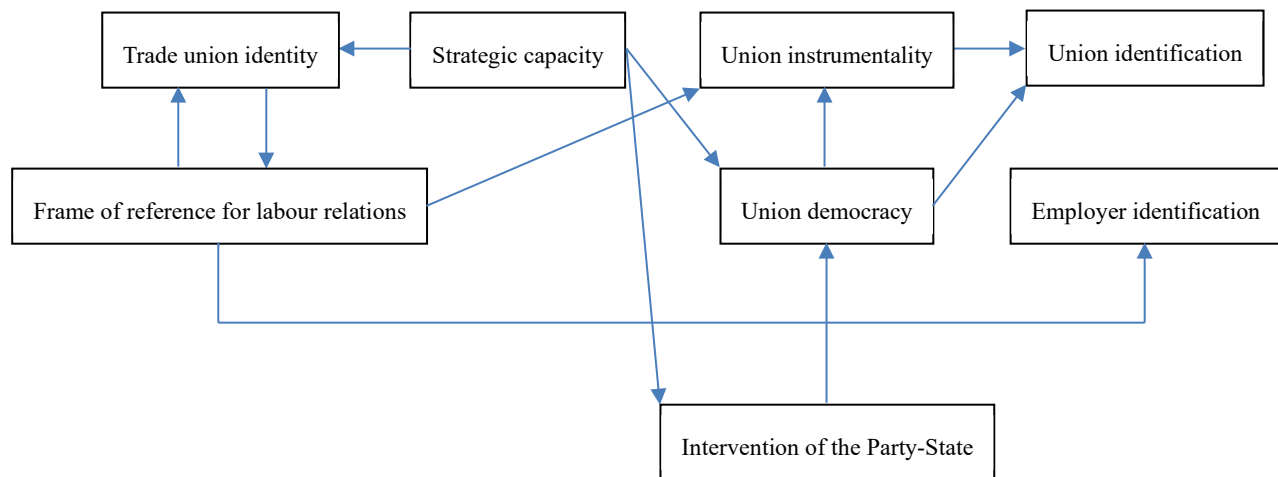
To recap, our empirical findings highlight that the building of trade union identity is associated with strategic capacity. Indeed, strategic capacity appears to be a critical factor in exploring the dynamics underlying the variations in employee union identification and employee identification with the employer. Therefore, this opens up the promising avenue for the future study of trade unionism and Chinese labour relations. How do the parties concerned in the workplace interact in trade union identity? In particular, how do the development of strategic capacity and deliberative vitality by a trade union and the influence of an employer on the structures and processes of decision-making interact in trade union identity?

This thesis did not develop the concept of strategic capacity as a distinct line of analysis in the original formulation and operationalization of this thesis. Rather, this thesis initially focused on the variations in union democracy and the intervention of the Party-State. However, in seeking to integrate four lines of analysis in a more holistic manner, strategic capacity is integral to a better understanding of the variations in employee union identification and employee identification with the employer.

Although the variation in the function of the worker congress suggests the variation in strategic capacity to a certain extent, strategic capacity and deliberative vitality are essentially different dimensions of referential unionism (Murray, et al., 2010). The synergy between strategic capacity and deliberative vitality leads to union identity construction. The empirical study by Connolly (2020, pp. 207) also points to union renewal “as a dialectical process and set of responses involving both strategic direction from above and membership pressure and activism from below.” Therefore, in the future study of trade unionism and Chinese labour relations, a more detailed attention to strategic capacity will facilitate a better understanding of the interrelationship between strategic capacity and deliberative vitality.

Drawing on the analyses presented in Chapter 7, Figure 7.5 seeks to schematize the generic explanation for the variations in employee union identification and employee identification with the employer.

Figure 7.5 Generic Explanation for the Variations in Employee Union Identification and Employee Identification with the Employer



To recap, this thesis identifies antecedents in the sequence of events in explaining the variations in employee union identification and employee identification with the employer. First, employee

union identification is associated with union instrumentality and union democracy. Union democracy not only directly affects employee union identification but also affects union instrumentality and in turn, has an indirect impact on employee union identification.

Second, by affecting union instrumentality, the frame of reference for labour relations indirectly affects employee union identification. The frame of reference also affects the improvement of employee interests by an employer and in turn, has an indirect impact on employee identification with the employer.

Third, the intervention of the Party-State plays a crucial role in affecting union democracy, in certain cases at least.

Fourth, the frame of reference for labour relations and trade union identity constitute a mutually reinforcing ideological configuration.

Finally, in addition to the impact of the frame of reference on union instrumentality, strategic capacity is the other factor linking up the ideological configuration and union instrumentality, union democracy, and the intervention of the Party-State. Strategic capacity affects the extent to which an enterprise union develops and uses its narrative resources (e.g., trade union identity), internal resources (e.g., deliberative vitality), and external resources (e.g., the intervention of the Party-State) to formulate the autonomous and proactive agenda for union policies and practices.

Conclusion

8.1 Research questions revisited

The new and changing scenario brought about by a transition from the planned economy to market socialism – especially the collapse of the work-unit system and the rise of privately- and foreign-owned enterprises (POEs and FOEs) – raises the concern for the effectiveness of Chinese trade unions in re-establishing the control of the Party-State over society. In reality, trade unions in POEs and FOEs suffer the apparent absence of relevance for employees, which is manifested in the spontaneity of employees' collective actions and the vulnerability of enterprise unions when faced with employee activism.

Empirical studies (e.g., Chan & Hui, 2012; Clarke & Pringle, 2009; Howell, 2008; Pringle, 2011; Pringle & Clarke, 2010) reveal that labour unrest from below has significantly underpinned and determined the trade union reform in China. Since the strike wave of 2010, local governments and federations of trade unions have conducted enterprise union reforms with a view to promoting collective bargaining and union democracy.

The co-existence of the enterprise union crisis and enterprise union reforms is a point of departure for this thesis. First, do collective bargaining and union democracy improve the relevance of trade unions for employees? Second, do the reforms of collective bargaining and union democracy conducted by local governments and federations of trade unions in China improve the relevance of enterprise unions for employees?

The weak relevance of Chinese enterprise unions for employees raises the issue of employee union identification, namely the extent to which an employee identifies with the values and beliefs of his or her trade union, especially trade union identity as manifested in union policies and practices. This thesis also argues that employee union identification must be understood in relation to employee identification with the employer.

8.2 Research strengths and weaknesses

In order to explore and explain the variations in employee union identification and employee identification with the employer, this thesis drew on the comparative case studies of six subsidiaries of the foreign multinational enterprises located in the Binhai Economic-Technological Development Area (BEDA).

A major strength of a comparative ethnographic research is to produce practical knowledge in the manner consistent with the phronetic approach to social science, which clarifies values, interests, and power relations as the basis for praxis to understand a social phenomenon rather than providing predictions (Flyvbjerg, 2001). A comparative ethnographic research enables us to have a better understanding of the following questions: (1) As the arrangement guaranteed by the law, where are collective bargaining and union democracy going in practice? (2) Who gains and who loses, and by which mechanisms of power? (3) Is the current development of collective bargaining and union democracy desirable? (4) What, if anything, should the parties concerned in the workplace and at a higher level do about collective bargaining and union democracy?

This thesis drew on the comparative case studies of two Japanese enterprises, two Taiwanese enterprises, and two European enterprises. The case selection of this thesis takes the possible country-of-origin effect into consideration. In Taiwan, employees are not qualified with consultation rights (Shen, 2016). This is consistent with the marginalized status of the TaiwanElectronics and TaiwanFood enterprise unions. An emphasis on employee involvement by European enterprises is also confirmed in ScandiMedicine and GermanyAdhesive characterized by unilateral employer decision-making following consultation and integrative collective consultation respectively. Integrative collective consultation might be the joint result of the country-of-origin effect and the host-country effect, especially in the context of the compulsory setting-up of enterprise unions within the Chinese labour relations system.

While pointing to research advantages, it is also important to recall the three major disadvantages

of this thesis. As typical qualitative research, reliability, validity, and generalizability are all issues. First, this thesis seeks to improve reliability through the two levels of analysis. In JapanAuto, JapanMotor, and GermanyAdhesive, employees and union officials (i.e., the union officer, union committee members, and, when possible, union stewards) converged in their assessments of the relationship between employees and their enterprise union. On the contrary, for employees and union officials in TaiwanElectronics, TaiwanFood, and ScandiMedicine, their evaluations were divergent. Therefore, the two levels of analysis helped us to interpret union policies and practices and their performances from different angles.

Second, this thesis follows the reflexive approach to social science with a view to improving validity. The preliminary knowledge of the definitions of the three dimensions of trade union identity – harmony and stability, liability, and solution – by the six enterprise unions was obtained in the first round of fieldwork. This helped us to define three types of identity of the Chinese enterprise unions discussed. On this basis, the extent to which employees identified with a particular trade union identity was assessed in the second round of fieldwork.

Finally, as regards generalizability, our empirical findings point to significant variations in the dependent and independent variables among the six sample enterprises. However, on the basis of the six sample enterprises in a single region, it will be perilous to aspire to empirical generalizations among the tens of thousands of comparable enterprises across China. The objective, as argued by Edwards & Bélanger (2008), should instead be to generate theoretical generalizations through a comparative ethnographic research. In exploring the dynamics underlying the variations in employee union identification and employee identification with the employer, this thesis treats the six sample enterprises holistically based on a theoretically driven project with a view to focusing on a particular aspect of the behaviours of the parties concerned in the workplace. In this way, the generalization based on a theoretical framework allows this thesis to generalize our empirical findings beyond the six sample enterprises and see how the explanations developed from particular cases might apply elsewhere. Only the future study of

trade unionism and Chinese labour relations will enable us to assess the extent to which the theoretical generalizations are robust.

There are also further issues to be resolved by the future study of trade unionism and Chinese trade unions. First, this thesis does not seek to take all factors affecting employee union identification into consideration, notably demographic factors, for example, gender, age, province of origin, and so on. Exploring the effects of demographic factors and factors such as employment status on employee union identification entails the shift of the unit of analysis from the collectivity of union members in the workplace to individual union members.

Second, this thesis is inevitably fairly static in relation to the complexity of the shifting frames of reference for labour relations. According to limited empirical evidence, there is a definite possibility of transitions in the frame of reference for labour relations. For example, taking the 2011 strike as a watershed, the frame of reference prevailing in JapanAuto underwent a transition from *unitarism* to *pluralism*. However, is there any fixed pattern for transitions in the frame of reference? The answer to this question depends on well-designed longitudinal comparative case studies.

Finally, this thesis only conducted comparative case studies at the workplace level and did not involve higher levels, especially the comparison between regions. Limited empirical studies (e.g., Meng, 2014; Meng, 2016; Meng & Chen, 2014) reveal that local governments and federations of trade unions in coastal areas have developed different strategies in settling collective labour disputes. Is the intervention of the Party-State also characterized by diversity? This question is unable to be answered unless extending the scope of comparative case studies to the regional level and in multiple regions.

8.3 Research findings

We have argued in the preceding chapters that this thesis has yielded a number of significant research findings. First, this thesis contributes to the contemporary debate on the identity of

Chinese enterprise unions. Although the bridge between employees and their employer is the dominant political discourse concerning the role of an enterprise union, trade union identity is not monolithic but characterized by diversity. The three types of identity of the Chinese enterprise unions discussed range from more proactive (labelled *critical bridging*) to more pluralistically integrative (labelled *constructive bridging*) and then to completely subordinated (labelled *communicative bridging*).

This thesis points to the complexity of the relationship between employee union identification and employee identification with the employer in the Chinese workplace. Employee identification – the configuration combining employee union identification and employee identification with the employer – varies from *primary union identification* (mainly with an enterprise union) to *dual disidentification* (with neither an enterprise union nor an employer), then to *primary employer identification* (mainly with an employer), and finally, to *dual identification* (with both an enterprise union and an employer).

Third, there was a link between trade union identity and employee identification.

Finally, by integrating four lines of analysis, this thesis develops the generic explanation for the variations in employee union identification and employee identification with the employer (see Figure 7.5). This thesis identifies antecedents in the sequence of events in explaining the variations in employee union identification and employee identification with the employer. Employee union identification is associated with union instrumentality and union democracy. Union democracy not only directly affects employee union identification but also affects union instrumentality and in turn, has an indirect impact on employee union identification.

By affecting union instrumentality, the frame of reference for labour relations indirectly affects employee union identification. The frame of reference also affects the improvement of employee interests by an employer and in turn, has an indirect impact on employee identification with the employer.

The intervention of the Party-State plays a crucial role in affecting union democracy, in certain cases at least.

The frame of reference for labour relations and trade union identity constitute a mutually reinforcing ideological configuration.

In addition to the impact of the frame of reference for labour relations on union instrumentality, strategic capacity is the other factor linking up the ideological configuration and union instrumentality, union democracy, and the intervention of the Party-State. Strategic capacity affects the extent to which an enterprise union develops and uses its narrative resources (e.g., trade union identity), internal resources (e.g., deliberative vitality), and external resources (e.g., the intervention of the Party-State) to formulate the autonomous and proactive agenda for union policies and practices.

8.4 Future research

This thesis opens opportunities for the future study of trade unionism and Chinese labour relations. This thesis follows the outside-in approach (Child, 2009), regarding the Chinese context as the natural experiment for testing general trade union theories (Whetten, 2009). In validating prevailing interpretations in the existing literature, this thesis formulates a series of promising avenues for the future study of trade unionism and Chinese labour relations. First, in Chapter 7, our results point to that union democracy – especially deliberative vitality – lays the foundation of union identity construction. However, simply relying on deliberative vitality hardly brings trade union identity with cohesion. In the Chinese case, synergies between the frame of reference for labour relations, strategic capacity, and deliberative vitality lead to union identity construction. Therefore, this opens up the promising avenue for the future study of trade unionism and Chinese labour relations. How do the parties concerned in the workplace interact in trade union identity? In particular, how do the development of strategic capacity and deliberative vitality by a trade union and the influence of an employer on the structures and processes of

decision-making interact in trade union identity?

Second, in Chapter 7, our results indicate that in the Chinese case, the framing of union democracy is most typically in accordance with service-based trade unionism, revolving around the improvement of the responsiveness of enterprise unions to employee demands. Therefore, this opens up another promising avenue for the future study of trade unionism and Chinese labour relations. How does the relationship between union instrumentality and union democracy affect the attachment between employees and their trade union?

Third, in Chapter 7, our results highlight that the frame of reference for labour relations and trade union identity constitute a mutually reinforcing ideological configuration. However, the direction of a sequential link within a particular ideological configuration varies in important ways.

Critical bridging (trade union identity) is the antecedent to *adversarial pluralism* (the frame of reference). Both *communicative bridging* and *constructive bridging* (trade union identity) are the consequences of *unitarism*, which is manifested in *autocratic unitarism*, *consultative unitarism*, and *coordinated unitarism* (the frame of reference). Therefore, the study of the relationship between the frame of reference and trade union identity constitutes the promising avenue for the future study of trade unionism and Chinese labour relations. In addition to exploring diversity in the frames of reference and trade union identities in the contemporary world of work, how do the frame of reference and trade union identity interact? In particular, how might we understand an exceptional case where trade union identity appears to be the antecedent to the frame of reference?

In addition to the outside-in approach, this thesis also follows the inside-out approach (Child, 2009). In addressing whether or not union democracy is associated with the intervention of the Party-State, this thesis takes the specificity of the Chinese labour relations system into consideration and seeks to theorize about the effect of the Chinese context on union policies and practices (Whetten, 2009). The Chinese case presents specificities, especially the intervention of

the Party-State. However, this is not sufficient to bring up Chinese exceptionalism. If the intervention of the Party-State is regarded as a particular type of external resources accessible to an enterprise union, the extent to which the enterprise union develops and uses such types of external resources might depend on strategic capacity. Therefore, the Chinese case confirms the exploration of trade union power in developed market economies: power resources are necessary but insufficient conditions for renewing trade union power; strategic capacity should be at the core of the equation of power (Lévesque & Murray, 2010).

Finally, in Chapter 7, our results point to that in order to understand the impact of the intervention of the Party-State on union democracy, strategic capacity should be regarded as a moderating variable, ranging from no effect to a moderating effect and then to authentic enterprise union reforms. Therefore, the study of the relationship between union democracy, the intervention of the Party-State, and strategic capacity constitutes another promising avenue for the future study of trade unionism and Chinese labour relations. How do different actors pursuing enterprise union reforms understand and seek to influence the development of strategic capacity?

8.5 Research implications

This thesis has implications for the practices of Chinese employers, enterprise unions, employee activists, and policymakers. First, for the parties concerned in the workplace, the paths to achieving harmonious labour relations are variable. Unilateral employer decision-making following consultation directly improves the relationship between employees and employers. By involving enterprise unions in decision-making, no matter whether the form is distributive collective bargaining or integrative collective consultation, employers might also indirectly achieve harmonious labour relations. By improving their responsiveness, enterprise unions mobilize employees in collective bargaining with a view to reducing labour militancy (Luo & Yang, 2019) or, as the term used by Chan & Hui (2014), pre-empting “collective bargaining by riot”.

Second, for employee activists, in the foreseeable future, an enterprise union as the branch of the All-China Federation of Trade Unions (ACFTU) in the workplace occupies the representational field for employees. Therefore, employees have no choice but to join the official enterprise union, not organizing an autonomous collective-interest representation. However, this does not suggest that enterprise unions will inevitably become shell trade unions. As in the case of JapanAuto, strong strategic capacity will lead to a particular trade union identity – *critical bridging* – and in turn, structures a particular frame of reference of labour relations, namely *adversarial pluralism*. Therefore, the development of strategic capacity becomes the top priority for employee activists who are devoted to developing enterprise unions into the authentic representative organizations of employees and even transforming labour relations.

Finally, for policymakers, in promoting collective bargaining and union democracy, it is only the first step in the long march for local governments and federations of trade unions to abandon the top-down administrative approach. No matter whether local governments and federations of trade unions provide narrative resources, network embeddedness, or any other type of power resources for enterprise unions, the extent to which enterprise unions develop and use their power resources might depend on their strategic capacity. Therefore, the focus of the enterprise union reforms conducted by local governments and federations of trade unions should be transitioned from the allocation of tools to the building of capacities.

This thesis was initially framed in terms of two trends occurring simultaneously, namely the enterprise union crisis and enterprise union reforms. In a transition from the planned economy to market socialism, China as a whole has become the huge laboratory for political and economic experiments, including institutions in the field of labour relations. What sparks will be enlightened when the institutional experiments conducted by the Party-State meet with the organizational experiments initiated by the parties concerned in the workplace? In particular, how do actors – trade unions, employers, and the Party-State – negotiate the interface between their organizational and institutional contexts with a view to overcoming constraining institutional

conditions and developing appropriate institutional conditions (Murray, et al., 2020)? This thesis points to the importance of these avenues for the future study of trade unionism and Chinese labour relations.

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Appendixes

Appendix 1 Information and Consent Form

« Can Chinese Enterprise Unions Improve Employee Union Identification? Comparative Case Studies of Six Subsidiaries of Foreign Multinational Enterprises »

Student researcher: Xiaoming Bao, Doctoral candidate

School of Industrial Relations, University of Montreal

Research director: Gregor Murray, Professor

School of Industrial Relations, University of Montreal

This study is funded by the Interuniversity Research Centre on Globalization and Work (CRIMT).

You are invited to participate in this study. Before agreeing or not to participate in this study, please take the time to read the information and consent form, which elaborates on the conditions of participation in this study. Do not hesitate to ask the research team questions to which you deem useful.

A) Information

1. Research objective

This study aims at a better understanding of the paths through which collective bargaining and union democracy affect employee union identification. Therefore, we expect to gather the views of union officials, union stewards, and union members.

2. Participation in this study

An interview is organized around seven topics: (1) employee union identification; (2) outcome-based union instrumentality; (3) the election of union officials; (4) a network of union stewards; (5) the worker congress; (6) the structures and processes of decision-making; (7) the contingent factors related to an enterprise.

If you are a union official (i.e., the union officer, a union committee member, or, when possible union steward), an interview will take place at the time and venue you specify in advance by phone or e-mail. If you are a union member, an interview will take place during off-work hours and near the dormitory building where you live.

An interview is led by the student researcher. An interview varies in length by the category of interlocutors: (1) one to two hours for the union officer; (2) 30 minutes to one hour for a union committee member or, when possible, union steward; and (3) 15 to 30 minutes for a union member.

3. Risks and disadvantages

There is no physical, psychological, or socioeconomic risk or disadvantage for participating in this study.

4. Compensation

There is no compensation for participating in this study.

5. Confidentiality

You will be assigned a code. Only the research team will know your identity.

An interview will be recorded in an audio format with your permission. The recording and transcription of an interview will be kept in a safe place and only available to the research team. The recording and transcription of an interview will be destroyed seven years after the end of this study. Only data that cannot be used to identify your identity will be kept after this period.

6. Right of withdrawal

Your participation in this study is voluntary. You have the right to withdraw your consent at any time during an interview through a verbal notice, without justifying your decision and having any consequence.

All data about your identity will be destroyed at your request. However, after the process of publication starts, it will be impossible to destroy the research analyses and research results in which data is integrated.

B) Consent

Interlocutor statement

- I understand that I can take my time to think before agreeing or not to participate in this study.
- I can ask questions to the research team and demand satisfactory answers.
- I understand that by participating in this study, I do not waive any of my rights or release the research team from their responsibilities.
- I have read the information and consent form and I agree to participate in this study.

Date: _____

Researcher commitment

I explained to the interlocutor the conditions of participation in this study. I responded to the questions asked by the interlocutor to the best of my knowledge and made sure of the understanding of the interlocutor. I agree, with the research team, to respect what has been agreed to in the information and consent form.

Signature of the student researcher: _____

Date: _____

Last name: _____

First name: _____

Appendix 2 Interview Topic Guide

Introduction

1. Presentation of the interviewer and research objective.
2. Presentation of the interlocutor, including name, gender, age, province of origin, occupation, position in the enterprise union, seniority, and the length of time the interlocutor has joined in the enterprise union.

Employee union identification

1. What is trade union identity?
 - (1) Are employees in a harmonious and stable relationship with their employer?
 - (2) Who or what is liable for the loss of employee interests?
 - (3) What acts are taken to defend employee interests?
2. What is the proportion of employees identifying with trade union identity?
3. Does the proportion of employees identifying with trade union identity vary by category (e.g., gender, province of origin, seniority, etc.)?
4. Have they changed over time?

Outcome-based union instrumentality

1. Does the enterprise union achieve wage increases each year?
2. Does the enterprise union improve welfare benefits?
3. Does the enterprise union improve working conditions?
4. Have they changed over time?

Election of union officials

1. Does the enterprise union carry out the election of union officials? If so, since when?
2. Does the enterprise union carry out the election of union officials on a regular basis? If so, how often?
3. What is the procedure of the election of union officials?
4. How to determine the qualifications of candidates for union officials?
5. Has the local federation of trade unions intervened in any aspect above?
6. Have they changed over time?

Network of union stewards

1. Does the enterprise union establish a network of union stewards? If so, since when?
2. Does the enterprise union carry out the election of union stewards? If so, since when?
3. Does the enterprise union carry out the election of union stewards on a regular basis? If so, how often?
4. What is the procedure of the election of union stewards?
5. How to determine the qualifications of candidates for union stewards?
6. How does a network of union stewards work?
7. In addition to a network of union stewards, do employees and their enterprise union have other communication mechanisms?
8. How do other communication mechanisms between employees and their enterprise union work?
9. Has the local federation of trade unions intervened in any aspect above?

10. Have they changed over time?

Worker congress

1. Does the enterprise union establish the worker congress? If so, since when?
2. Does the enterprise union carry out the election of employee representatives? If so, since when?
3. Does the enterprise union carry out the election of employee representatives on a regular basis? If so, how often?
4. What is the procedure of the election of employee representatives?
5. How to determine the qualifications of candidates for employee representatives?
6. Does the enterprise union convene the worker congress on a regular basis? If so, how often?
7. How does the worker congress work?
8. Has the local federation of trade unions intervened in any aspect above?
9. Have they changed over time?

Structures and processes of decision-making

1. Do the enterprise union and the employer carry out collective bargaining? If so, since when?
2. Do the enterprise union and the employer carry out collective bargaining on a regular basis? If so, how often?
3. How to determine the qualifications of the negotiators of the enterprise union and the employer?
4. How does collective bargaining work?
5. How did the disputes ever occurred in collective bargaining get settled?

6. In addition to collective bargaining, do the enterprise union and the employer have other communication mechanisms?
7. How do other communication mechanisms between the enterprise union and the employer work?
8. Do employees and their employer have direct communication mechanisms?
9. How do direct communication mechanisms between employees and their employer work?
10. Has the local federation of trade unions intervened in any aspect above?
11. Have they changed over time?

Contingent factors related to an enterprise

1. How many employees work for the enterprise?
2. What is the turnover rate of the enterprise?
3. What is the composition of labour force (e.g., male employees vs. female employees, employees with more seniority vs. employees with less seniority, production employees vs. technical employees or other categories, etc.)?
4. What is the proportion of migrant workers?
5. What are the primary products of the enterprise?
6. Is the enterprise a labour-intensive, capital-intensive, or technology-intensive enterprise?
7. What is the position of the enterprise in the value chain?
8. Who are the main competitors of the enterprise in the Binhai Economic-Technological Development Area?
9. What is the competitive advantage of the enterprise?