

Management Opposition, Strikes and Union Threat

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Abstract

The paper provides evidence for management opposition against unions in terms of hiring discrimination by a large scale field experiment. For this purpose, I submit 12000 fictitious job applications to real vacancies in the German labor market, revealing union membership in the résumé.

By doing so I expand the analysis of management opposition in terms of hiring discrimination to the German labor market, considering institutional differences as the coverage of collective agreements, avoiding union voice and consider occupational and regional variation. Second, the experiment covers several years (2017 to 2019 and 2021) and is able to consider the relevance of labor disputes by exploiting sectoral and regional variation in unions strike activity. This allows to determine its relevance for employers attitude toward unions. Third, the observed sector specific management opposition is linked to the erosion of Germany's industrial relation system, i.e. declining collective agreement coverage.

The results show that callback rates for union members decrease significantly in the presence of high sectoral union density and large firm size. I further explore how this effect varies with regional and sectoral labor dispute intensity and find that management opposition is stronger when a sector is exposed to an intense labor dispute. There is evidence that sector specific union threat effects can explain the observed management opposition. Sectors with lower hiring discrimination have a lower coverage of collective agreements and in the absence of a collective agreement they are less likely to follow collective agreement wage setting.