

Does a long dispute really mean that both parties are wrong?

: Lessons from 4 extreme prolonged strike cases in Korea

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Summary

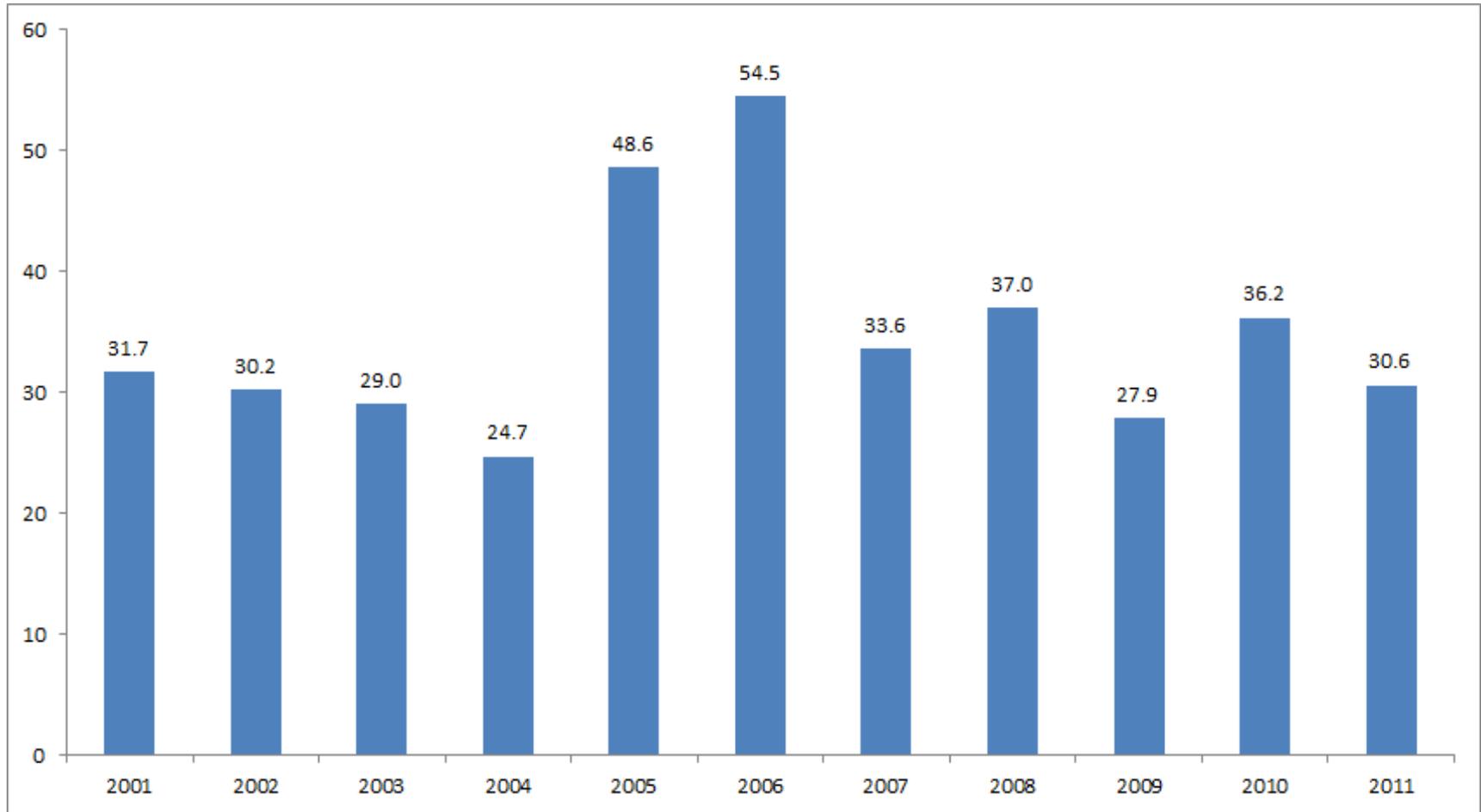
- This paper aims to
 - find out the characteristics of extreme prolonged strikes.
 - Using four cases who had gone on strike for more than a year,
 - this qualitative article analyzed the common factors affecting extreme struggles.

- Results showed that
 - disputes' traits including non-wage issues, broken labor-management relationship, unethical employer, anti-union strategies, bargaining agent, K.C.T.U(Korean Confederation of Trade Unions), and external solidarity are positively related to the duration of strikes.

- This article shows
 - worst practice triggering extreme events and
 - contributes to explanations of the relationship between dispute characteristics and duration of strike.

1. Introduction

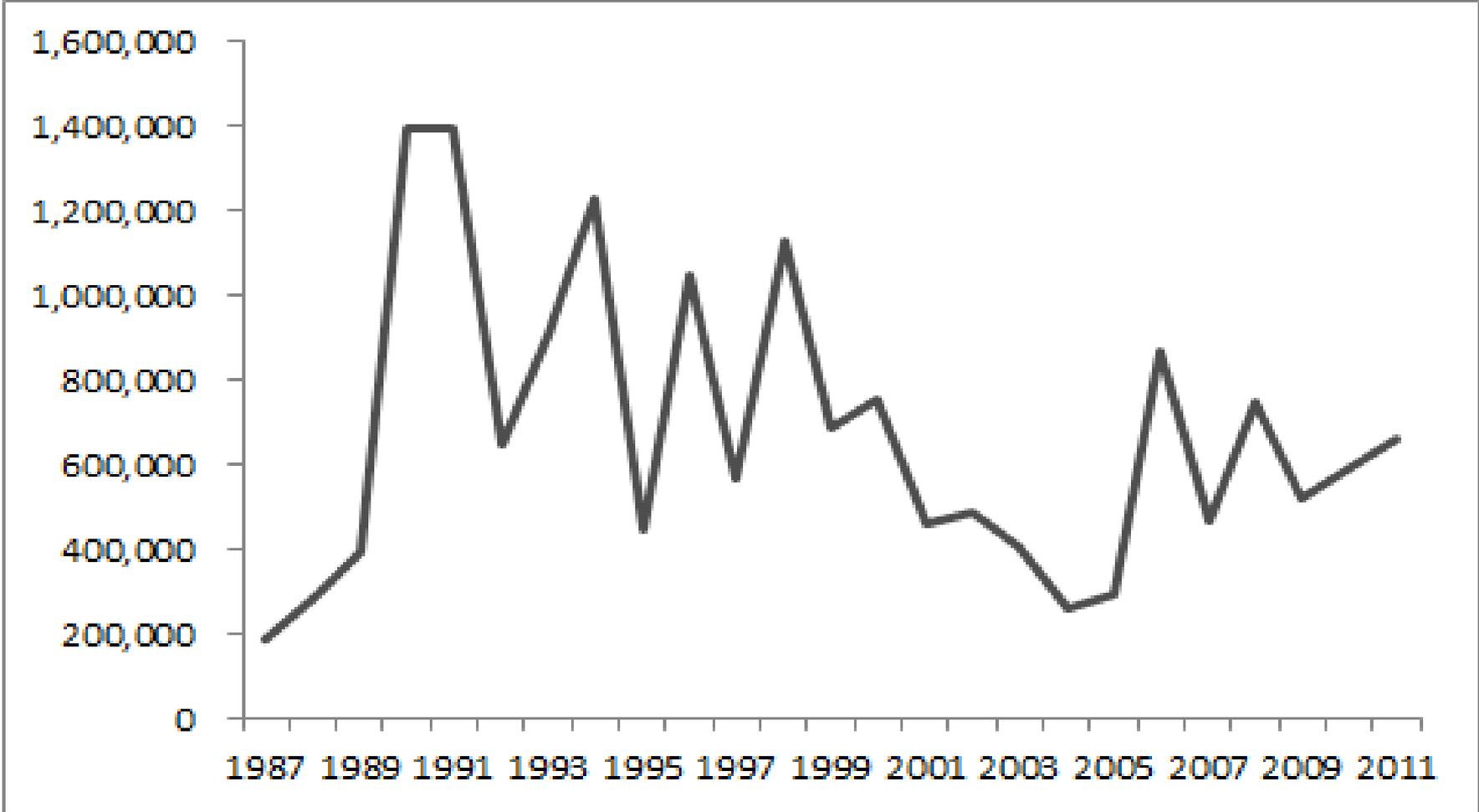
- *<Figure - 1>* The average strike duration in Korea



Source: Ministry of Employment and Labor

1. Introduction

- *<Figure - 2>* The average strike intensity (working days lost/number of strike)



Source: Ministry of Employment and Labor

1. Introduction

- Prolonged strikes impose enormous social costs, yet related research is insufficient.
- To build a productive industrial relations system, backgrounds and causes of labor disputes need to be thoroughly examined
- a systemic in-depth analysis on characteristics of disputes and bargaining is crucial
- This paper was designed to use quantitative analysis with the aim to achieve a more comprehensive understanding of the characteristics of workplaces dealing with prolonged strikes.
- In general, these workplaces have strong outlier characteristics to which usual rules do not apply.
- Collecting worst practices is as important as discovering best practices, and that there are universal principles that can be applied to workplaces with prolonged strikes in the similar manner as to the best practices.
- In this context, the following chapters will examine and summarize the findings of this research, and make an attempt to explain theoretical and policy implications.

2. Case Study

- 4 workplaces where a strike had lasted more than a month since the Korean financial crisis were selected
- Intensive interviews with stakeholders in order to understand the characteristics of workplaces with prolonged strikes.
- *<Table - 1> Case Summary*

no.	case	industry	size	region	dispute period
1	K Electronics	manufacturing	32	Seoul	Jul. 2005 ~
2	J Education	education	1,200	Seoul	Oct. 2007 ~
3	CC	manufacturing	20	Incheon / Deajon	Apr. 2007 ~
4	Y Enterprise	manufacturing	700	Youngdong Chungbuk / Asan Chungnam	May. 2011 ~

2. Case Study

- *<Table - 2> Dispute Cases by Irregular workers*

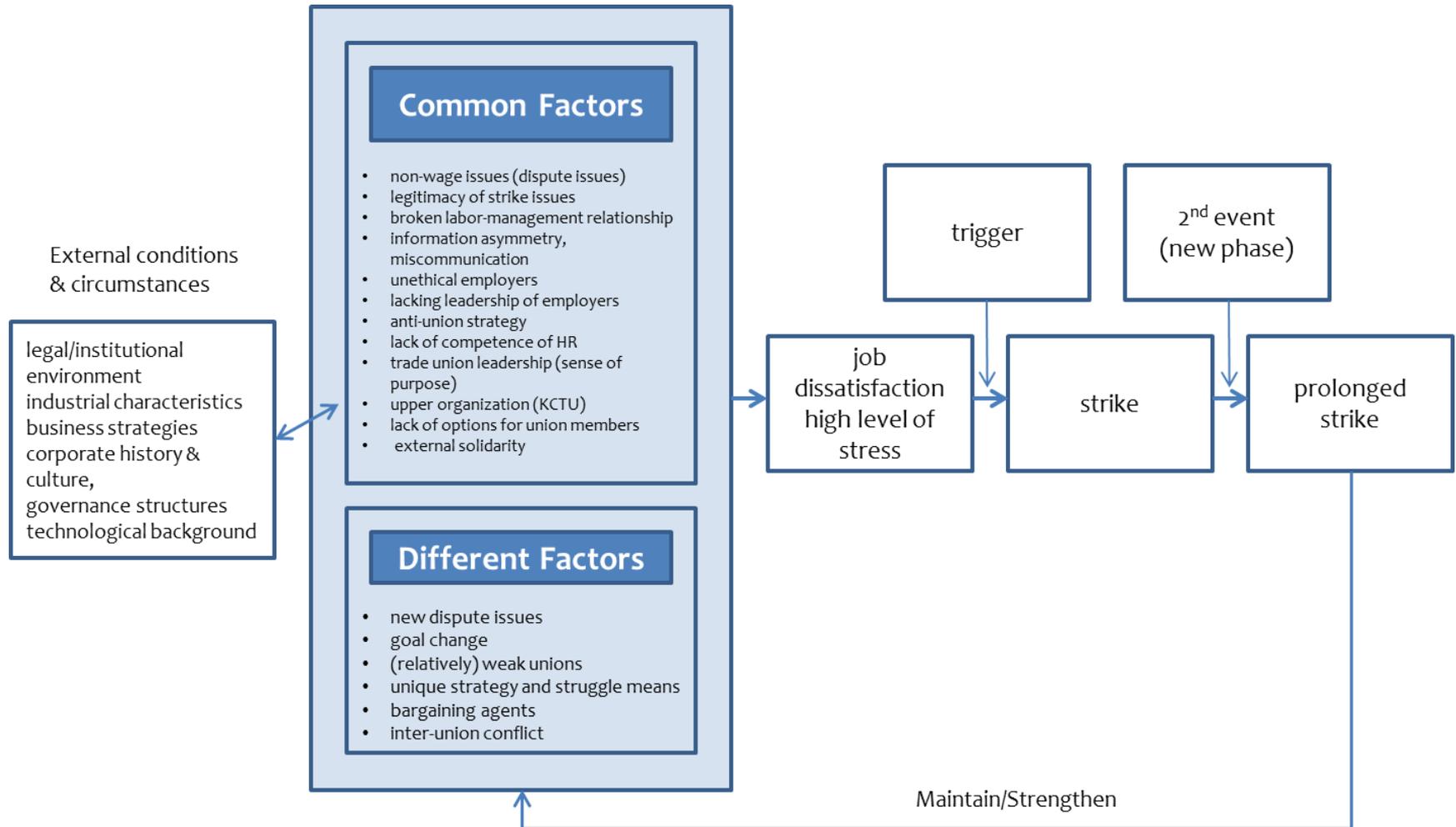
no.	case	employment type	trigger	major issues
1	K Electronics	dispatched workers	Unionization, suppression over the union, lay-offs	indirect employment, regularization of employees, recognition of the union
2	J Education	special employment workers	change in commission system, union incapacitation	commission rate, special employment, Re-bargaining collective agreement

- *<Table - 3> Dispute cases by Regular Workers*

no.	case	employment type	trigger	major issues
1	CC	permanent position	disguised closing of business, offshoring, layoff	reactivation of domestic factories, reinstatement
2	Y Enterprise	permanent position	bargaining on work shift, suppression over the union	2 consecutive shifts during the week days, problems between prime and sub-contractors

2. Case Study

- *<Figure - 3> Integrative Model of the Case Study*



2. Case Study (2.1) K Electronics

dispute characteristics	main issues	indirect employment, regularization of employees, recognition of the union
	nature of dispute	new issues, legal/institutional inadequacy
	trigger	unionization, suppression over the union, lay-off
labor-management relationship	mutual trust	very low
employer characteristics	CEO's personal traits	speculation funds, highly unethical and immoral
	strategy toward union	union avoidance and destruction strategy
	HR characteristics	low road and outsourcing strategy
	HR competence	very low
	counterattack measure	use of violent outside force (the Gusadae), moonlight fliting
union characteristics	leadership	strong sense of purpose as a pattern setter
	organization power	very low
	upper organization	KCTU
	options for members	very insufficient
	distinctive dispute means	hunger strike, occupation, overseas expeditionary strike, sit-in in mourning clothes, f ork crane sit-in
exterior solidarity		industrial unions, civic and social organizations, a few politician
inter-union conflicts		low
others		icon of female irregular workers' struggle, running for the presidency

2. Case Study (2.2) J Education

dispute characteristics	main issues	Recovery of the original collective agreement, reinstatement
	nature of dispute	legal/institutional inadequacy for special employment
	trigger	change in commission system, abolition of collective agreement, suppression over the union, lay-off
labor-management relationship	mutual trust	very low
employer characteristics	CEO's personal traits	highly unethical and immoral
	strategy toward union	union avoidance and destruction strategy
	HR characteristics	outsourcing strategy
	HR competence	low
	counterattack measure	use of violent outside force (the Gusadae and Labor Corporation Changjo Consulting)
union characteristics	leadership	strong sense of purpose as a pattern setter
	organization power	very low
	upper organization	the Service Alliance of KCTU
	options for members	very insufficient
	distinctive dispute means	street sit-in, bell tower strike
exterior solidarity	civic and social organizations, college students, PTA	
inter-union conflicts	High	
others	lack of solidarity among special employment workers such as homeschool teachers, golf caddies, transit-mixer truck drivers, insurance sales persons and etc.	

2. Case Study (2.3) CC

dispute characteristics	main issues	reactivation of domestic factories, reinstatement
	nature of dispute	biased court orders favoring the employer, change in dispute issues
	trigger	poor working environment, gender discrimination, unionization, suppression over the union, offshoring, lay-off, self-burning of union members
labor-management relationship	mutual trust	very low
employer characteristics	CEO's personal traits	highly unethical and immoral
	strategy toward union	union avoidance and destruction strategy
	HR characteristics	low road and outsourcing strategy
	HR competence	very low
	counterattack measure	factory lockout, use of violent outside force (the Gusadae), suspension of power and water supply, moonlight fliting
union characteristics	leadership	strong sense of purpose as a pattern setter
	organization power	very low
	upper organization	KCTU
	options for members	very insufficient
	distinctive dispute means	occupation of factories, overseas expeditionary strike, culture concert
exterior solidarity	upper organization, religious/cultural/civic/social organizations	
inter-union conflicts	low	
others	low unionization rates of export-oriented companies	

2. Case Study (2.4) Y Enterprise

dispute characteristics	main issues	2 consecutive work shifts during the week days
	nature of dispute	complex dispute characteristics due to the relationship between the prime and subcontractor
	trigger	abolition of collective agreement by the management, incapacitation of the union
labor-management relationship	mutual trust	Medium
employer characteristics	CEO's personal traits	relatively amicable, specific limitation as an employer in a subcontractor
	strategy toward union	union avoidance and destruction strategy
	HR characteristics	inadequate HR expertise, lacking the ability to deal with industrial relations
	HR competence	low → medium
	counterattack measure	use of violent outside force (Labor Corporation Changjo Consulting), office lockout, massive disciplinary action, establishment of a 2nd union
union characteristics	leadership	strong sense of purpose as a pattern setter
	organization power	strong
	upper organization	the Metal Union of the KCTU
	options for members	insufficient
	distinctive dispute means	strike at high altitude, vinyl greenhouse strike
exterior solidarity	upper organization, civic/social organizations, hope bus of Y company	
inter-union conflicts	high level of conflict with the 2nd union	
others	prime's huge influence over employment relationship of a subcontractor, revitalization of unofficial sectors resulting in strong organization power of the union	

2. Case Study (3) Common Factors

1. The labor and management in workplaces with prolonged strikes fight for issues other than wage.
2. Most dispute issues raised by unions in the workplaces with prolonged strikes are not legitimized.
3. A labor practice that neither labor nor management trusts each other is deeply rooted.
4. There is information asymmetry between the labor and management in these workplaces, which acts as a factor to deepen mutual mistrust and misunderstanding.
5. Most of these workplaces tend to have unethical and immoral employers.
6. The employers rarely demonstrate leadership.
7. Human resources departments in the workplaces generally lack competence.
8. The trade unions in the workplaces usually have a strong leadership.
9. Most of the unions in the case are affiliated to the Korean Confederation of Trade Unions.
10. There are not enough options for unions and their members to make a different choice.
11. The forces of external solidarities have complemented the poor competence of the unions.

2. Case Study (3) Common Factors

<Table - 9> Anti-union Strategy of Employers in the Case

type	characteristics	example
Principled	anti-union sentiment as a firm belief	K Electronics, CC, J Education
Ignorant	little understanding of industrial relations, lack of leadership	all
Helpless	pressured to use an anti-union strategy	Y Enterprise

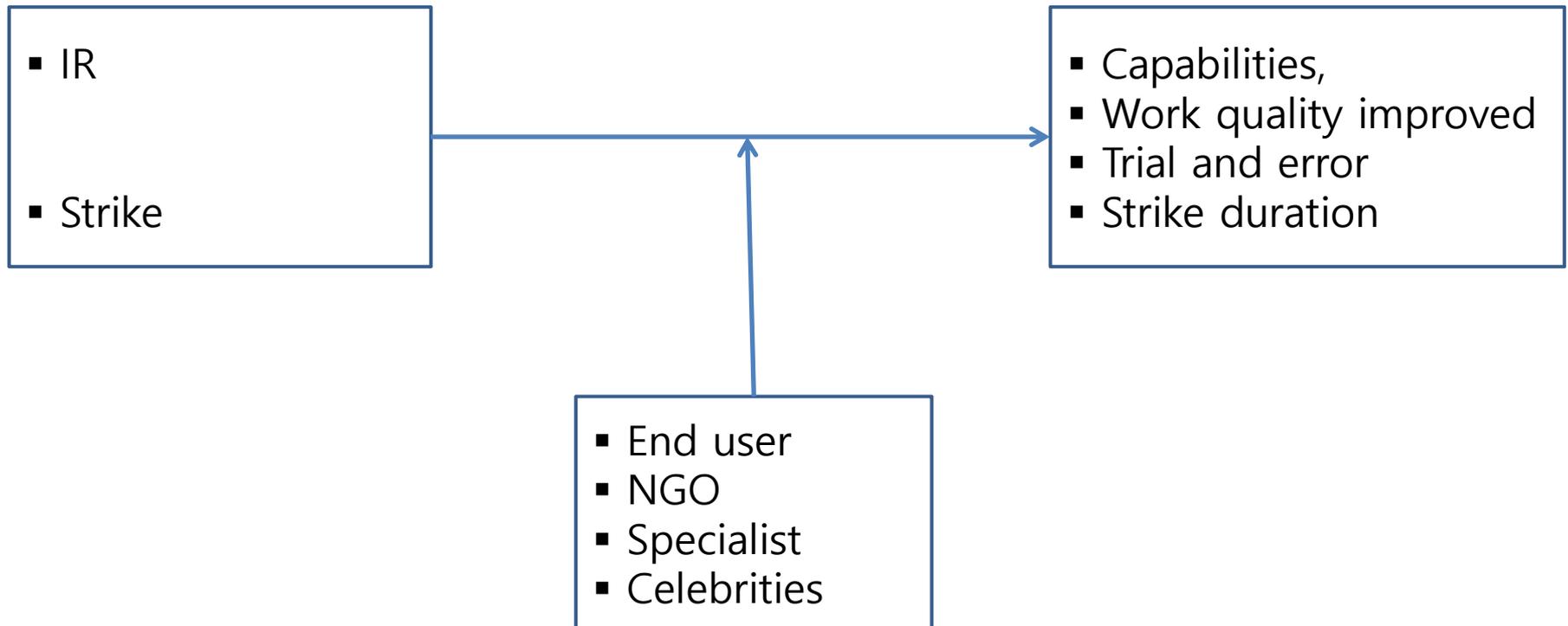
2. Case Study (3) Common Factors

<Table - 10> Dispute means and Counterattack Measures by each Case

case	dispute means	counterattack measure
K Electronics	hunger strike, occupation, overseas expediti onary strike, sit-in in mourning clothes, fork crane sit-in	use of violent outside force (the Gusadae, contractor, p olice force)
CC	occupation of factories, overseas expeditio nary strike, culture concert	factory lockout, use of violent outside force (the Gusad ae, contractor, police force), suspension of power and water supply, moonlight fliting use of violent outside force (Labor Corporation Changjo Consulting), office lockout, massive disciplinary action, establishment of a 2nd union
J Education	street sit-in, bell tower strike	use of violent outside force (the Gusadae, contractor, p olice force, Labor Corporation Changjo Consulting)
Y Enterprise	strike at high altitude	use of violent outside force (Labor Corporation Changjo Consulting), office lockout, massive disciplinary action, establishment of a 2nd union

2. Case Study (3) Common Factors

<Figure - 4> Scene Stealers in Industrial Relations: Emerging New Actors



3. Implication & Future Research Challenge

- Implication

- Comprehensive examination into the characteristics of the workforces having suffered from long-term dispute.
- It identified the characteristic factors of the selected workforces, and drew implications for productive industrial relations.
- The first attempt to carry out a comprehensive review of the characteristics of workforces with prolonged strikes

- Limitations & Future studies

- Lacks the point of view of employers
- More accurate diagnosis on the reality of industrial relations and come up with more rational alternatives