

ISSN 0143-4543



**Centre for European Labour Market Research**



Seniority profiles in unionised workplaces:  
Do unions still have the edge?

By

Alexandros Zangelidis

Discussion Paper 2004-09

October 2004

Editor: Dr W David McCausland

[www.abdn.ac.uk/business/](http://www.abdn.ac.uk/business/)

# SENIORITY PROFILES IN UNIONISED WORKPLACES: DO UNIONS STILL HAVE THE EDGE?

Alexandros Zangelidis\*

E-mail address: a.zangelidis@abdn.ac.uk

*(The paper is available upon request from the author)*

## Abstract

This paper, using data from the British Household Panel; Survey, explores how institutional arrangements influence employees' wages. Particularly, it distinguishes the different paths seniority-earnings profiles follow depending on whether the individual is employed in a workplace where trade unions and collective bargaining are present, or not. Within this framework, two propositions are set. It is argued that in the union sector seniority should be an important determinant of wages, while in the less structured non-union sector true productivity, proxied by the more competitive accumulated skills and professional expertise, should have a key role on earnings profiles. Indeed the empirical analysis on male employees verifies both propositions. Seniority-earnings profiles appear to be steeper in the union-sector, while occupational expertise is estimated to have a more significant role in non-union jobs.

**Keywords:** Human Capital; Wage Premia, Trade Unions.

**JEL classification:** J24, J31, J41, J51

---

\* The author thanks Mark Stewart, Robin Naylor, Jeff Frank and Erling Barth for useful comments and suggestions. Helpful comments were also received by participants at the 2004 Royal Economic Society conference at Swansea, the XVIII European Society of Population Economics conference at Bergen, the 2004 Work and Pensions conference at Royal Holloway University of London and seminars at the University of Warwick and Aberdeen. Research support granted by ESRC (fund no: R00429934482) is kindly acknowledged.

## 2001 SERIES

- 2001-01  
Regional Earnings Inequality in Great Britain: A Decomposition Analysis, Heather Dickey, January 2001
- 2001-02  
The Regulation of Professional Team Sports, Peter Sloane, January 2001
- 2001-03  
Externalities from Co-Workers' Education: The Effects on Earnings, Job Satisfaction and Establishment Performance, Harminder Battu, Clive Belfield and Peter Sloane, January 2001
- 2001-04 **Centre for European Labour Market Research**  
Training and Hysteresis Effects on the Wage Inflation - Unemployment Relationship, WD McCausland and I Theodossiou, May 2001
- 2001-05 **Centre for European Labour Market Research**  
Personnel Decisions, Wage Profiles and Firms Investment, J Skatun and I Theodossiou, May 2001
- 2001-06 **Centre for European Labour Market Research**  
Occupational Segregation and the Male Female Wage Gap in Germany between 1985 and 1995, KG Mavromaras and H Rudolph, May 2001
- 2001-07  
Residential water demand modeling: A nonlinear approach, A Mentas, Y Mylopoulos and I. Theodossiou, May 2001
- 2001-08 **Centre for European Labour Market Research**  
The Effects of Socio-Economic Conditions on the Health of the Elderly, K Bender and I Theodossiou, September 2001
- 2001-09  
The Role of Job Attributes in Understanding the Public-Private Sector Wage Differential, K. A. Bender and R. F. Elliott, September 2001
- 2001-10 **Centre for European Labour Market Research**  
The impact of research assessment and teaching quality exercises on the UK university system, Peter J Sloane, December 2001

## 2002 SERIES

- 2002-01  
The Euro, Income Divergence and Monetary Union, I McAvinchey and W. D. McCausland, January 2002
- 2002-02 **Centre for European Labour Market Research**  
Productivity Effects of Research Assessment Exercises, William J Moore, Robert J Newman, Peter J Sloane and Jeremy D Steely, February 2002
- 2002-03 **Centre for European Labour Market Research**  
Female participation and wages in rural labour markets: evidence from the British Household Panel Survey, Euan Phimister, March 2002
- 2002-04 **Centre for European Labour Market Research**  
Low pay and income in rural areas: evidence from the BHPS, Alana Gilbert, Euan Phimister and Ioannis Theodossiou, March 2002
- 2002-05 **Centre for European Labour Market Research**  
Take some days off, why don't you: endogenous sick leave and pay, John D Skåtun, April 2002
- 2002-06 **Centre for European Labour Market Research**  
Higher return on capital and Spirit of the Entrepreneurs, ambition and satisfaction among the Turkish and Bangladeshi Ethnic Minorities in London, Saziye Gazioglu, July 2002
- 2002-07 **Centre for European Labour Market Research**  
Returns to Qualifications and Occupation: Evidence from the British Workplace Employment Relations Survey (WERS) 1998, Ioannis Theodossiou, July 2002
- 2002-08 **Centre for European Labour Market Research**  
The Theory of Differential Overqualification: Does it Work?, Felix Büchel and Harminder Battu, September 2002
- 2002-09 **Centre for European Labour Market Research**  
Intra generational occupational mobility: Markov model for ethnic differences in the United Kingdom, Saziye Gazioglu, October 2002

## 2003 SERIES

- 2003-01 **Centre for European Labour Market Research**  
Do oppositional identities reduce employment for ethnic minorities?, Harminder Battu, McDonald Mwale and Yves Zenou, February 2003
- 2003-02  
Theories of Regional Clusters: Competition and Cooperation, David Newlands, July 2003
- 2003-03  
The Role of Universities in Learning Regions: Some Grounds for Scepticism, David Newlands, July 2003

## 2004 SERIES

- 2004-01 **Centre for European Labour Market Research**  
Worker Absenteeism: A Study of Contagion effects, Tim Barmby and Makram Laruem, February 2004
- 2004-02 **Centre for European Labour Market Research**  
Ethnic enclaves and employment in England and Wales, Harminder Battu and Macdonald Mwale, February 2004
- 2004-03 **Centre for European Labour Market Research**  
A Note on the Labour Supply Behaviour of NYC Cabdrivers: Does Experience Count?, Tim Barmby, March 2004
- 2004-04 **Centre for European Labour Market Research**  
Urban Effects on Participation and Wages: Are there Gender Differences, Euan Phimister, August 2004
- 2004-05 **Centre for European Labour Market Research**  
Is it Easier to Escape from Low Pay in Urban Areas? Evidence from the UK, Euan Phimister, Ioannis Theodossiou and Richard Upward, August 2004
- 2004-06 **Centre for European Labour Market Research**  
Explaining Student Retention: The case of the University of Aberdeen, W David McCausland, Kostas Mavromaras and Ioannis Theodossiou, September 2004
- 2004-07 **Centre for European Labour Market Research**  
Effects of rotation scheme on fishing behaviour with price discrimination and limited durability: Theory and evidence, Erika Seki, October 2004
- 2004-08 **Centre for European Labour Market Research**  
Do social preferences increase productivity?: Field experimental evidence from fishermen in Toyama Bay, Jeffrey Carpenter and Erika Seki, October 2004
- 2004-09 **Centre for European Labour Market Research**  
Seniority profiles in unionised workplaces: Do unions still have the edge? Alexandros Zangelidis, October 2004
- 2004-10 **Centre for European Labour Market Research**  
Profitable Career Paths: The Importance of Occupational and Industry Expertise Alexandros Zangelidis, October 2004

- 2004-11 **Centre for European Labour Market Research**  
The Relationship Between Obesity, Lifestyles and Employment Status, Alison Goode, Kostas Mavromaras and Alexandros Zangelidis, October 2004