

# **Role of Trade Unions in Manufacturing Concerns**

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**ABSTRACT:** Trade Unions are organizations that represent people at work. ‘Representing’ could mean someone from the union meeting with management on behalf of a member or a group of staff or taking up a problem with the employer for others. Trade unions aim to protect their members. This includes making sure that workplaces are safe and that people’s health is not being put at risk through their jobs. It also means legal protection – trade unions usually employ lawyers to make sure that companies and organizations treat their staff in accordance with the law.

Trade unions aim to improve their members’ pay and conditions. If a single member of staff approaches management because they feel they should be paid more, they are much less likely to be successful than if every member of staff speaks as one through their trade union. Trade unions collectively negotiate better pay and conditions on behalf of their members and, statistically, union members earn more than non-union members.

## **I.WHAT DO TRADE UNIONS DO?**

- Trade unions speak on behalf of their members.
- Trade unions provide members with information, advice and guidance about work-related problems.
- Trade unions provide members with a range of services including training, insurance, financial services and legal advice.
- Trade unions bargain with employers to get better pay for members.
- Trade unions campaign on particular issues, for example low pay, discrimination and bullying.

### **Functions Of Trade Unions**

It has already been stated that trade unions aim to further its members' interests, this could be done by some of the following

- Obtaining satisfactory rates of pay. Research has shown that workers belonging to unions have better levels of wages
- Protecting workers jobs, as it has been shown that union members are less likely to be dismissed.
- Securing adequate work facilities
- Ensuring satisfactory work conditions, this can include areas such as health and safety and equal opportunities.
- Negotiating bonuses for achieving targets
- Negotiating employment conditions and job descriptions

## **II.TYPES OF UNION**

There are a number of ways that unions can be classified, the most common way is to place them in one of the three following categories

- Craft Unions are the oldest type of union. Workers with common skills often joined together to form unions. Examples are the Musicians Union or the National Union of Journalists.

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- Industrial Unions are formed by unions of a particular industry, such as coalminers, railway workers or gas workers. Examples are National Union of Mineworkers or the Banking, Insurance and Finance Union (BIFU)
- General Unions are made up of workers with a wide range of skills. Examples are the Allied Trade Union or the Transport and General Workers Union (TGWU).

Although this seems fairly straightforward there can be a number of problems with this classification, including

- It forces unions into one category, whereas many unions have features common to more than one class.
- There have been many mergers in recent years that have blurred the distinctions.

### III. RECRUITMENT PROCESS FOR TRADE UNIONS

Different unions cover different jobs and industries. People are able to join the most appropriate union for their job or sector. People are recruited to unions in different ways. Most people find out about the union by talking to colleagues at the workplace and then make direct contact with the union. Others are contacted by the union representative who gives them information about the union and tells them how to join. Some employers and personnel officers tell employees about the union when they start working for the organisation.

Unions are stepping up their efforts to attract new members. Some are using adverts in newspapers and magazines, television commercials and leaflets as part of high profile recruitment campaigns. The target for these efforts is often people who work part time, in temporary jobs or in small organisations where in the past union membership has not been very high.

#### Structure Of Trade Unions

Trade unions are democratic organisations which are accountable to their members for their policies and actions. Unions are normally modelled on the following structure:

- **members** - people who pay a subscription to belong to a union
- **shop stewards** - sometimes called union representatives - who are elected by members of the union to represent them to management
- **branches** - which support union members in different organisations locally. There is usually a branch secretary who is elected by local members
- **district and/or regional offices** - these are usually staffed by full time union officials. These are people who are paid to offer advice and support to union members locally
- **a national office** - the union's headquarters which offers support to union members and negotiates or campaigns for improvements to their working conditions. At the top of the organisation there is usually a General Secretary and a National Executive Committee, elected by the union's members.
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#### Purpose in joining trade unions

Trade Unions are at the forefront of campaigns to create a fairer society. Trade unions can help if people have a problem at work. Research shows that union members in the UK receive higher pay on average 12.5% more better sickness and pension benefits, more holiday and more flexible working hours than non-members. Some people join in order to feel part of a wider community at work. Others join because they believe in giving employees a collective voice and making sure workers and not just employers and senior managers benefit from the success of an organization. Workplaces are safer where there is a trade union. Organizations that have trade union, health and safety committees have half the injury rate than those that manage safety without unions.

#### What do unions do?

The unions offer a pathway to higher wages and prosperity for the middle class. Critics point to the collapse of many highly unionized domestic industries and argue that unions harm the economy. To whom should policymakers listen? What

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unions do has been studied extensively by economists, and a broad survey of academic studies shows that while unions can sometimes achieve benefits for their members, they harm the overall economy.

Unions function as labor cartels. A labor cartel restricts the number of workers in a company or industry to drive up the remaining workers' wages, just as the Organization of Petroleum Exporting Countries attempts to cut the supply of oil to raise its price. Companies pass on those higher wages to consumers through higher prices, and often they also earn lower profits. Economic research finds that unions benefit their members but hurt consumers generally, and especially workers who are denied job opportunities.

The average union member earns more than the average non-union worker. However, that does not mean that expanding union membership will raise wages: Few workers who join a union today get a pay raise. What explains these apparently contradictory findings? The economy has become more competitive over the past generation. Companies have less power to pass price increases on to consumers without going out of business. Consequently, unions do not negotiate higher wages for many newly organized workers. These days, unions win higher wages for employees only at companies with competitive advantages that allow them to pay higher wages, such as successful research and development (R&D) projects or capital investments.

Unions effectively tax these investments by negotiating higher wages for their members, thus lowering profits. Unionized companies respond to this union tax by reducing investment. Less investment makes unionized companies less competitive. This, along with the fact that unions function as labor cartels that seek to reduce job opportunities, causes unionized companies to lose jobs. Economists consistently find that unions decrease the number of jobs available in the economy. The vast majority of manufacturing jobs lost over the past three decades have been among union members--non-union manufacturing employment has risen. Research also shows that widespread unionization delays recovery from economic downturns. Some unions win higher wages for their members, though many do not. On balance, labor cartels harm the economy, and enacting policies designed to force workers into unions will only prolong the recession.

## Unions in Practice

Economic theory consequently suggests that unions raise the wages of their members at the cost of lower profits and fewer jobs, that lower profits cause businesses to invest less, and that unions have a smaller effect in competitive markets (where a union cannot obtain a monopoly). Dozens of economic studies have examined how unions affect the economy, and empirical research largely confirms the results of economic theory.

## Unions in the Workplace

Unionizing significantly changes the workplace in addition to its effects on wages or jobs. Employers are prohibited from negotiating directly with unionized employees. Certified unions become employees' exclusive collective bargaining representatives. All discussions about pay, performance, promotions, or any other working conditions must occur between the union and the employer. An employer may not change working conditions--including raising salaries--without negotiations.

Unionized companies often avoid making changes because the benefits are not worth the time and cost of negotiations. Both of these effects make unionized businesses less flexible and less competitive. Final union contracts typically give workers group identities instead of treating them as individuals. Unions do not have the resources to monitor each worker's performance and tailor the contract accordingly. Even if they could, they would not want to do so. Unions want employees to view the union--not their individual achievements--as the source of their economic gains. As a result, union contracts typically base pay and promotions on seniority or detailed union job classifications.

## Trade Unions History

Trade union membership has declined over the last two decades. In 1979 13.3 million people were members of trade unions and the proportion of employees who were union members stood at 55%.

There are several reasons for this fall in membership, including:

- a dramatic fall in the number of jobs in manufacturing industries where union membership was traditionally high
- larger numbers of unemployed people

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- a fall in traditional full time employment and an increase in part time and temporary workers who are less likely to join unions
- an increase in the proportion of the workforce employed by small companies where it is often difficult for unions to organise
- hostile legislation - the Conservative government has introduced laws which make it more difficult for unions to operate and keep their members. These laws are explored in more detail under "How have changes in the law over the last few years affected unions".

However, trade union membership is still quite high and many people are employed in workplaces where unions are recognised by management for negotiating pay and conditions of employment. There is also evidence that the decline in union membership is beginning to slow up. The TUC has launched a major recruitment drive called New Unionism - Organising for Growth and many unions are stepping up their efforts to recruit in new industries and jobs. More and more people are turning to trade unions because they want the protection they can provide.

## IV. BENEFITS OF TRADE UNIONS

The main service a union provides for its members is negotiation and representation. There are other benefits people get from being members of trade unions.

- Negotiation
- Representation
- Information and advice
- Member services

### The Role Of Trade Unions In Industrial Disputes

- Most "collective bargaining" takes place quietly and agreements are quickly reached by the union and the employer. Occasionally disagreements do occur and the two sides cannot agree. In these cases the union may decide to take industrial action.
- Industrial action takes different forms. It could mean an over time ban, a work-to-rule or a strike. There are strict laws which unions have to follow when they take industrial action.
- A strike is only called as a last resort. Strikes are often in the news but are rare. Both sides have a lot to lose. Employers lose income because of interruptions to production or services. Employees lose their salaries and may find that their jobs are at risk.

### The Main Challenges Facing Trade Unions

Over the last two decades trade unions have faced major economic and political change. The kind of jobs that people do and the type of industries they work in have changed dramatically. The manufacturing sector, which used to be one of the most important industries in Britain, has shrunk dramatically and new sectors - like the finance and voluntary sectors - are becoming more important to the British economy.

There have also been changes to the way we work. Traditional working patterns have declined. Many people now work part-time or freelance or on short term contracts. Job insecurity is a growing problem for people at work. Many people are unemployed or work under the constant threat of redundancy.

At the same time people have less protection and fewer rights at work than they had two decades ago. New laws have weakened employment rights in areas like pay and unfair dismissal. Legislation has also curbed trade union activities.

All these changes throw up significant challenges to the trade union movement. The types of industries where union membership was traditionally high have suffered heavy job losses. People are less likely to be members of unions in new industries, small organisations and when they are employed on temporary contracts. New laws on trade union organisation make it more difficult for unions to represent their members and to negotiate improvements to their working conditions. But the current economic climate makes trade unions more important than ever. People whose jobs are insecure need advice

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and support. They need help on contract terms, pensions and employment rights. They also need help with getting training so that they have skills which make them more "employable" if their jobs are restructured or disappear.

## Unions Response To The Challenges

The challenge for unions is to adapt to these changes and ensure that they are relevant to all working people. Unions are responding by:

- launching major recruitment drives and trying to attract new members in jobs and industries which in the past have not had high union membership.
- putting education and training high up the bargaining agenda so that their members have the skills and qualifications to improve their employment prospects
- forging a new deal at the workplace by working in partnership with employers on common issues
- mounting campaigns to defend the rights of working people

## The Impact Of Trade Unions On Business

Trade unions recognise that organisations must be competitive in the global markets if they are to be successful and provide secure employment for employees. The agenda for trade unions in the 1990s is working in partnership with employers to improve businesses and services.

Trade unions have an important role in:

- improving communication between employees and managers so that employees can understand and be committed to the organisation's objectives
- negotiating improvements to pay and working conditions so that people feel more satisfaction at work and stay longer in their jobs
- encouraging companies to invest in training and development so that employees have the skills necessary for improved products and services
- acting as a positive force for change - by winning employees' support to the introduction of new technologies and work organization

## V.CONCLUSION

Unions simply do not provide the economic benefits that their supporters claim they provide. They are labor cartels, intentionally reducing the number of jobs to drive up wages for their members. In competitive markets, unions cannot cartelize labor and raise wages. Companies with higher labor costs go out of business. Consequently, unions do not raise wages in many newly organized companies. Unions can raise wages only at companies that have competitive advantages that permit them to pay higher wages, such as successful R&D projects or long-lasting capital investments.

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