

Importance of trade union in modern workplace management essay



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Often we read in newspapers, group of workers of a factory going on strike or coming together in want of some common motive. These groups of people are known as trade unions. Trade Unions are group of workers of an organization or a factory that raises their voice together so that their needs can better be represented in front of the authorities. They have a common goal or aim.

In this era, where everyone realizes the importance of workers, trade unions have a very important role to play. Originating in Europe, trade unions became very popular in countries during the Industrial Revolution, when the lack of skilled workers shifted employment bargaining power almost completely to the employers, causing many workers to be mistreated and underpaid. Trade union organizations may be composed of individual workers or professionals. The most common purpose of these organizations is to maintain or improve the conditions of their employment. Over the past 300 years, trade unions have developed into a number of forms, influenced by different political objectives.

TRADE UNION:

Trade Unions prove beneficial for workers, as the main aim of forming this group is to prevent the workers from being exploited by the senior officials. For example, if a worker is unhappy with the pay he is getting he can talk to his co-workers and collectively they can raise their voice to get the pay they deserve. Trade union is even helpful for the management of the firm, as they can know the needs of the worker which helps them know workers better and provide them an environment where they are able to work efficiently and help them to maintain good standards.

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Decisions are taken through the collective bargaining process and negotiations between employer and unions. The relationship between trade union and employer is called as industrial relations.

In general terms, trade unions satisfy their needs through negotiations peacefully, but sometimes other tough actions need to be taken by the unions. These actions can be in the form of strikes, work to rule, go slow, picketing, overtime ban, etc. In Strikes, workers mutually decide not to come for work. In work to rule, workers tend to be overly critical; criticize on minor details. In Go Slow, workers work with slow pace so as to slower production speed. In picketing, workers demonstrate through slogans and banners. In overtime, the workers refuse to work and then the company is unable to meet the demand. All the employers try to avoid such situations, as such situations lead to loss and even closing down of the company.

In United Kingdom, in order to rescue employers from industrial acts and employees from being exploited, government has created ACAS. ACAS stands for Advisory, Conciliation and Arbitration Service. When union and employers continue to dispute they can go to ACAS to resolve the matter. It is an independent body financed by government. It gives unbiased advises.

TYPE OF TRADE UNIONS:

There are major four types of trade unions:

1). Crafts of Skill Unions: This union consists of all those workers possessing same type of skills.

2). Industrial Unions: This union represents workers of the same industry.

3). General Unions: This union is formed by collection of workers from different industries and having different skills.

4). White Collar Unions: This union represents all the office workers at higher posts.

STRUCTURE OF TRADE UNIONS:

The structure refers to how the trade unions are organized. They can be organized on the basis of crafts union, industrial unions or general unions.

The other method to organize trade unions can be the way plant level, local level, regional level and national level are interrelated.

Plant Level Union-

Plant level is the first and the lowest level of the structure. This type union is formed in single company. Maximum seven members can be a part of this type, due to this in only one company there are multiple such unions.

Local Level Federations-

Local level Union is the second level of the structure. This consists of the plant level unions at the local level in a particular industry. The local level union can be an independent body or can be affiliated with national level or regional level unions.

Regional Level Federations-

All the local level unions of a particular state or region collectively come under regional level Union.

National Level Federations-

This is national level body which gives affiliation to all plant level union, local level union and regional level unions.

These levels have been summarized below in the diagram:

ADVANTAGES OF HAVING TRADE UNIONS:

Trade unions can prove beneficial to both employer as well as the employees.

Benefits for Employees:-

Increased wages for its members-

Industries with trade unions tend to have higher wages than non-unionized industries. Workers tend to be more demanding when in a group. Together when they raise their voice, it is more powerful as the officials are scared of the tough actions which unions might take when their needs are not met.

Represent Workers-

Trade Unions also protect workers from being exploited by senior management. Trade unions can also help workers who might be stuck in a legal problem.

Important for Service Sector-

In modern workforce, there is a decrease in the power of the trade union. This is because of a decline in manufacturing and a boom in service sector employment. Service sector jobs are generally temporary or are on a part-time basis. There are more chances of exploitation of workers in terms of this

sector in terms of less pay, bad working conditions or fewer incentives. Trade unions need to be more vigilant in this upcoming sector.

Individual rights better protected-

Workers have their individual rights better protected. They cannot be unfairly dismissed from work, or they cannot be racially or sexually discriminated.

Member Services-

Members of the trade union are often offered benefits of certain range of services, like

Education and training on basic skills, employment rights, health and safety and other issues;

Legal advice on employment and personal issues;

Discounts on mortgages, insurance and loans from unions;

And also welfare benefits in terms of financial aid when a person is sick or unemployed.

Benefits for Employers:-

To counter balance monopsony power-

Traditionally, monopsonies occur when there is only one firm in a town, or type of employment. However, in modern economies, many employers have a high degree of market power (monopsony). The working conditions, rules and regulations, wages are of determined according to the market power.

More the market power, more will be the control over the trade unions.

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Productivity deals-

Trades Unions can help to negotiate productivity deals. This means they help the firm to increase production which enables the firm to be able to afford higher wages. This also helps encouraging workers to work efficiently. Trades unions can be important for implementing new working practices which improve productivity.

Workers are more motivated-

When all kind of interests- social, economic and political, are being looked upon, the workers tend to remain motivated and works efficiently. This reflects on the quality and pace of the production. This also controls the attrition rates which saves the employer from the huge labor turnover costs.

Trade unions help in accelerated pace of economic development in many ways:

By helping in the recruitment and selection of workers.

By abiding with discipline among the workforce

By helping in settlement of industrial disputes in a rational manner

By making social adjustments. Workers have to adjust themselves to the new working conditions, the new rules and policies. Workers coming from different backgrounds may become disorganized, unsatisfied and frustrated. Unions help them in making such adjustment.

Trade unions are a part of society and as such, have to take into consideration the national integration as well. Some important social responsibilities of trade unions include:

promoting and maintaining national integration by reducing the number of industrial disputes

incorporating a sense of social responsibility in workers

achieving industrial peace

PROBLEMS OF TRADE UNION:

Trade union can create certain problems. When their demand goes high, it is difficult to control their greed and match up their expectations. The employers are often in fear of workers going on strike. More such problems are:

Creates Unemployment-

If labor markets are competitive, higher wages will cause unemployment. Trades unions demand for higher wages through the threat of strikes, work to rule etc. When the wages are higher in industry, producers will not be able to afford more which cause lay offs and unemployment.

Ignore Non Members-

Trades unions only consider the needs of its members; they often ignore those who are not part of the labor market i. e. the unemployed. They must also be considered so as to reduce inequalities.

Lost Productivity-

If unions go on strike and work unproductively (work to rule) it can lead to lost sales and output. This will lead to closure of the company. This will ultimately lead to loss of jobs.

Wage Inflation-

If unions become too powerful they can bargain for higher wages, above the rate of inflation. If this occurs it may contribute to general inflation. Economy may tumble.

CONCLUSION:

This report in short talks about trade unions. The report begins with a brief history about trade unions and tells us what a trade union is. It then highlights the types and structure of trade unions. Then, the growing importance of trade unions in the modern workplace has been amply highlighted. The report also tells us the drawbacks of having trade unions.

The main objective of preparing this report was to show the importance of trade unions in the modern workplace and how they protect the interests of the workers.