

The Operations of Trade Unions

The trade union is known to be a workers' organization, where employees join to maintain and improve their conditions of employment. As a civil society organization (CSO), or non-governmental organization (NGO), it operates on the principles of non for profit and on voluntarism. Nonprofit organizations are entities formed to serve a public, charitable, or social purpose rather than to generate wealth.

Inasmuch that the foundation of the operation of a trade union is grounded in the observance of these two principles, this underscores the point that as a nonprofit organization, it relies primarily on the active participation of volunteers. Those individuals who offer themselves for service and are elected as members of the Executive Board, Executive Committee or the Board of Directors, these people are normally not paid for their work. These individuals contribute considerable time and effort in delivering services and providing administrative support; and often do so at personal sacrifice.

For the most part, those who volunteer their services at the leadership level have full time jobs. Because of this, it becomes necessary to employ paid staff who assume management roles as office /administrative personnel, and industrial relations officers. This requires that trade unions secure funds through membership fees, access to grants, project funding, philanthropy, fundraising activities, or if they are fortunate, through a subvention receive from the government of the day. Financing has proven to be the most difficult challenge which confronts trade unions. Since administrative and operational expenses are usually significant, it requires prudent management if the trade union is not to repeatedly record a deficit in its Annual Audited Statement of Income and Expenditure.

There is an understanding that as a not-for-profit organization, the trade union doesn't operate for profit, personal gain or other benefit to its members, management personnel or any other source. Any profit made is to be used exclusively to further the aims of the organization.

The business of managing a trade union is not as easy as it may appear. The leadership is ultimately faced with resource and funding constraints. Trade unions are limited by law, inasmuch that they are not registered as a charity. This limitation means that trade unions may potentially face some difficulty in maintaining their independence. This may become a source of a significant problem. With a heavy reliance on member dues, and facing the challenge of declining membership, there is the need to find alternate sources of funding.

The establishment of a strike fund is one of the obligations trade unions have to the membership. These funds are used to support employees who are taking strike action and are not eligible to receive pay from the employer for the days they do not work. This fund is supported by a portion of money taken from union duties, or in some cases, through a special monetary contribution to be paid into the strike fund by the membership.

Trade unions must be seen as professional organizations. Apart from providing representation, engaging in collective bargaining, advocacy, setting and maintaining standards, they are expected to engage in offering legal and financial support, and above all, providing training to its membership. For these purposes, access to funding is critical.