



**Ethical Trading Initiative**  
Respect for workers worldwide



## **Working with trade unions to improve working conditions:**

**The benefits for retailers and suppliers**

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**Ethical Trading Initiative**  
8 Coldbath Square  
London  
EC1R 5HL

t +44 (0) 20 7841 4350  
f +44 (0) 20 7833 1569  
eti@eti.org.uk  
www.ethicaltrade.org

## 1. Introduction

This document outlines the ways in which trade unions can work with retailers and suppliers to help implement the ETI Base Code and improve conditions for workers. It sets out the role that modern trade unions can play in the workplace, the ways in which employers and unions can work together to improve workers' conditions, and the business benefits of joint working.

## 2. What are trade unions?

Trade unions are independent, membership-based organisations of workers that represent and negotiate on behalf of working people. They give advice when their members have problems at work, represent members in discussions with employers, and help improve wages and working conditions by negotiating with employers. Unions also make sure that their members' legal rights are enforced, provide and broker education and learning opportunities for members, promote equal opportunities at work, fight against discrimination and help to ensure a healthy and safe working environment. Many unions provide services for their members, such as welfare benefits, personal legal help and financial services.

## 3. How unions work

It can be very difficult for a single worker to speak to management about a workplace problem (for example, forced overtime or late wages) and to resolve their difficulty individually – assuming they even have the confidence to raise the issue. Unions work on the principle that if all workers speak with the same voice, their concerns are more likely to be addressed. This involves union members in the same workplace getting together to talk about common problems, democratically taking collective decisions on workplace issues, and putting these views to the employer.

Individual members usually elect someone to speak on their behalf – a shop 'steward' or 'representative' (rep) – and to discuss their concerns with management. Where the union has a recognition agreement with management (this is where the employer has agreed to negotiate with the union to set staff terms and conditions), they will have regular formal discussions. These negotiations are referred to as 'collective bargaining'. Unions are financed through the individual contributions of their members. Unions continually seek to recruit members (encouraging new members to join by 'organising') and to build an active membership, as this gives unions stronger bargaining power in negotiations with employers.

## 4. The benefits of working with a recognised trade union

Employers around the world understand that working with a recognised trade union can bring many benefits to their company. In particular, trade unions can help employers to:

### 4.1 Build trust among the workforce

Unions provide a mechanism for dialogue between workers and employers, which helps build trust and commitment among the workforce and ensures that problems can be identified and resolved quickly and fairly. This brings significant productivity benefits for companies. Recognising a union also means there is a single point of contact for negotiating terms and conditions for workers, which is simpler, more efficient for the employer and fairer than dealing with workers individually. Workers' performance will

also improve where there is an independent means of dealing with problems rather than leaving them until they get worse.

#### 4.2 Ensure workplaces are safe

Union representatives help to lower accident rates at work by ensuring safe working practices and reducing stress-related ill health caused by, for example, working long hours, being bullied or working in poor quality environments. Evidence shows that unionised workplaces are safer workplaces<sup>1</sup> – which has the added benefit for employers of significantly reducing the costs of ill health and accidents.

#### 4.3 Audit non-compliance with labour codes

Unions are a good source of information on workplace practice, and are well placed to work with employers to identify and address poor working practices and non-compliance with labour standards. Unions can play a key part in enforcing labour standards. They can survey their members about workplace conditions, and coordinate efforts to monitor the effectiveness of new policies and procedures. Trade unions provide a route for workers to report non-compliance without fear of reprisal, and so it is more likely that violations of labour codes will be reported. By enabling workers to monitor and improve their own working conditions in a sustainable and empowering manner, trade unions can help reduce dependence on social audit.

#### 4.4 Improve staff retention

Trade unions negotiate on their members' behalf with employers to find solutions that meet business needs, while ensuring that workers are treated fairly. By giving employees a voice and supporting them when they are unhappy at work, unions significantly improve staff retention and reduce absenteeism. Improved working conditions in unionised workplaces also give employees a powerful incentive to remain in their jobs for longer, and to use their time at work more productively.

#### 4.5 Make better business decisions

Unions represent not only the workers in particular businesses, but many others in similar, related organisations. This provides them with a broad perspective on many workplace issues, and industry knowledge that can be very useful to companies. Informing and consulting with experienced union representatives can also – with input from workers – help companies take better-informed business decisions, for example in relation to shift patterns or the type of equipment to invest in.

#### 4.6 Promote equality

Trade unions actively fight discrimination and help to promote equal opportunities at work. Union representatives are well placed to identify incidences of discrimination, and to work with employers to ensure that anti-discrimination policies are properly implemented. This helps to make workplaces more attractive to workers – improving staff retention, absenteeism and productivity – as well as reducing management time spent addressing grievances.

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<sup>1</sup> For example, a study for the Health and Safety Executive (HSE) found that employers with trade union health and safety committees had half the injury rate of those employers who managed safety without unions or had some other process to involve staff. ('Safety cultures: Giving staff a clear role', Report by Public Concern at Work for HSE, 1999 ([www.hse.gov.uk/research/crr\\_pdf/1999/CRR99214.pdf](http://www.hse.gov.uk/research/crr_pdf/1999/CRR99214.pdf))).

#### 4.7 Provide access to learning and skills

Helping members to access education and training is a key priority for unions. Research shows that union recognition has a consistently positive effect on the amount and range of training that is provided to employees.<sup>2</sup> In turn, higher skilled employees bring productivity benefits for employers.

#### 4.8 Save money

Early identification of problems in the workplace can lead to significant savings, for example by reducing the costs employers face as a result of ill health (including reduced productivity, sick pay, temporary staff cover, and compensation payments from accidents) and reducing staff turnover. Unions also have a strong record of working with employers to identify efficiencies and cost savings – both employers and employees have a shared interest in business success.

#### 4.9 Increase productivity

Unions help build high-trust workplaces where workers are healthier, better skilled and more able to resolve grievances – all of which lead to a more committed and productive workforce. Unions can also help maintain productivity during periods of employer innovation – collective bargaining arrangements provide an important means of consulting with workers over change and reducing the chances of staff resistance.

### 5. Further information

- **The TUC** ([www.tuc.org.uk](http://www.tuc.org.uk)). Just as workers benefit by joining together in a union, so unions gain strength by acting together through the Trades Union Congress (TUC). The TUC represents most unions in the UK (see their website for a full list of affiliated unions).
- **The IUF** ([www.iuf.org](http://www.iuf.org)). The International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations (IUF) is an international federation of trade unions representing workers employed in agriculture and plantations; preparation and manufacture of food and beverages; hotels, restaurants and catering services; and tobacco processing. The IUF has 348 affiliated trade unions in 127 countries.
- **The ITGLWF** ([www.itglwf.org](http://www.itglwf.org)). The International Textile, Garment and Leather Workers Federation (ITGLWF) is the global voice of garment workers, with 217 affiliated trade union organisations in 110 countries.
- **The ETUC** ([www.etuc.org](http://www.etuc.org)). The European Trades Union Congress (ETUC) speaks on behalf of the common interests of workers at European level. It represents 82 trade union organisations in 36 European countries, plus 12 industry-based federations.
- **The ITUC** ([www.ituc-csi.org](http://www.ituc-csi.org)). The International Trade Union Confederation (ITUC) seeks to promote international cooperation between trade unions, global campaigning and advocacy within the major global institutions.

The following documents provide more information about the work of trade unions:

- *The Road to Recovery: How Effective Unions Can Help Rebuild the Economy*, Trades Union Congress, 2010 ([www.tuc.org.uk/touchstone/roadtorecovery/touchstone8.pdf](http://www.tuc.org.uk/touchstone/roadtorecovery/touchstone8.pdf)).
- *The Union Advantage: The Positive Impact of Trade Unions on the Economy and British Society*, Trades Union Congress, 2009 ([www.tuc.org.uk/extras/unionadvantage.pdf](http://www.tuc.org.uk/extras/unionadvantage.pdf)).
- *Trade Unions at Work: What They Are and What They Do*, TUC ([www.tuc.org.uk/extras/unionsatwork.pdf](http://www.tuc.org.uk/extras/unionsatwork.pdf)).

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<sup>2</sup> 'The impact of the union learning representative: A survey of ULRs and their employers', by Nicolas Bacon and Kim Hoque, Nottingham University Business School, Research Paper 9, April 2009 ([www.unionlearn.org.uk/files/publications/documents/149.pdf](http://www.unionlearn.org.uk/files/publications/documents/149.pdf)).