

The Structure of Trade Unions and Their Impact on Wage Management and Labor Security

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Abstract: The development of trade unions has made great progress with the increase of social attention, but can trade unions really provide labor protection for employees? This paper uses the 2016 CLDS questionnaire survey data to analyze in detail the construction and contribution of trade unions in Chinese enterprises. Through the collation of relevant literature, it is found that private and state-owned enterprises are more likely to establish trade unions, and foreign-funded enterprises are less likely to establish trade unions. Enterprise trade unions are organizations that voluntarily combine employees, and the role of China's trade unions is to maintain stability for the country, maintain order for enterprises, and safeguard the rights and interests of employees. Trade unions need to effectively coordinate labor-management relations, promote the cultural construction of enterprises, and trade unions protect the rights and interests of employees, mainly in actively helping employees to coordinate and communicate with enterprises when their rights and interests are violated.

1. Introduction

Labor disputes between employees and enterprises have occurred frequently, and the optimal resolution of disputes has become a major problem in society, many enterprises take into account the financial situation, ignore the protection of the interests of employees, such as not paying five insurances and one housing fund for employees, because some employees do not understand the role of insurance, provident fund, etc., resulting in repeated infringement of employees' rights and interests, when meeting the national regulations to receive insurance compensation conditions, but not due compensation. In the process of China's transition from a planned economy to a market economy, the functional positioning of trade unions still faces many difficulties and conflicts (Chen, 2003). With the continuous development of the national economy, the coverage rate of trade unions in enterprises has increased year by year, but whether trade unions can solve the actual problems of employees in enterprises and whether they can provide effective protection to employees need to be further explored. Some scholars believe that trade unions play little role in protecting the legitimate rights and interests of workers (Chen, 2003; Clarke et al., 2004). At present, there are few scholars discussing whether trade unions can promote labor protection, and very little attention is paid to workers. The establishment of trade unions and the understanding and joining of trade unions by employees are difficult problems that trade union organizations are overcoming recently, because most of the leaders in enterprises only care about the development of enterprises, attach importance to the interests of enterprises, despise the labor protection of employees, and even squeeze employees in various ways, and the employees' own legal awareness is weak, which has laid hidden dangers for the protection of the legitimate rights and interests of employees. Therefore, the establishment of enterprise trade unions may protect the interests of employees to a large extent, and trade unions, as a bridge between employees and high-level leaders, representatives and defenders of employees' legitimate rights, provide assistance to employees whose rights and interests have been violated, and resolve labor disputes for employees.

2. Trade Union Sources and Their Contributions

2.1 The Role of Trade Unions

Trade unions are important organizations for safeguarding workers' rights and interests, and the reason for the formation of trade unions is due to the unfairness of the labor market, and the role of trade unions is to make the labor market fair and overcome the inherent incompleteness of the labor market. Trade unions are embedded in the labor market in the form of social institutions and integrated into the moral economy of society (Scott, 1976). Unions function mainly by limiting their numbers and establishing common rules (Sidney Webb & Beatrice Webb, 1920). If the number of union members is not limited, then the labor market is completely open, and the stability of workers' work is difficult to guarantee, and through the method of controlling the number of workers, a small number of workers have an advantage in the labor market, but this advantage will reduce the productivity of workers and reduce the role that trade unions can play. The development of common rules refers to the role of trade unions through insurance, collective bargaining and legislation. The collective bargaining system is relatively flexible and flexible, which can quickly respond to changes in the economic situation and adjust specific matters in a targeted manner, but it is prone to disputes. Legislation against workers is not prone to controversy, but it is lagging behind and difficult to easily change once implemented. Thus, basic and long-term factors can be identified through legislation, while those that change with the economy are resolved through collective bargaining (Sidney Webb & Beatrice Webb, 1920). Trade unions are organizations with multiple identities and multiple interests: First, trade unions are organizations that protect the interests of employees who have joined a trade union, and protecting the interests of some groups will inevitably sacrifice the interests of other groups, and this party is often employees who are not members of trade unions and other organizations rather than enterprises. Second, the union is the intermediary to maintain a harmonious relationship between multiple parties, the union not only protects the rights and interests of the members of the union, but also the interests of the government and enterprises, it represents the image of the neutral responder of the union, and the improvement of management methods and production efficiency has a good effect in politics and economics (Freeman and Medoff, 1979). Unlike capitalist countries, China's trade unions need to be managed by the government and the Communist Party of China. First of all, trade unions accept the leadership of the party in all aspects and obey the party's command; Second, trade unions arrange their work in accordance with the laws formulated by the Party and the government; Third, the government should help and guide trade unions in all their work, and trade unions should obey arrangements and carry out all work in an orderly manner. The Communist Party of China, the government and trade unions should take the protection of the legitimate rights and interests of the broad masses of workers as their common goal and seek the welfare of the Chinese people. In the early days of the founding of China, the government arranged many aspects of workers' life and work to gain the trust of the majority of workers in the country and promote the country's political, cultural, economic and other aspects. After the reform and opening up, a large amount of foreign capital entered the Chinese market, the government gradually withdrew from the market, enterprises obtained the right to operate independently, and the employment choices of workers were broader and freer.

2.2 Worker Protection

China's employer-led labor market has seriously damaged the interests of employees, frequent labor disputes, and disharmonious labor relations, mainly because the labor-management coordination mechanism cannot keep up with the development of society, so amending the Labor Law and supporting laws and regulations is of great significance to the construction of an effective labor relations adjustment mechanism (Xiaolin Xia, 2005). On January 1, 2008, the Employment Contract Law was promulgated, which is a law to protect the legitimate rights and interests of workers and build harmonious labor relations. Some studies have found that “profits crowd out wages”, “taxes crowd out wages”, “capital accumulation crowds out wages” and “interest crowds out wages” in Chinese enterprises, and workers are in a weak position, while the introduction of the

Employment Contract Law is based on protecting the interests of workers (Jie Zhang and Taiyan Huang, 2010). However, there are still three problems in the implementation of the Labor Law: First, the awareness of the Labor Contract Law is still relatively low; Second, there is still a considerable proportion of the labor force that has not signed a labor contract with the employer; Third, there is a large difference in the labor contract signing rate between foreign labor and urban local labor force (Meiyan Wang, 2013). Therefore, the legal awareness of the social labor force is low, and relevant departments should strengthen the publicity and popularization of the law, strictly supervise the implementation of the law, and ensure the effective implementation of the law[1-3].

2.3 Enterprise Trade Unions and Safeguarding the Rights and Interests of Workers

Scholars still have different views on whether trade unions can protect the legitimate rights and interests of workers. Some scholars believe that trade unions play little role in safeguarding the legitimate rights and interests of employees. Through the Nanhai Honda shutdown incident, it is found that the role played by enterprise unions is not obvious enough, and the labor group incidents in non-public enterprises have spontaneous characteristics, while the reason why non-public enterprise unions cannot play a role is that enterprise unions are dependent on management (Taiping Pan, 2011). Trade unions are directly related to the enthusiasm, initiative and creativity of employees. In order to seek high profits, some enterprises arrange employees to work overtime for a long time, making employees overtired and easy to cause accidents, and forcing employees to work overtime for a long time and many times in order to increase corporate income is undoubtedly a violation of the legitimate rights and interests of employees. There are also a considerable number of enterprises that use funds for enterprise operation due to development problems, and it is difficult to operate normally due to the lack of funds for employee labor protection, resulting in difficulties in protecting labor rights and interests, or even impossible to carry out (Yanghong Liu, 2012). There are some problems between trade unions and enterprises: enterprises lack trust in trade unions, do not regard employees as a type of “capital” of enterprises, so they ignore the interests of employees, do not listen to the proposals of trade unions, do not accept the existence of trade unions or similar organizations in enterprises, and do not have a comprehensive understanding of trade unions (Liyun Zhang, 2009). The construction, management and improvement of the relevant legal system of trade unions need further reform. At present, there is no sound trade union organization in China, and the regulating role of trade unions on labor relations is relatively weak, and the compulsory governance of the legal system is an effective means to achieve a win-win situation for labor and capital (Jian Qiao, 2010). China's workers' interest demands lack a mechanism to express their interests, trade unions are dependent on the existence of enterprises, bound by various articles of association, it is difficult to protect the interests of enterprises and the rights and interests of employees, and employees have no effective way to express their dissatisfaction. Moreover, due to the need to limit the number of employees in the union, most employees cannot join the union, which damages the right of employees to propose the establishment of a union and join a trade union, and hinders the union from safeguarding the rights and interests of employees and building harmonious labor relations. All parties in society are exploring effective ways to attract employees to join the union, and strive to organize as many employees as possible to participate in the union[4-7].

However, there are also views that trade unions can protect the rights and interests of workers. Trade unions are also trying to strengthen the protection of the legitimate rights and interests of employees (Zhenglin You, 2010), there is no significant difference in the wage level between union workers and non-union workers, but the hourly wage of members is 1.23 times higher than that of non-members, the average weekly working hours are 3.8 hours less, and the incidence of paid vacation and sick pay is as high as 70%. The rate of infringement of personal rights and interests decreased by 46% (Linping Liu and Zhongwei Sun, 2011). Unions can not only increase the wage income of the member group, reduce the working hours of members, but also give benefits to members (Yao & Zhong, 2013; Xiahai Wei, 2013). Zhongwei Sun and Xiaxu He (2012) analyzed the data of migrant workers in 19 cities in the Pearl River Delta and Yangtze River Delta in 2010, and concluded that trade unions not only protect the labor rights and interests of members, but also protect

the labor rights and interests of non-members. Whether trade unions can protect the rights and interests of workers, and whether their role is positive or negative, there is still no unified statement.[8-12]

3. Analysis and Reflection of Relevant Cases

Beijing Jeep Automobile Co., Ltd. (BJC) is a member of Beijing Automotive Industry Holding Co., Ltd. (BAIC) and Daimler Chrysler Corporation (DCC), Daimler Chrysler (China) Investment Co., Ltd. (DCCL) is a Sino-American and German joint venture. Signed on May 5, 1983, officially opened for business on January 15, 1984. It is the first Sino-foreign joint venture in China's automotive industry and the largest manufacturer of light off-road vehicles in China.

After the establishment of the joint venture in 1984, the enterprise established a trade union, and established a trade union member congress system and a collective contract system to fully protect the rights and interests of employees. In the first negotiations between the unions and management, management said that the daily wage would not exceed 50 cents an hour, but the union was not satisfied with this wage level, and repeatedly said in subsequent negotiations that the wages of employees should be raised. Finally, in 2000, the union succeeded in persuading management to raise wages overall to 109 percent. At this time, due to the instability of the market, the enterprise is also in a state of loss, so the union has to agree to the requirement that the staff must be reduced, which ushered in two major problems: First, how to distribute the 9% wage increase; Second, how to rationally reduce the number of personnel. In terms of wage distribution, senior management personnel and technical talents of enterprises were relatively scarce at that time, so the increase in wages was mainly for these two types of personnel, while the wages of basic workers did not change significantly, the salary span of employees is also more obvious. With the development of the enterprise in mind and the prevention of brain drain, unions help to place workers and encourage employees and their workshops to be "self-reliant" in the market. Due to problems in business operations around 2000, the management tried to cancel some of the rights of employees, such as annual medical examinations for workers and recuperation for employees who perform toxic and harmful operations. After negotiations between the union and management, it was finally decided to change the medical examination of general employees to biennial, and employees who perform toxic and harmful work to provide recuperation opportunities and funds. In the 2002 enterprise survey, the membership rate of trade unions in enterprises reached 99 per cent, except for employees of management. All employees of the enterprise have become trade union members, and the enterprise trade union has set up eight special committees under the consideration of the multifaceted requirements of employees and the different characteristics of employees, involving wages and benefits, labor protection, female employees, retirements and other aspects, special departments are responsible for related matters, and the rights and interests of employees have been more professionally guaranteed.

The goal of the enterprise trade union is mainly to protect the legitimate rights and interests of employees, which is specifically manifested in constantly striving for greater benefits for employees, such as stable wages, wage increases, etc., and safeguarding the rights and interests of employees, such as basic physical examination and vacation. It also includes basic working meals, and since the company is a joint venture and management comes from multiple countries, there will be conflicting cultural differences, and foreign management wants to be able to eliminate the provision of employee meals. After talking to management, the union agreed to subsidize each day on a daily basis of 25 working days per month 6 Yuan for food.

The company has a special women's rights union, so that women's rights and interests have a more professional protection, but this practice is not common in enterprises, compared with men, women's rights and interests protection road is more difficult. And rights and interests are violated more giving women special protection is conducive to the development of society and can also help enterprises obtain a better reputation to a certain extent. The positioning of trade unions is one of the problems of trade unions today, as representatives of the interests of three parties, it is difficult for trade unions to make decisions that satisfy all parties, if they represent the enterprise, as the

union of employees , the only “dependence” of employees, who protects the interests of employees; If it represents employees, the development of the enterprise is closely related to the survival of the trade union, the work of the employees, without the enterprise, the rest will no longer exist. As intermediaries, trade unions have difficulty controlling the scale[13-16].

4. Salary Management and Labor Security of Enterprises

The figure on the left in Figure 1 shows the satisfaction of basic security for men and women in companies where unions have been established, with horizontal axes 0-4. From the figure on the left, it can be seen that the overall satisfaction of employees is generally satisfied and relatively satisfied, and one in five of the more than 1,000 men studied expressed greater satisfaction with their basic security. Compared with the figure on the left, the number of enterprises without trade unions is significantly higher than that of enterprises with trade unions, but the basic satisfaction of employees with their jobs is still mostly between general satisfaction and relative satisfaction, and the construction of trade unions does not significantly affect the basic labor security of men and women, and among the respondents, women work in more enterprises without unions. Nowadays, the phenomenon of workplace discrimination still exists, and companies are more inclined to recruit male employees, resulting in some aspects of women's enterprises, such as employee protection, lagging behind men's enterprises.

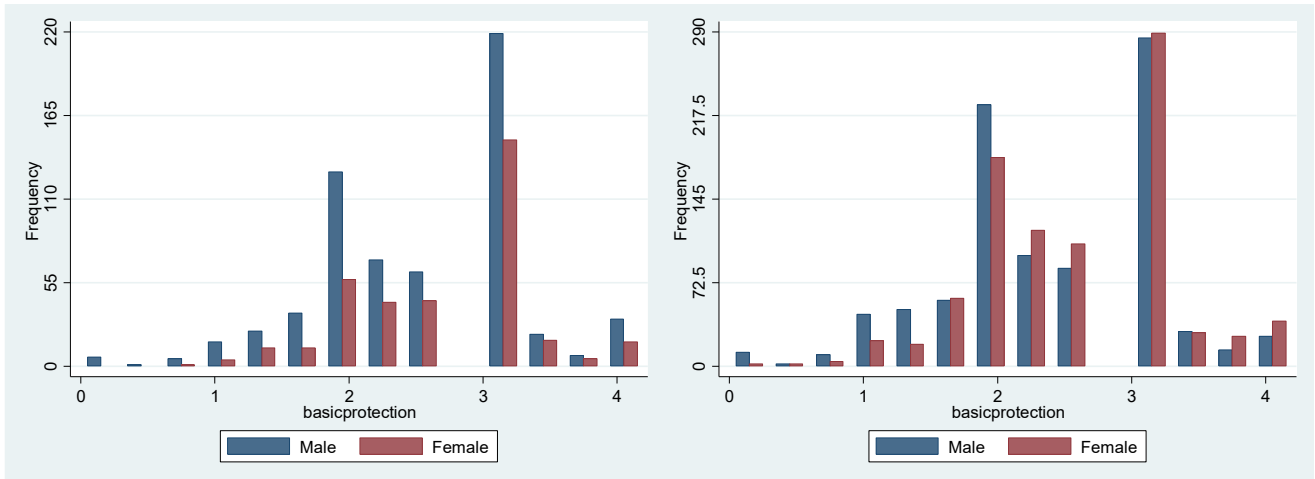


Figure 1 The impact of trade union construction on employees' satisfaction with basic security

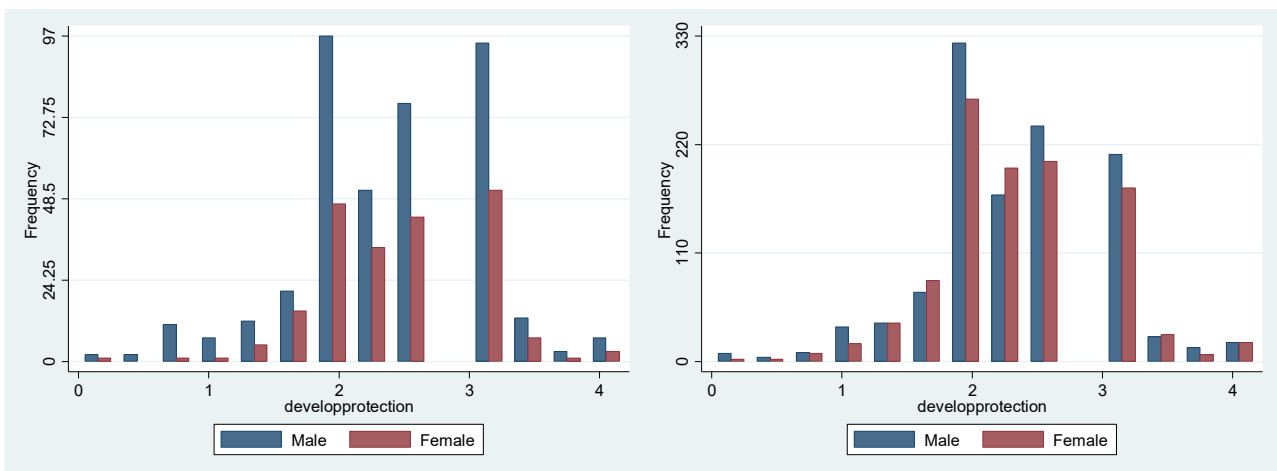


Figure 2 The Impact of Trade Union Construction on Employee Development and Satisfaction

In Figure 2, the left figure shows employee satisfaction at companies that have established unions. The figure on the right represents a company without a union employee satisfaction, compared with the figure on the left, it can be clearly seen that the number of enterprises without a

trade union is significantly higher than the number of enterprises that have established a trade union, and China's society does not attach enough importance to trade unions, and enterprises do not pay enough attention to safeguarding the legitimate rights and interests of employees, so that enterprises squeeze employees regardless of the legitimate rights and interests of employees for the interests of enterprises, and employees also lack channels to protect their rights.

Figure 3 is further analyzed in the enterprises that have established trade unions, only from the perspective of enterprise construction of trade unions to verify whether the union plays a role in guaranteeing employees is not perfect, therefore, this paper divides employees into two categories of employees who join the union and employees who do not join the union from the enterprises that establish the union, and the left figure shows the satisfaction of employees who joined the union, and the overall satisfaction is more satisfied, nearly 30 men are satisfied with their future development in the company. The right figure shows the satisfaction of employees who have not joined the union, compared with the left figure, it can be clearly seen that the number of employees who have not joined the union is significantly higher than the employees who have joined the union, the employees of the enterprise do not have a high understanding of the union, even if they join the union, they still do not know the meaning of the existence of the union, the role they can play, when the rights and interests are violated, the union is not the primary choice for them to protect their rights, and the trade union of some enterprises is also useless, unable to effectively protect the interests of employees.

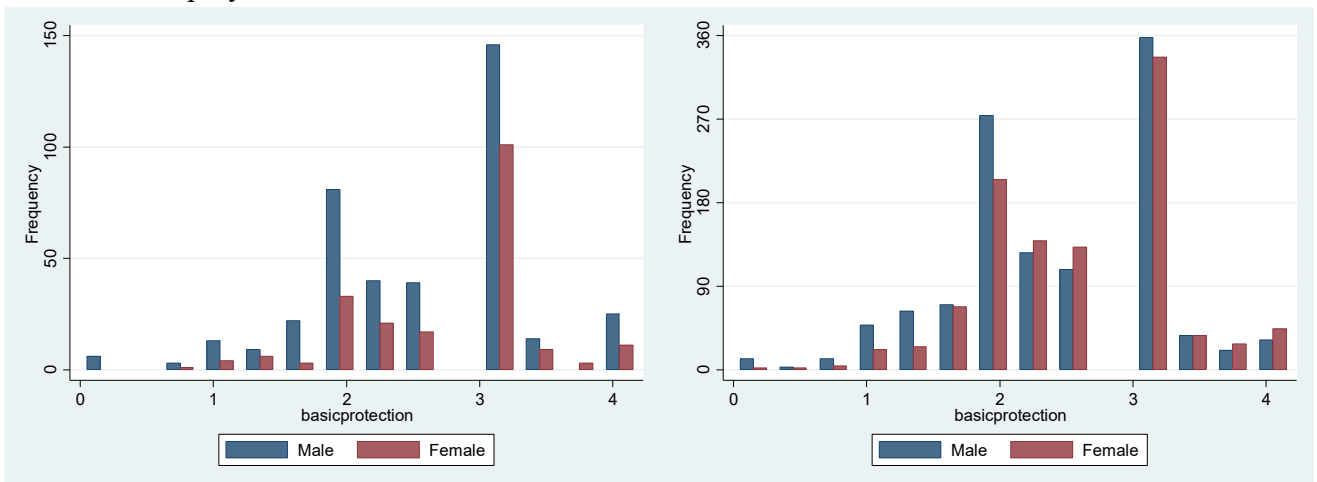


Figure 3 The impact of employee union membership on basic security satisfaction

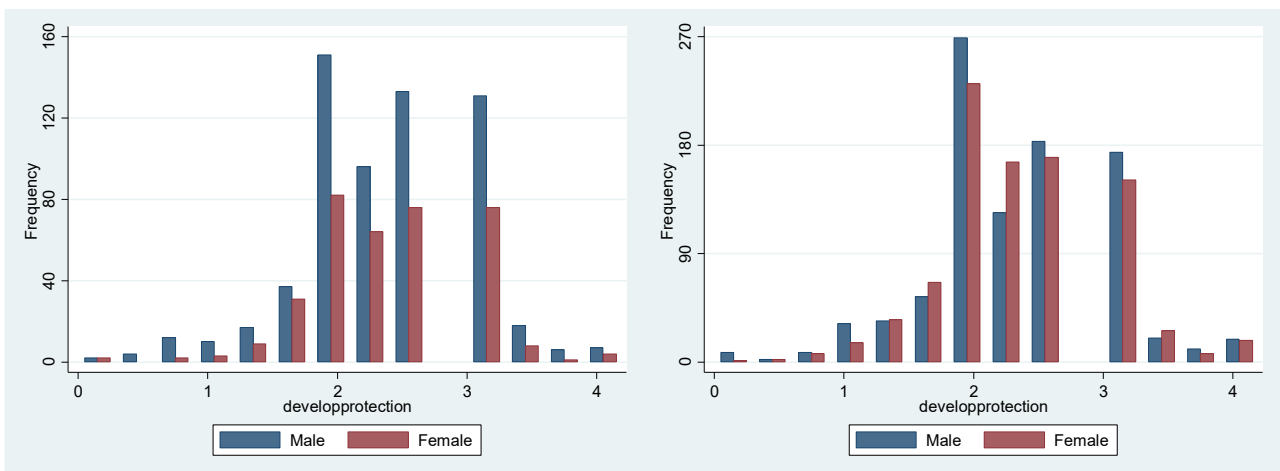


Figure 4 The Impact of Employee Union Membership on Development Guarantee Satisfaction

In Figure 4, the left chart shows the satisfaction of unionized employees, with an overall bias between general satisfaction and good satisfaction. The figure on the right shows the satisfaction of employees who have not joined the union, the overall bias is also between general satisfaction and

relatively satisfactory, whether employees join the union has no obvious impact on the satisfaction of development guarantee, the development of China's trade union is still in its infancy, and further reform is needed. In unionized enterprises, the number of non-unionized persons is significantly higher than the number of unionists. On the one hand, trade unions play little role in enterprises, and employees do not choose to join trade unions even if they know that trade unions exist, because trade unions cannot protect their legitimate rights and interests. On the other hand, employees of enterprises do not know the existence of trade unions, or know that trade unions exist but do not know the specific role of trade unions, so they choose a conservative way-not to join a union.

5. Conclusion of the Study

This paper uses the data of CLDS 2016 questionnaire to analyze whether enterprises can build trade unions and whether employee membership can play a due role in safeguarding the legitimate rights and interests of workers. The study found that:

The establishment of trade unions plays very little role in maintaining the labor protection of employees. The structure of trade unions in the respondents' companies is not ideal, with only 40 per cent of male workers working in their enterprises having unions and only 29 per cent of women. Trade unions are the “scarecrows” of rights protection (Zhongwei Sun, 2012), nowadays, trade union organizations are only the existence of “puppets” in enterprises, social development is rapid, positions in enterprises have long been in short supply, the rights and interests of employees are ignored by enterprises, and they are forced to choose between positions and legitimate rights and interests in exchange for stable jobs. When the rights and interests of the collective are violated, employees rarely seek the help of trade unions, but often choose more intense ways to fight against “capital”, mainly collective strikes, demonstrations, etc., and some even evolve labor-capital conflicts into public-civilian conflicts and ethnic conflicts (Linping Liu, 2011). Trade unions are mass organizations with a government nature, and as the only organization that can negotiate with enterprises on behalf of employees, employees can only choose trade unions as their negotiators to defend their rights. It will be just an “empty shell with its appearance”, it will be difficult for employees to successfully defend their rights, and enterprises will also understand the “scarecrow” nature of the union in the process and no longer fear its “intimidation”. As a mass organization dependent on the enterprise, trade unions must not only rely on the supply of funds from the enterprise, but also prevent the enterprise from infringing on the legitimate rights and interests of employees. First, trade unions must assume the responsibility of maintaining social stability, which is the political function of trade unions; Second, trade unions must safeguard the legitimate rights and interests of employees, which is the trade union's own job, which is determined by the mass nature of the trade union; Third, trade unions cannot affect the production and profits of enterprises, and even mobilize the production enthusiasm of employees, which is determined by the economic dependence of trade unions (Zhongwei Sun, Xiaxu He, 2012). This triple identity makes it impossible for trade unions to take into account the interests of three objects at the same time, so it is difficult for trade unions to play an obvious positive role in protecting the rights and interests of employees, but in the long run, trade unions can play their positive role to a certain extent. The protective role of trade unions in domestic enterprises is not much different from those who join a trade union and those who do not.

In enterprises that have established trade unions, the participation of employees in trade unions has a certain role in promoting the improvement of labor security. Among the survey subjects, the membership rate of male employees in enterprises that have established trade unions is about 18%, and the membership rate of female employees is only about 10%, although the establishment of enterprise unions has become a trend, but not all employees can join trade unions, only less than half of them will become union members, highly educated, managers, those who sign labor contracts are more likely to become union members (Zhongwei Sun, Xiaxu He, 2012). Compared with employees who are not members of a union, employees who have joined a union have the protection of the union, and their satisfaction with the basic guarantee and future development guarantee is slightly higher than that of employees who are not a member.

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