

UNIVERSITY OF KWAZULU-NATAL

**The attitude of union members on the role and influence of trade unions
within the banking industry in South Africa**

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Declaration

I, Neil von Hagen (student number 210552680), declare that:

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Abstract

Historically, new employees in an industry associated themselves with a union soon after being appointed as an employee. However, within the banking industry in South Africa this anticipated membership to a union has become less predictable as a growing number of employees question the benefits of becoming a union member as benefits negotiated by the unions are available to both members and non-union members. This in turn raises the question amongst all employees regarding the role and influence of the unions within the banking industry.

The aim of this study was to establish the attitude of union members towards the role and influence of trade unions within the South African banking industry. A probability sample was drawn from a major South African bank whose population comprised 33 727 employees that were eligible to belong to a union. The sample consisted of 394 employees from the KwaZulu-Natal region. KwaZulu-Natal was utilised as it best represented the demographics of South Africa with both metropolitan and rural branches. The respondents consisted of 39,6% males and 60,4% females of which 56,6% were union members and 43,4% were non-union members. The data collection was conducted through an internet-based questionnaire that the researcher had structured expressly for this study. Analysis of the collected data indicated that there were specific reasons for employees becoming union members and that in instances the unions were not meeting this expectation through their offered benefits. In terms of the value of union benefits, 48,2% of respondents indicated that these benefits were of average value, 34,7 % indicated minimal or no value and 16,1% indicated excellent or good value. Recommendations were made by the researcher as to how the perceived value of union benefits could be improved. This included regular meetings between union representatives and members and the union offering training courses as identified by the members. These suggestions are supported through the research of Peetz and Todd (2001). In addition, statistical analysis revealed that there were noteworthy relationships between the age of the union member and a number of variables that would require additional research. The study can benefit both unions and employers through an improved understanding of the attitude of employees towards the role and influence of the unions. This can be achieved through the unions' offerings to members and will assist employers during negotiations with unions for Recognition Agreements. In addition, the study can assist employees through an improved understanding of the value

unions offer to members. However, whilst this study cannot finalise the debate on union negotiated benefits being available to non-union members, it does provide clarity that members are discontent that this occurs.

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List of acronyms and abbreviations

Absa	Amalgamated Banks of South Africa
ADSCJ	Amalgamated Society of Carpenters and Joiners
CCMA	Commission for Conciliation, Mediation and Arbitration
CONSAWU	Confederation of South African Workers' Unions
COSATU	Congress of South African Trade Unions
CPS	Current Population Survey
FAIS	Financial Advisory and Intermediary Services
FEDUSA	Federation of Unions of South Africa
FNB	First National Bank
IRA	Industrial Relations Act
LRA	Labour Relations Act
MBA	Masters of Business Administration
NACTU	National Council of Trade Unions
NUBE	National Union of Bank Employees
SACCAWU	South African Commercial, Catering and Allied Workers Union
SASBO	South African Society of Bank Officials
SETAs	Sector Education Training Authorities
TUC	Trade Union Congress
UKZN	University of KwaZulu-Natal

CHAPTER ONE

INTRODUCTION

1.1. INTRODUCTION

Within the banking industry there appears to be a trend amongst employees to either consciously decide not to become union members or to join a union, of their choice, and to resign at a later date. The growing attitude that appears to be influencing this decision is whether the union benefits offered to members represent value when compared to that of the monthly dues. The study's intent was to investigate and to understand the attitude of union members towards the role and influence of trade unions within the banking industry in South Africa. The need was therefore to understand whether this attitude of the members is being influenced through a perception that the benefits are of excellent, average or no value to the members; whether the attitude towards membership of a union is impacted through the knowledge that union negotiated benefits are received; whether the employee is a union member or not and whether the attitude of the members is influenced through the effectiveness of union representation. This chapter details the reasons for this study in terms of the identified problem and its impact on the different stakeholders within the banking industry in South Africa.

1.2. MOTIVATION FOR THE STUDY

The benefits expected from this study would assist unions representing employees from the South African banking industry in their understanding of their members' attitude towards the union. This in turn could assist the unions in the retention of members which is critical for the unions due to the number of members required for Recognition Agreements with the various banks in South Africa. In addition, the study will enable employers to understand their employees' perceptions of the benefits offered by the union. And this enhanced understanding of their employees' attitude towards the union will enable the employers to have fruitful discussions with the unions. The third stakeholder that would benefit from this study is the employees within the banking industry, irrespective of whether they are existing union members, past members or prospective members. There are ongoing discussions in the workplace between employees on the advantages and

disadvantages of being a union member and these discussions resulted in the identification of the problem which is discussed in more detail in this chapter.

The review of existing literature, which is discussed in Chapter 2, has revealed that whilst there is abundant research regarding the reasons employees join unions or not; union offerings to members; successful unions in the banking industry internationally as well as research on whether union membership should be mandatory or not, there has been minimal research undertaken on unions and employees in the banking industry of South Africa. This study will therefore add to the existing research and expand on unions and the attitude of their members, specifically within the banking industry in South Africa.

1.3. FOCUS OF THE STUDY

The intended dimensions for this study should have been all employees in the banking industry within South Africa. This industry currently consists of 19 registered banks, two mutual banks, 13 local branches of foreign banks, and 43 foreign banks with approved local representative offices (Banking Association South Africa, 2010). At the end of 2009 the number of employees within this segment of the economy consisted of about 150 619 employees (Banking Association South Africa, 2010). However, due to the size of the population and the limited resources of the researcher, this study was conducted at one major South African bank to determine the views of their staff. The employees within this bank comprised the population of this study. The population, due to this decision, reduced the number of potential participants, which on 31 December 2012 was 33 717 (The Bank, 2013). The target participants were all staff that were eligible to belong to a union.

Goerke (2008) in his research indicated that certain individuals determine the need to remain a union member based on the assessment of cost and gain which depends on the individual's personal preferences and risk attitudes (Goerke, 2008). From this research it has become evident that those individuals whose risk assessment reveals a low risk decide to either not join a union or resign from a union. This study has not focused on the assessment of an individual's risk profile as being a contributing factor their attitude towards the role and influence of a union.

1.4. PROBLEM STATEMENT

Employees of the bank continuously discuss the advantages and disadvantages of being a union member. Some employees who are members of a union argue that it has advantages because the union negotiates benefits on behalf of its members. Yet other union members argue that they have never met with union representatives during their career with the bank. They feel that those benefits the union negotiates on their behalf would still be available to them as employees of the bank, without having to incur the cost of union membership. In addition, members and non-members challenge the argument that union membership is critical should an individual require union representation, stating that they would join the union if and when the need ever arose. The above arguments are predominately based on the cost of union membership against the value of benefits received as a member of the union and whether these benefits would have been received by the individual irrespective of union membership or not (Schnabel, 2002). There is a need to establish whether existing members are aware of all the benefits and services that the union offers only to its members. There is also a need to establish members' exposure and utilisation of such offerings. Unfortunately there is also a segment of employees who state that they have never had the opportunity to assess their need to join a union as they have never been approached by a union with the view of becoming a member. This raises doubt amongst both members and non-members about the role and the effectiveness of union representation. They feel that if the union is unable to identify and meet new employees then the union will not be aware of the needs of their members. There are those members who argue that union membership should be mandatory, thereby ensuring the strength of the union through increased income from membership fees and the ability to negotiate with the employer from a position of strength due to the total workforce belonging to a union.

The above conflict between members and non-members and at times between members on the benefits of being a union member indicates a need by employees within the banking industry to have a comprehensive understanding of the role and influences of the union. The problem this study therefore intended addressing is the attitude of union members towards the role and influence of trade unions within a South African bank.

1.5. AIM

The aim of this study was to establish the union members' attitude towards the role and influence of trade unions within the banking industry in South Africa

1.6. OBJECTIVES

In order to address the problem statement the questions that were created for the research instrument were structured to meet five objectives. The data from the respondents would assist in the understanding of the attitude of union members towards the role and influence of trade unions within the banking industry in South Africa.

1.6.1. Objective One

To establish the awareness of the union benefits available to members.

1.6.2. Objective Two

To establish the union members' opinions of the benefits the union offers them.

1.6.3. Objective Three

To establish the effectiveness of the union's representation, from the perspective of both members and a non-union members.

1.6.4. Objective Four

To establish the union members' opinions of the value of benefits received compared to the cost of membership.

1.6.5. Objective Five

To establish whether the benefits negotiated by unions and paid for through membership dues should be available to non-members.

1.7. LIMITATIONS OF THE STUDY

During the course of this study, the following limitations were anticipated:

- That the majority of the respondents to this study would indicate that they are or were members of a single union.
- That during the process of data collection problems would be experienced by the respondents due to internet link problems between QuestionPro, the research instrument administrator, and the employees of the bank. This problem was experienced during the testing phase of the research instrument and due to this it was anticipated to occur during the research.
- The study did not include any research on the possibility of union members' attitudes towards the union's role and influence being impacted by their risk profile.

1.8. SUMMARY

This chapter has provided an overview of what the study set out to achieve and the methods that were used to answer the research question.

The following chapter will review existing literature and research specifically on the history of unions in South Africa; why employees join and do not join trade unions; what unions offer their members and mandatory union membership.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1. INTRODUCTION

In the past employees in an industry joined a union shortly after being appointed, however, the number of persons joining as members of trade unions has become less predictable. The employee no longer sees the benefits nor the logic of becoming a member and there is a growing perception that the benefits gained through union membership are being experienced by both members and non-members. The question that members therefore ask is whether the cost of membership, in the form of membership fees, is offset through and by the benefits gained through being a member of the union. This in turn raises a debate between union and non-union members on the real role and the ability of the union to represent the members. This research study has expanded on the above topic and other literature and research in order to establish the benefits experienced by union members through membership of unions. The research study highlights the views of members on the effectiveness of trade unions and the expected benefits of becoming a member. The roles of the unions and experiences of union members are discussed, as well as the challenges faced by unions which impact on membership and the expectations of union members.

2.2. BACKGROUND

It is acknowledged that in nearly all countries throughout the world, as well as in the stipulations of international labour standards, procedures should be put into place to shield the individual employee against exploitation (Barker, 2007). According to the Labour Relations Act Number 66 of 1995 (1995), Section 213, a trade union is defined as an “association of employees whose primary purpose is to regulate relations between employees and employers, including any employers organisation (Labour Relations Act Number 66 of 1995, 1995)”. Trade unions are therefore independent, democratic organisations whose primary purpose is intended to represent the security, welfare and safety of the workforce. Their secondary purpose is negotiating with employers for enhanced terms and conditions of employment for their members. It would, therefore, be anticipated that employees would readily join the various trade unions and that membership numbers to the unions would be on the increase. Over the past quarter of a

century, trade unions in South Africa have been major role players in ensuring the achievement of greater societal justice (Sheik, n.d.). However, the role of trade unions should not be overvalued (Sheik, n.d.). Nel, Kirsten, Swanepoel, Erasmus & Poisat (2005) suggested that union membership has undeniably been fluctuating noticeably over the past decade (Nel, *et al.*, 2005). Lambert (2009 as cited in Sheik, n.d.), stated that research indicates that unions globally, inclusive of those in South Africa, have been adversely impacted by the global recession (Sheik, n.d.). The capital chase by companies internationally has emphasised the importance these companies place on restructuring, suggesting that this has in the majority disconnected unions as companies relocate and downsize their workforces (Sheik, n.d.).

From the research obtained by Uys (2011), the standpoints of trade union representatives fluctuate when discussions on the subject pertaining to the degree of trade unionism within South Africa are raised and no explicit consensus could be reached. Some of the union representatives were certain that there was an increase in the numbers of trade union members and that membership was growing within South Africa. This view, the representatives felt, was supported through the argument that South Africa is still a developing country and that trade unions therefore still play an essential role in labour relations. However, other trade union representatives were of the belief that there has been a decline in the membership of trade unions. Their argument, in turn, was that trade unions globally are experiencing a decline in membership due to the shifting economy, and that the same trend is evident in South Africa (Uys, 2011).

Whilst the global recession might have impacted trade union membership adversely due to the restructuring of workforces, through the actions of downsizing, there was also an impact on the individual employees' disposable income. This was due to households having been influenced and affected by modest wage growth, reduced access to borrowing, falling house prices and equity markets. Higher inflation has eroded the real spending power of their incomes. The impact of a reduced disposable income is that persons assess expenditure in terms of the value that expenditure adds. In other words, when deciding whether to remain a trade union member or not, an employee will compare the costs such as the membership fee with the value obtained through such membership, for example, from the expenditure of the excludable goods made available by the trade union (Goerke, 2008). However, the assessment of costs and gain depends on individual preferences and is

likely to vary with risk attitudes (Goerke, 2008). This risk attitude could include the assessment of whether benefits will still be forthcoming whether an employee is a member or non-member of the union; the possibility of being retrenched or having disciplinary procedures implemented against oneself. Should the risk of retrenchment or disciplinary procedures being implemented be minimal, then the employee neither sees the benefits nor the logic of becoming or remaining a member. In addition to this, there is a growing perception that the benefits gained through the actions of the unions are being experienced by both members and non-members.

Therefore, the question that members of a trade union ask is whether the cost of membership, in the form of membership fees, is offset through and by the benefits gained through being a member of the union

In order to establish why trade unions were initially established there is a need to understand their original intended purpose as well as establishing whether this purpose has changed over time. In order to assess whether this has occurred, the definition of a trade union will be utilised.

2.3. DEFINITION OF A TRADE UNION

For the purpose of this study only two definitions of trade unions have been used, with the intention of reflecting the initial purpose; formation and objectives of unions and to establish whether, through a changed definition, these initial aims have evolved or whether the focus of the unions has changed since the earliest definition.

One of the earliest attempts in defining a trade union is contained in the Trade Union Act of 1913 (as cited in Adebisi, 2011), which defined trade unions as “Any combination, temporary or permanent, under the constitution of which the principle objectives are: the regulation of the relations between workmen and workmen, masters and workmen or masters and masters, or the imposing of restrictive conditions on conduct of any trade union or business” (Adebisi, 2011, p.2). A trade union has also been defined as an organisation of employees in a similar role or related role type profession who take action together, in arranging to acquire for all members advantageous wages, working hours and other basic working conditions (Farlex, 2008).

From the above definitions, trade unions were historically formed in order to represent the workforce, whether this representation was between the workforce (workmen) and the managers (masters), or as between managers and managers. There was no focus predominately on one category of employee, and representation was irrespective of position in the enterprise. The intention was improving the union members' position, whether this meant financially or in terms of working conditions. The later definition still implies a focus on all segments of the workforce, however, current labour disputes by unions is predominately the workforce versus the master. The definitions offered also imply that a workforce's membership to a Union is not restricted and would be available to all employees. It would then be anticipated that the majority of employees would belong to and join various unions in order to gain the benefits offered through union interventions undertaken by the union on behalf of its members.

However, in South Africa access to unions by all segments of the workforce has not always been available and in the past the law (South African Industrial Conciliation Act of 1924) of the country disallowed African workers membership to unions. Therefore, in order to understand the reasons for employees joining unions within South Africa, there is a need to assess existing research concluded.

2.4. HISTORY OF TRADE UNIONS IN SOUTH AFRICA

The first trade union in South Africa, The Amalgamated Society of Carpenters and Joiners (ASCJ), was established in Cape Town in 1881 to represent certain segments of employees which excluded blacks and non-English speaking whites (South African History Online, 2013). Trade unions within South Africa have over a period represented certain segments of employees and have excluded many and it is therefore important to understand the impact this has had on the labour force. Whilst some employees benefited by becoming members of unions and experienced improved working conditions; remuneration and overall standard of living others were exploited due to their exclusion or lack of union representation.

2.4.1. Trade unions between the periods 1880 and 1923

Once diamonds and gold were discovered in South Africa there was a need for skilled workers to mine these newly discovered minerals. The first unions in South Africa were

established by predominately immigrant, white, skilled workers (Buhlungu, Brookes & Wood, 2008). Originating mainly from the United Kingdom these skilled workers brought with them British trade unionism and the knowledge of the workings of trade unions allowed these employees to interact with their employers from a position of strength with matters regarding their conditions of employment (Nel *et al.*, 2005). At the time all unions placed emphasis on both colour and the identity of the English worker. Due to this, a segment of the South African workforce, being the Afrikaans-speaking and black workers, was excluded (Nel *et al.*, 2005).

During 1911, the Mines and Works Act was passed. This to all intents and purposes, was done to ensure the exclusion of non-whites from particular fields of employment. In addition, the Act ensured that the passage of black workers in and out of the diamond fields and gold mines was controlled by means of the system of “passes” (Venter, 2003). Whilst the Act of 1911 sheltered employees of the white population group, this was aimed at predominately whites in skilled positions. Those employees of the same racial group holding employment in semi-skilled or unskilled positions were easily replaced by cheaper black labour (Venter, 2003). This perceived move by the employers of semi-skilled or unskilled employees created the belief amongst white mine workers that the mine owners were making an effort to replace them with less expensive black labourers, with the result that in January 1922, 25 000 white mineworkers went on strike (Bendix, 2000).

2.4.2. Trade unions between the periods 1924 and 1948

In March 1924, the Industrial Conciliation Act No. 11 was voted for, approved and implemented by the South African Government. The rationale of this Act was to avert industrial unrest by making provision for the collective bargaining amongst employers’ associations and unions on bargaining bodies referred to as Industrial Councils (Bendix, 2000). It further aimed to provide conciliation mechanisms when and if disputes occurred (Bendix, 2000). However, the portion of the Act that had the most extensive repercussions was that the employees within the black workforce were formally barred from the definition of employee (Venter, 2003). The impact of this portion of the Act had an extreme influence on industrial relations within South Africa as its implication for practical purposes implied that persons of the black racial groups were barred from union membership as they were effectively not employees, by definition (Venter, 2003).

2.4.3. Trade unions between the periods 1948 and 1973

Representation by unions for all population segments of the workforce within South Africa was restricted. This restriction was enforced through the banning of racially mixed trade unions; this was enforced by means of the Industrial Conciliation Amendment Act of 1956; the leading purpose of which was to divide the trade unions along racial lines, with the objective of weakening the unions through membership numbers and the knowledge bases to challenge the employer. The Act stipulated that trade unions with diverse membership had to organise solely for one racial group or split into selected racial sections which had to be under the management of a white controlled executive. At this stage in time Africans had not been given authorisation to be members of a registered union (The Industrial Conciliation Amendment Act, 1956). Unfortunately by the 1960s, as a result of the above legislation, trade unions specifically for the black labourers had to all intents and purposes vanished (Finnemore & Van Rensburg, 2001).

2.4.4. Trade unions between the periods 1973 and 1990

The 1970s was a period in South Africa that will be remembered for its violent protests, as black revolutionary opponents continued to escalate the fight against the oppressive and suppressive policies of the National Party government (Venter, 2003).

The Government of the time responded to the above actions by implementing the Black Labour Relations Regulation Act of 1973 which made provision for the creation of Liaison Committees, whose structure was made up of the equivalent number of representation, for the black employees as that of the management of the enterprise or industry (Bendix, 2000). This was an attempt by the government to quell the probability for the formation of trade unions by black employees, by allowing this segment of the labour force to negotiate with their employers. However, it needs to be remembered that at this point, due to the Industrial Conciliation Act No. 11, this segment of the labour force were still excluded by definition as being viewed as employees.

During the period 1973-1977 there was a growing discord amongst black labourers, brought about by the frustration this segment experienced because the only form of representation they had was the employer-initiated committees. This meant they had minimal, if any, bargaining power (Finnemore & Van Rensburg, 2001). Due to this

increased frustration and the ongoing violent protests, the government of the time experienced political pressure to initiate transformation both from within and outside South Africa (Bendix, 2000). This pressure resulted in the government establishing the Wiehahn Commission. The Commission became the junction for South African labour relations (Venter, 2003). The Commission was mandated to probe the shortcomings of the existing legislation pertaining to the labour force and where applicable to recommend workable solutions to the improvement of existing legislation (Venter, 2003). A number of recommendations were made by the Commission, however, the recommendation that was most significant was that black employees should once again be included into the definition of what constitutes an employee (Venter, 2003). Due to the black labour force now being recognised as employees this allowed for the establishment of trade unions and resulted in a swift expansion in the size and number of unions representing this specific segment of the labour force (Finnemore & Van Rensburg, 2001).

2.4.5. Trade unions in the Democratic South Africa (1990 and onward)

When the previously banned political parties were recognised and accepted by the National Party, and with the subsequent liberation of Nelson Mandela, a very different political period started which resulted in South Africa's first democratic elections held in 1994 (Bendix, 2000). The association between the unions and the employers developed into a more settled arrangement with each becoming more accepting of the needs of the other; however, there were still incidents of strike actions that arose at recurring intervals (Bendix, 2000). In the course of this phase of the new South Africa, unions found themselves no longer having to focus upon and partake in the liberation struggle that had to a degree become the unions' primary focus and as a result they could begin investigating and formulating new policies that were within the vision of the new government (Nel *et al.*, 2005).

The above has ensured that in post-democratic South Africa, trade union representation for the workforce has become an expected fact of industrial practices (Brand South Africa, 2012). In the majority of all industrial sectors of the South African economy the workforces have unions that represent them and which engage with the employer in all issues impacting and affecting the workforce (members) (Brand South Africa, 2012). The union membership of employees is now protected by the Labour Relations Act Number 66 of 1995 which has resulted in a decrease in the number of strikes that have occurred

without the approval from the officials of their union. This has been attributed to the above Act as well as the Employment Equity Act of 1998 which has allowed the workforce and their unions recourse through mediation, conciliation and arbitration (Bezuidenhout, Bischoff, Buhlungu & Lewins, 2008).

The changes experienced in post-democratic South Africa have allowed unions to become more involved in the representation of their members. This has been expanded to the extent that it has seen the role of trade unions developing from that of representation to active involvement in the politics of South Africa (Whiteley, 2000). Union actions are attributed to having played a social movement role that ultimately assisted in the collapse of apartheid in 1994. The South African labour movement has developed as a body with a facet of a resting militancy that endeavours to adapt its characteristics to the dynamic features of the employment market (Whiteley, 2000).

The history of unions within South Africa gives insight to the support that unions have offered employees, however, the question arises as to whether these historical reasons are the sole cause of employees joining unions.

2.5. WHY EMPLOYEES JOIN TRADE UNIONS

From the International Journal of Manpower (Gani, 1996) the main issues influencing the workforces' decision' on joining a union are "working class strength and solidarity; protection against victimisation; higher wages, fringe benefits and bonuses; job security; better working conditions and welfare amenities; fair promotions and advancements" (Gani, 1996, p.61). Therefore, the primary reason for the workforce to become members of a union is based upon the influence the unions have or could have in the improvement of the employees' lifestyle; either through improved working conditions and or the rewards received.

In addition, the International Journal of Manpower (Gani, 1996) further listed the main reasons for employees not joining unions. Reasons have been attributed to the belief that the union does nothing for the workforce in terms of benefits; that the workforce has no confidence in the abilities of the unions leaders; there is a fear of victimisation in the workplace; the role or job is of a temporary nature and the impact of the union is then

minimal as the current role was taken on the promise of good conduct and loyalty (Gani, 1996).

From the reading of Pascual and Waddington (2000), it would appear that persons do not join unions predominately to improve conditions of employment and lifestyle, through increased remuneration, but rather to ensure that they have access to the non-financial benefits offered (Pascual & Waddington, 2000).

Table 2.1: Why employees in the workforce of the United Kingdom join trade unions

Reason for Joining	Up to 20 years of age	21–25 years of age	26–30 years of age	31–40 years of age	41–50 years of age	51–60 years of age	Over 60 years of age
	%	%	%	%	%	%	%
Support if I have a problem at work	79.9	76.2	69.7	68.5	67.7	65.7	59.4
Improved pay and conditions of employment	29.5	35.5	38.4	35.1	36.5	38.4	35.4
Because I believe in trade unions	7.2	12.8	16.1	18.6	17.9	18.7	22.9
Most people at work are members	16.8	15.0	12.9	12.6	12.5	13.1	18.8
Free Legal advise	18.9	15.3	14	15.1	13.3	13.5	13.5
Industrial benefits	6.7	4.6	3.9	3.4	4.3	4.7	5.2
Training and education	5.3	7.1	4.8	4.7	4.1	3.0	1.0
Financial services	4.4	3.1	2.7	3.2	4.0	4.2	4.2
Professional services	6.4	7.6	6.2	6.1	5.6	3.4	1.0
Other reasons	4.6	5.3	6.9	7.0	8.4	6.8	10.4

Source: Adapted from Waddington & Whitston, (1997 as cited in Pascual and Waddington 2000).

Note: 1. Each respondent was asked to specify the one or two main reasons for joining a union, hence the percentage data add up to more than 100 per cent.

Whilst the research by Pascual and Waddington appears to have commented predominately on the reason why young workers remain apart from trade unions, the information in Table 2.1 indicates reasons why employees of all age groups within the workforce of the United Kingdom join trade unions (Pascual & Waddington, 2000). When these results are tallied they provide evidence substantiating the comments that follow.

From this table, it is evident that the main reason employees in the United Kingdom become members of trade unions is the support the trade unions offer when these employees experience problems at work. These problems at work, per the research of Pascual and Waddington, include pay lower than expected or market related, unacceptable and unscrupulous conduct by their immediate manager or management and extreme workloads (Pascual & Waddington, 2000).

The second highest overall score for employees joining trade unions was similar to the reasons as stated by Gani (1996), being that of improved conditions of employment. The third was that employees “believe in trade unions”. However, no explanation was given in the research of Pascual and Waddington (2000) as to the reason why employees believed in trade unions. It is interesting to note that the older age groups had more belief in the trade union than that of the younger employees. This could possibly be due to the belief reinforced through experience gained in the workplace of incidents where unions successfully assisted other employees in the workplace, whilst the younger workers have not experienced this due to their limited time in the workplace (Pascual & Waddington, 2000).

The fourth highest overall score was attributed to the free legal advice which unions offer their members. Interestingly, this reason for joining scored higher in the employees younger than 20 years of age and thereafter the difference in the percentages was minimal (Pascual & Waddington, 2000).

Maslow’s hierarchy of needs (1943 as cited in Green, 2000) includes the need to belong and the fifth highest score given as a reason for joining a trade union was reflected as being that “most people at work are members”. This fulfils the need to belong as well as complying with the actions of group mentality, group pressure and the need to conform results in one’s willingness to accept the opinions of others about reality. Therefore if

members of the group (existing employees) indicate or imply that there is a need to join a union then it is likely that the individual employee would do so without having a true outlook on the reality for the need to join the union.

Collins (2004), in researching “The role of the Trade Union in Post Democratic South Africa”, stated that there has been an increasing inclination for professionals as well as white-collar employees to become members of unions. This trend, which occurred in the 1990s, is continuing even though unionisation formerly focused and was utilised predominately by blue-collar workers (Collins, 2004). This trend suggested by Collins was evident when the South African Society of Bank Officials (SASBO) affiliated the union to that of the Congress of South African Trade Unions (COSATU). Due to the increased membership through its affiliation with COSATU, SASBO, who was previously viewed as a conventional staff association, has now reaped the advantages of collective bargaining for its members and this has become evident at annual wage increase negotiations (Collins, 2004). An example of this type of “improved” negotiation appears in the newsletter “SASBO News” dated April/May 2011 where SASBO reported on salary negotiations concluded with Amalgamated Banks of South Africa (ABSA) (Duma, 2011). The affiliation by SASBO to COSATU denoted a very different and new course for white-collar employees, who had previously been seen to be very compliant to the employers though being members of a union. Although as stated, the union was viewed as being just a staff association rather than a union representing, protecting and negotiating the rights of its members (Collins, 2004). It has transpired that the other conservative unions have been cautious in following the lead of SASBO (Collins, 2004).

It is interesting to note that union membership of white males is not significantly less than that of the black workers. It is felt that this is due to the fact that unions for the white employees have been legally accepted since 1924 and as these unions were supported by the previous government, the number of white members represented the number of whites which was high (Collins, 2004). Over the preceding five years there has been a revival in the number of white employees becoming members of unions with some of the white labour force joining as members of predominantly black unions. White employees within the banking industry are more willing to join SASBO due to its affiliation to COSATU; the reason for this is that these unions are seen to have more “strength”, and are therefore more effective than those of the traditional white unions (Collins, 2004). In comparison, black

employees are more likely to be union members than white employees because the blacks were employed in less skilled and lower paying jobs during apartheid (Collins, 2004).

Pascual and Waddington (2000) stated that data from the majority of countries indicates that a number portion of youth in the labour force is unaware of the offerings by unions and this could be a reason for the discrepancy in the different age groups joining a union (Pascual & Waddington, 2000). It is therefore important that unions ensure that potential members are made aware of the benefits and offerings so that they can assess their risk profile against the need for union membership.

2.6. WHAT TRADE UNIONS OFFER THEIR MEMBERS

Barker (2007) stated that initially unions were established as industrialisation drove the labour forces into situations of reliance as their remuneration, conditions of employment and job security were essentially beyond their control. This resulted in the labour forces progressively connecting as a united force in order to avert their exploitation and to promote their interests (Barker, 2007). Since their initial role, trade unions have adapted to changing times and currently the majority of trade unions play an important community role in addition to the reason for their initial establishment (Bendix, 2000). Often unions stand for the interests of the employees, not only with regard to employers but also the government. Bendix (2000) stated that this often occurs when like-minded unions amalgamate in order to form federations which ensures that a number of unions address a similar issue with a single voice which in turn has a considerable influence which tends to wield pressure in the socio-political sphere (Bendix, 2000).

The changing role of the trade unions in some occasions resulted in them attempting to enhance the lives of members through the investment of funds, providing benefits such as bursaries and sick pay, and engaging in educational improvement in the lives or lifestyles of members and social programmes (Bendix, 2000). Wood (2002 as cited in Uys, 2011) stated that in a number of intermediary economies, for example South Africa, South Korea and Brazil, the relevant trade unions performed a critical function in the route towards those countries' democratisation (Uys, 2011).

Unions have therefore moved from just ensuring that their members are protected financially to providing services that include non-financial benefits as discussed below.

2.6.1. Representation

The majority of employees are aware that the primary role of trade unions is the representation of their members during a time of need. Trade unions therefore assist their members with concerns including redundancy, grievance, disciplinary procedures and legal action. The union makes available to its members information, recommendations and support (Fiehn & Miller, 2006). In addition, trade unions also act for, stand for and speak for their members during negotiations and consultations over issues of remuneration and conditions of employment with the employers (Fiehn & Miller, 2006).

2.6.2. Job creation

Trade unions have been able to act in response to South African unemployment by facilitating job creation via skills development. This has been demonstrated by the role of South African trade unions in the Sector Education Training Authorities (SETAs) which originates from the skills development legislation (Mwilima, 2008). Mwilima (2008) stated that the labour movement in South Africa forms part of the stakeholders' structure in the skills development for the country (Mwilima, 2008). The SETAs within which the trade unions are highly involved (as board members) are the education, training and development practices. The involvement includes them being board members of this SETA (Mwilima, 2008). The intent of the unions' involvement with SETA is, amongst others, to ensure that the skill level of the labour force improves and thereby encourages a healthy balance between the supply and demand in the labour market (Mwilima, 2008). The facilitative role of the trade unions means that the unions are not directly involved in the creation of jobs, but rather as a mediator in the workforce through the facilitating of skills development in order to increase the workers' capability of improving their income and providing career advancement (Mwilima, 2008).

2.6.3. Representation during retrenchment

Trade unions assist members during times of retrenchment and restructuring. Unfortunately, retrenchment and restructuring of the workforce has become an operational need since the "Credit Crunch" of 2009. Peetz and Todd (2001) suggested that the National Union of Bank Employees (NUBE) attributes a portion of its success, as a union, representing employees within the banking industry in Malaysia at times of retrenchment, to its ability to arrange quick as well as effective non-strike industrial actions which can

humiliate and financially intimidate the banks in which their members are employed (Peetz & Todd, 2001). An example of this type of action was where in the course of a dispute, the members of NUBE appeared at the non-strike action dressed in torn clothing in order to show the bank's customers how poorly paid they are (Peetz & Todd, 2001).

The unions within South Africa have in some cases successfully assisted members during periods of restructuring. This was particularly the case when retrenchments took place at Standard Bank and Absa. The trade union, Solidarity, accused Standard Bank of an "arrogant slap in the face" for the employees of Standard Bank who were facing the process of retrenchment (Staff Reporter, 2010). At the time Standard Bank had stated that that it planned to retrench 1 200 permanent employees in South Africa, 300 permanent employees in London, and 600 contract workers. "The bank will save around R770-million in salaries through the retrenchments, but now runs the risk of losing numerous clients in the process" (Staff Reporter, 2010). Solidarity felt that whilst it accepted the terms for the retrenchment it was dissatisfied with the severance packages offered (Staff Reporter, 2010). In addition to defending the interests of its members within Standard Bank, this union also challenged ABSA by stating that ABSA needed to explain its position with regard to the retrenchment of ABSA staff. This came to a head when union members of Solidarity were informed by letter in January 2012 that their roles would be aligned with that of another business unit. The staff were informed that in terms of the restructuring all employees would have to reapply for their posts. Solidarity maintained that the restructuring was nothing but a process of retrenchment, as numerous Solidarity members had already been asked to leave ABSA's premises after the company had held discussions with them without notifying the trade union in advance (Croukamp, 2012). Though these actions were unsuccessful in ensuring the continued employment of all members, it informed the public of the banks' actions and National Union of Bank Employees' (NUBE), which caused them great embarrassment.

2.6.4. The trade union as an educator

Education by trade unions within South Africa has been a substantial reason for the growth and development of the South African trade union movement (Collins, 2004). The education offered by trade unions includes 'formal' training programmes and workshops, in addition to a variety of informal, on-the-job and other forms of new learning that occur within the union environment (Collins, 2004).

The research concluded by Peetz and Todd (2001) indicated that NUBE is viewed as being the most influential banking union within Asia (Peetz & Todd, 2001). Their research revealed that this union introduced an all-inclusive education and training policy and that the union spends in excess of 20% of the members' subscriptions on education (Peetz & Todd, 2001). According to Gopal (1996 as cited in Peetz & Todd, 2001), "the average number of union courses rose from ten per year in the early 1980s to 80 per year in the early 1990s. About 2,000 members are trained per annum and in some cases advanced training, for some members, is provided overseas" (Peetz & Todd, 2001, p.337).

2.6.5. Equal opportunities

The Trade Union Congress (TUC) stated in 2006 that trade unions take an enthusiastic approach and pay exceptionally close attention to the rights of their members that are likely to experience direct or indirect discrimination (Fiehn & Miller, 2006). Fiehn and Miller (2006) continued by stating that since 1975 it has been illegal for people to be discriminated against based upon their sex, and that since 1976 it has been illegal for people to be discriminated against based upon their colour, race, nationality or ethnic origin. The regulations established in 2003 protect employees from being discriminated against based upon their religious beliefs and sexual orientation (Fiehn & Miller, 2006). Discrimination based on the age of an employee (ageism) became illegal in October 2006 (Fiehn & Miller, 2006). In addition to the above, unions support the equal rights of their members through the provision of legal advice on issues of discrimination; by working with the employers of their members in order to ensure that the employers are not breaking the laws on equal rights. This is done through the representation of members who are discriminated against at work; through the ongoing campaigning for improved legal rights for different groups of employees (e.g. people with disabilities) and the offering of training programmes for their own members in order to reduce discrimination and harassment at work (Fiehn & Miller, 2006).

Lindsay, Munro and Wise (2007) revealed that unions face unparalleled and unique challenges when focusing on and addressing the inequality at work. These challenges often have an impact on the renewal of union membership (Lindsay *et al.*, 2007). Through their research they acknowledged that the increasing diversification of the workforce, as well as the economic restructuring, has added to the reduction in union membership within the United Kingdom. This has stimulated a broadening realisation that there is a need for

unions to sign up members from previously marginalised and under-represented groups (Lindsay *et al.*, 2007). There is, however, an appreciation that this approach would only be lucrative if unions are seen to be attempting to rectify the shortcomings experienced by new and prospective members, as well as attending to both discriminatory and structural causes of inequality (Lindsay *et al.*, 2007).

2.6.6. Racism

Oikelome (2006) stated that Gloria Mills, as the President of the Trade Union Congress in Britain, maintained that the TUC has been one of the leaders confronting the leading social issues, whether these social issues were racism, fascism or homophobia, with the intention of encouraging the acceptance of tolerance, respect, dignity, equality and social justice (Oikelome, 2006).

It is, however, interesting to note that it is felt that unions could do more in terms of their actions against racism. The report, “Working Against Racism: The Role of Trade Unions” (2006 as cited in Oikelome, 2006), stated that clandestine and institutionalised racism still exists within some trade unions (Oikelome, 2006). That this is a concern is undisputable, as trade unions should be aggressively fighting racism. However, this report stated that there are unions that tolerate and therefore support racism, not through their actions but rather due to their inactivity in combating racism (Oikelome, 2006). For this reason Oikelome (2006) suggested that the unions are not acting as agents of their members and are not, specifically, listening to their black members’ concerns about the issues of racism. Due to this inactivity, parties are taking on individual tactics in order to address those concerns that they can rectify. This has resulted in definite tension between the unions and their black members (Oikelome, 2006).

Faundez (2003), in the report on the “Dimensions of Racism”, argued that the removal of barriers and the implementation of positive actions, thereby creating a level playing field, would assist in improving the labour market position of victims of discrimination. The methods suggested by Faundez have already been implemented in South Africa due to the actions of the various unions in the continued struggle against racism. Recommendations by Faundez (2003) are that “job advertisements, interviewing and testing procedures are free of bias; reviewing qualifications and experience requirements to ensure that they are relevant to the jobs; training senior and middle management to become aware of the many

ways that racial discrimination can be manifested in the workplace; and cooperating with unions and other workers' representatives to develop procedures to deal with racial harassment and other forms of discrimination" (Faundez, 2003, p.59). In terms of positive actions they suggest that the actions include "taking steps to broaden the pool of candidates for jobs from among victims of discrimination; to increase the rate at which suitably qualified members of discriminated groups are hired; and speeding up their promotion prospects" (Faundez, 2003, p.59).

2.6.7. Health and safety

A further significant task of trade unions is that of improving health and safety within the workplace and for this role the unions have a group of health and safety representatives who liaise with employers in order to advance employment practices that protect employees (Fiehn & Miller, 2006). This approach by TUC, it is suggested, ensures that members and employees become aware of health and safety practices that also assist in the prevention of substantial losses for employers through sick leave, lost work and claims for compensation by their workforce when preventable work accidents occur (Fiehn & Miller, 2006). The health and safety representatives are trained either by their own union or by TUC, and this training covers a wide range of issues from that of noise to the use of chemicals, from sick building syndrome to the use of regulation safety wear. In the majority of cases employers and union health and safety representatives work together for the good of the workforce, which includes the unions' members (Fiehn & Miller, 2006). In addition, these representatives are trained to address grievances and disputes, thereby allowing them to advise union members on compensation rights. This is therefore an additional service for the members of the union (Fiehn & Miller, 2006).

2.6.8. Holiday accommodation

According to the NUBE report (1996 as cited in Peetz & Todd, 2001), the commercial banking sector in Malaysia employed 63 400 in 1995; this has increased from 47 800 in 1991 (Peetz & Todd, 2001). The success of this union will be discussed under a separate heading; however, one of the benefits NUBE offers its members is that it owns holiday accommodation which its members can use (Peetz & Todd, 2001).

SASBO offers the Travel Club to its members which offers affordable holidays that are easier to arrange through an agent (SASBO, 2007). This offer for arranging holidays includes holiday destinations throughout South Africa, Mauritius, the Canary Islands and Spain, which are among the world's most popular foreign destinations (SASBO, 2007).

2.6.9. Work/ Life balance

Hyman and Summers (2007) suggested that whilst employers have had no prescribed expectations to assist in employees' requests for out-of-work needs; employers felt that any disagreement between work and home should be settled within the private life of the employee with minimal impact to the place of employment (Hyman & Summers, 2007). This expectation was despite the fact that employees had the right to request flexible working hours in order to address the issues creating the disagreement between work and home. This right was introduced in 2005 (Hyman & Summers, 2007). However, they noted that in business sectors that had unions with a strong representation the employees had been able to negotiate conditions for their working times (Hyman & Summers, 2007). It is evident that union representation assisted in employers' acceptance of "flexible" working hours.

Therefore, when employees assess the benefits of being a member of a union that would enhance their lifestyles, it would be expected that all employees would readily belong to a union. However, there are various reasons why employees do not join unions and these reasons range from a state of ignorance to there being no reason or need by the employee to belong to a union, and or a personal assessment of risk.

2.7. REASONS WHY EMPLOYEES DO NOT JOIN TRADE UNIONS

The need by employees for union membership is reliant upon the cost of that membership in relation to the price of resources as well as other goods (Schnabel & Wagner, 2003). It is also reliant upon whether the members' income is influenced or dependent upon the employees' membership to the union (Schnabel & Wagner, 2003). Therefore, the greater the expected difference between the income of the union member as opposed to that of the non-union member, the greater the probability becomes for the employees to join the union (Schnabel & Wagner, 2003).

In addition to the financial benefits gained through membership of a union, employees need to consider the non-financial benefits one would gain through union membership. These non-financial gains can be expected to promote the demand for union representation (Schnabel & Wagner, 2003). However, where the cost of alternative services is low a contra effect would be experienced and the need for union membership would be lower (Schnabel & Wagner, 2003). Employees are therefore less likely to become members of unions where the government offers services that compete with those non-financial services offered by the unions.

The research by Pascual and Waddington (2000) in order to establish the rationale as to why young employees do not join trade unions revealed that these reasons are widespread, and they are frequently specific to a labour force segment or that of a specific country and are therefore not dependable across countries (Pascual & Waddington, 2000). This research revealed that the most important reasons for the non-membership to unions were:

2.7.1. The lack of knowledge of or contact by the unions

The survey completed by Rose, Kumar and Ramasami (2001 as cited in Ratna & Kaur, 2012) indicated that non-union employees viewed their unions unfavourably and that this was possibly due to doubts employees had on the capability of the union to defend and negotiate on issues and those concerns imperative to the employees (Ratna & Kaur, 2012). In addition, it appeared that employees did not have the knowledge concerning trade unions and that this was indicative of the unions' failure in ensuring that it met with and ensured that all employees understood the purpose of a union and that this was probably a problem in the union organising its membership strategies (Ratna & Kaur, 2012).

The research by Lopata (2011) revealed that there were a number of different and definite obstacles that result in young people becoming members of a union and that these could be grouped into definite areas such as a lack of union awareness, the lack of visibility by the union and/or a lack of understanding on the purpose of unions (Lopata, 2011). Numerous employees stated that there were not enough factors to encourage them to join a union, that they had not experienced issues that would require the need of union's support and that they were happy in their working environment. Participants suggested that there the unions need to highlight potential 'push' factors by publicising stories about how young people are unfairly treated by employers (Lopata, 2011). A lack of factors that would "pull"

employees towards union membership existed as unions were generally seen as being unable to effect change or to improve working conditions and participants suggested that there be an increase in union education and an increase of awareness about unions and about what unions do for employees (Lopata, 2011). In addition, this lack of knowledge/contact resulted in participants to the research stating that they found it difficult to identify any solid benefits for joining a union when the comparing the cost of membership against the benefits offered through union membership (Lopata, 2011).

The research from the surveyed countries by Pascual and Waddington (2000) confirmed that a large number of young workers were uninformed of the role and the purpose of unions (Pascual & Waddington, 2000). This was specifically evident in the incidents where the employees were employed within the private sector service industries where traditionally unions are not entrenched. The result of this is that these employees have less of a chance of interacting or coming into contact with the trade unions (Pascual & Waddington, 2000). Biddle, Croce, Lequeux, Row and Stevenson (2000 as cited in Pascual & Waddington, 2000) suggested that the lack of information available to young workers on how to change existing working conditions as well as how trade unions can assist in the changing of imperfect working conditions also contributes to the reasons why this segment of the workforce are not members of trade unions (Pascual & Waddington, 2000).

2.7.2. Small workplaces

The research by Dixon, Gates, Kapur, Seabury and Talley (2006) recognises the fact that whilst union membership is on the decrease, especially in the private sector, there is a related point, namely that minimal numbers of employees within the smaller workplaces are union members (Dixon *et al.*, 2006). The data for Table 2.2 was obtained by Dixon *et al.* (2006) from the Current Population Survey (2003) in order to portray unionisation in the United States labour force in terms of employer size and the type of employment. The data indicates that whilst a significant percentage of public sector employees belong to a union, a significantly smaller percentage of private sector or self-employed employees are members of unions. In addition, the research revealed that in the case of private enterprises providing employment for less than ten employees, just 4% of the employees are union members (Dixon *et al.*, 2006).

Table 2.2: Unionisation rates in the U.S. labour force by employer size and the type of employment

Number of Employees	< 10	10 to 24	25 to 99	100 to 499	500 to 999	> 1000
Private Firms	4%	6%	7%	10%	13%	13%
	(19,959,048)	(15,871,037)	(21,496,716)	(21,299,337)	(8,224,409)	(51,922,783)
Government Agency	10%	21%	32%	41%	45%	36%
	(325,840)	(527,889)	(1,491,519)	(3,422,648)	(1,764,268)	(20,170,598)

Source: Adapted from Dixon *et al.*, 2006.

Note: Data comes from the 2003 Current Population Survey (CPS). Data reflect the use of weights reflecting the sampling for earnings data reported in the Outgoing Rotations File. See “Technical Description of the Quarterly Data on Weekly Earnings from the Current Population Survey,” BLS Report #601, July 1980 for further information.

Pascual and Waddington (2000) revealed that the workforce employed within the smaller type of businesses experienced problems with their employers when attempting to become members or if they became members of a union (Pascual & Waddington, 2000). Two characteristics of these are mentioned regularly, the first being the intimidation by the employer that the employee will be fired or made redundant. This predominantly occurs if the employee is employed on some form of insecure contract (Pascual & Waddington, 2000). The second factor is that young employees believe that it is easier to address problems directly with the managers rather than through the representation of the union (Pascual & Waddington, 2000).

2.7.3. The image of the trade unions

The perception among young workers in the workforce, who associate trade unions with that of the manufacturing industry, is that places of employment in this industry have a supposedly high risk of poor health and safety practices, and that they are exposed to strikes as well as having an allegedly high risk of injury (Pascual & Waddington, 2000). In the countries where the research of Pascal and Waddington occurred, the perception of young women workers is that trade unions are under the control of middle-aged white males who would have little or no understanding of the concern of the female workforce (Pascual & Waddington, 2000).

Nepgen (2008) stated that unions are facing various challenges in addition to the belief that they act in a way that reduces productivity and therefore the profitability of business, which impacts on the membership of unions (Nepgen, 2008). Globalisation has resulted in the development of new social, fiscal and political situations that have brought forth new difficulties for trade unions to conduct their business in the same long-established manner (Nepgen, 2008). Nepgen (2008) also stated that as the workforce becomes an international asset, the association to specific unions becomes more difficult and a need arises for unions to establish new methods of forming affiliations and associations between the individual organisations (Nepgen, 2008). This would allow unions to retain and communicate with members irrespective of where the labour market requirements place the workforce. In addition to the impact of globalisation, the future of unions is dependent upon structural factors, for example the levels of unemployment which is an area over which unions have minimal control (Nepgen, 2008). In the research by Kelly (1997) it was concluded that during the preceding ten years the workforce has become progressively more dissatisfied with the quantity of “voice” they are able to bring to bear within and over their place of employment. Due to this they are becoming more critical of the differences in pay between the highest and lowest paid groups (Kelly, 1997). It therefore appears that in order for unions to maintain their position of representing the workforce there is a need to ensure that they are able to adapt to the changing demands of the workforce, these being amongst others, the growth in the number of employees working in an international market. The impact is that the member joins a union in one country and is not represented by that same union when taking up employment in another country. The growing discord that members are not being heard in the workplace is also influencing the willingness of employees to join unions (Kelly, 1997).

Ultimately the decision of whether to join a union or not is dependent upon the individual employee’s predilection (Schnabel & Wagner, 2003). Individual employee’s inconsistent decision making is a reflection of their “attitudes and preferences, ideological motives, social pressure, custom and related non-economic variables stressed by other disciplines of social science” (Schnabel & Wagner, 2003, p.2).

The research of Lopata (2011) suggested that as part of the union’s image the union needs to plainly and openly communicate the benefits that members will personally gain through becoming members (Lopata, 2011). The value for money needs to be raised and discussed

in order to ensure that potential members (in this instance young people) receive a clear message that their investment in their future through union membership is worthwhile (Lopata, 2011). Lopata (2011) suggested that “real stories of success that unions have had, in helping young people overcome workplace difficulties were suggested as an effective message to deliver” (Lopata, 2011).

2.8. SHOULD MEMBERSHIP TO A UNION BE MANDATORY?

The membership of employees to unions cannot be taken as a guarantee, even in instances where employees individually benefit through increased wages or improved job security due to the actions implemented by the unions. It is a fact that benefits negotiated by unions are usually afforded to all employees within the bargaining unit, in spite of whether the employee is or is not a member of the union and in spite of whether the employee was in favour of the union’s demand or not (European Foundation for the Improvement of Living and Working Conditions, 2010). Therefore a union is unable to force an employee to become a member of the union. However, employees who decline to join a union but enjoy the benefits negotiated by the union without making any contribution can be seen as freeloaders (Encyclopedia of Marxism, 2003). Therefore trade union membership can be influenced through “free riders” who benefit from the results of union negotiations without having to bear the cost of union membership. In addition, the employer’s attitude regarding union representation, through union avoidance practises, can also manipulate the perception of the cost of membership and thereby increase the possibilities of employee “free riders” (European Foundation for the Improvement of Living and Working Conditions, 2010). Schnabel (2002) in his research agreed that the services offered by unions, higher wages and working conditions are negotiated with both union and non-union members within a workplace. Also, these benefits are non-rival in consumption and low-cost exclusion of non-members is not possible and therefore an individual employee has a “free rider” incentive not to become a union member (Schnabel, 2002).

Internationally membership to a union is rarely obligatory in terms of labour law, however, Summers (1965) stated that in Chile when a union has the support of more than 55% of the employees then all employees are declared to be members of that union with no additional encumbrance other than the payment of the union dues (Summers, 1965). The research by Summers also revealed that in Brazil employees are not obligated to become members of the state created unions but are obliged to pay for the support of the union (Summers,

1965). However, from the research of Kumar, Lucio and Rose (2013) it was found that in Malaysia, since the Industrial Relations Act (IRA) of 1967, the law stipulated that any benefits negotiated by a union were not confined solely to union members and that due to this employees in Malaysia did not see any urgent need to become union members and remained “free loaders” even though the membership dues were not a financial issue (Kumar *et al.*, 2013).

2.9. A SUCCESSFUL TRADE UNION IN THE BANKING INDUSTRY

Peetz and Todd (2001) suggested that whilst the unions in the banking industry globally are experiencing concerns in terms of the recruitment of new members as well as the retention of existing members, NUBE in Malaysia is experiencing penetration rates exceeding 90% amongst the eligible employees within the banking industry (Peetz & Todd, 2001). They also stated that the point that makes this penetration level so significant is the fact that “the legal and institutional environment in Malaysia is not generally conducive to strong unionism” (Peetz & Todd, 2001, p.333). The restrictions experienced by NUBE in terms of the Industrial Relations Act, Malaysia, which disallows unions’ plans for collective agreements, include items believed to be the managerial rights such as the hiring, firing, redundancy, promotion, transfer and the allocation of duties to employees (Peetz & Todd, 2001). The report also stated that in addition to the Industrial Relations Act, there is other legislation that forbids employees in pioneer industries from bargaining for working conditions that may be more advantageous than those prescribed in the minimum standards included in the Employment Act (Peetz & Todd, 2001). The impact of this is that it reduces the drive and focus for the formation of unions in companies with pioneer status (Peetz & Todd, 2001).

Peetz and Todd stated that NUBE is a large, and by Malaysian standards, prosperous union with subscriptions received from nearly 30 000 members. The number of members has increased from 12 600 in 1984 and 20 100 in 1990 30 000 members currently (Aminuddin, 2009). NUBE stated that it represents 95% of the employees that qualify to join the union (Peetz & Todd, 2001). Due to this the union is viewed as the most dominant banking union in Asia (Peetz & Todd, 2001).

NUBE attributes one of the successes of the union’s strength to their ability to attract and retain members. Their attraction strategy includes the fact that union delegates within the

place of employment meet with new employees in person, once that employee's three month probation period has been served (Peetz & Todd, 2001). To this end, NUBE has ensured that they have the necessary delegates in each branch of the bank and that the union committees address safety issues, unfair and/or illegal practices and discipline issues (Peetz & Todd, 2001). In addition, NUBE stated that one of the aspects assisting the union in maintaining the high membership densities is the policy that NUBE enforces in terms of new membership (Peetz & Todd, 2001). This states that if a new employee should not join the union within six months of entering the banking industry then NUBE would not accept their application for membership thereafter (Peetz & Todd, 2001). Due to this, new employees that decide not to join the union have to take the risk that they would not require the service offerings of the union in the future, in any form of representation including that of grievance resolution (Peetz & Todd, 2001). When considering the influence of the union and its efficiency in resolving disputes, the great majority of new employees decide to become members of the union with immediate effect (Peetz & Todd, 2001).

In addition, Peetz and Todd (2001) stated that NUBE focuses on culture which promotes, amongst its members, a sense of belonging to a group. In order to promote this culture and sense of belonging, the union "devotes considerable resources to activities that might not seem 'traditional' but which it considers are central to the establishment of a strong bond amongst union members. These have included such things as a cyclethon in Penang, a charity luncheon and games in Klang, a treasure hunt in Kedah (each of these events attracted over 800 participants), a "funjog" in Kuala Lumpur and dinners, dances and trekking in other locations (Peetz & Todd, 2001, p.338). In conclusion, Peetz and Todd (2001) argued that NUBE draws its influence and dominance, as a union, from a number of aspects, namely: the fact that NUBE ensures effective workplace and structures that ensure the efficient support for their members; that NUBE has a history of effectively representing its members in dismissal and grievance hearings as well as shielding the union members against required retrenchments; that NUBE's strength as a union is a result of its approach towards brinkmanship recruitment, whereby the union insists that new employees join the union within six months of employments (if they do not become members they cannot join at a later date and whilst this approach is risky it does ensure that non-members have to assess the risk of not joining the union); through NUBE's extensive training and education it supports workplace structures and this training ensures that NUBE maintains a reliable

and consistent service quality to its members; NUBE through a variety of social activities has installed a culture of belonging to the union which has reinforced their position as an effective union amongst the union members; NUBE, irrespective of the legislative limitations still has to be able, when necessary, arrange effective non-strike actions that have managed to embarrass the banks as well as ensuring that these actions could lead to the banks experiencing financial implications, thereby ensuring the effectiveness of the union (Peetz & Todd, 2001). In addition, the union has been able to administer changes within their members' place of work in a cooperative relationship with the relevant banks, whilst ensuring that they protect the interests of members. This is often concluded by shaping proactively, rather than just reacting to, its members' wishes (Peetz & Todd, 2001).

2.10. CONCLUSION

Whilst the research conducted for the literature review indicates that employees join or refrain from joining unions based upon a number of varied reasons, there appears to be minimal evidence on the attitude of union members to the role and influence of trade unions within the South African banking industry. In order to establish the attitude of union members within the banking industry in South Africa, research would need to be undertaken to determine whether members consider the role and services offered by unions as adding value when compared to the membership fees paid.

The required research would have to include existing union members, union members who have subsequently resigned, and non-members within the banking industry. This would assist in examining the possibility of existing members assessing the need to remain members of the union. It could also assess the view of non-members who did not join or resigned because they regard the role and influence of the union as ineffective and that as non-members they receive the benefits negotiated by the unions irrespective of their being a member or not.

2.11. SUMMARY

Chapter Three discusses methods of how the necessary research was conducted, taking into account that the most predominant union within the banking industry in South Africa is SASBO. The union does not only represent employees within the banking industry but also represents members throughout the Financial Services Industry, with members in 200

financial institutions throughout South Africa (SASBO, n.d.). Within the banking industry the majority of SASBO's members are employees from Absa, First National Bank (FNB), Standard Bank and Nedcor (SASBO, n.d.).

CHAPTER THREE

RESEARCH METHODOLOGY

3.1. INTRODUCTION

Research refers to an exploration for knowledge and the definition of research is given as a diligent and systematic inquiry or investigation into a subject in order to discover or revise facts, theories and applications (Random House Dictionary, 2013). The definition of methodology is the study of the principles underlying the organisation of the various sciences and the conduct of scientific inquiry (Random House Dictionary, 2013). Research methodology is therefore a science of studying how research is to be carried out in order to ensure that a systematic method is utilised to resolve an identified problem (Rajasekar, Philominathan & Chinnathambe, 2006).

The purpose of this chapter, in terms of the above definitions, is to explain and record the methods of research as well as the examination strategy followed for the purpose of this study. In addition, this chapter examines and describes the research design, after which background information and the origins of the system dynamics utilised for the research methodology are provided. A section of this chapter is allocated to a thorough description of the methodology utilised, detailing the most important strengths and weaknesses of the research methodology and its particular suitability for the purpose of this research project.

3.2. AIM AND OBJECTIVES OF THE STUDY

3.2.1. Rationale and aim

Through the information gathered and the analysis of the results, this study will be able to provide information to the trade unions who represent members within the banking industry, to employees within the banking industry, members and non-members; and to employers of staff within the banking industry.

The unions will have a better understanding of whether their members are aware of the benefits offered by the union and whether their members view these benefits as value for money. The unions will also have insight into whether union membership is possibly on

the decline as a result of non-members receiving negotiated benefits without having to incur the expense of being a union member.

Employees within the banking industry would benefit from the results of this study through unions having an insight into whether members view the benefits offered as being value for money. Should the results reveal that the benefits are not perceived as being value for money, then there is a possibility that the benefits which unions offer their members will be addressed and thereby improved the existing benefits. In this study it is of equal importance to have results for members as well as non-members due to the possibility that current non-members could have resigned from the union, or never joined a union, due to their assessment that the existing benefits did not represent value for money.

Employers within the banking industry who have unions negotiating collectively on behalf of their members will have an improved understanding of whether those benefits are of any value or whether there is a need for the unions to be improving the benefits offered to their employees. As an example, a major bank within South Africa maintains and continually builds strong relationships with relevant role players such as the employee union, SASBO, to ensure that employees' interests are respected and protected (The Bank, 2011). Extensive and regular consultation occurs with SASBO in order to facilitate constructive engagement on employee-related matters (The Bank, 2011).

3.2.2. Objectives

The objective of the study was to establish the attitude of union members on the role and influence of trade unions within the banking industry in South Africa.

The measurement of members' attitudes was in terms of the following:

- Establishing members' awareness of benefits available that are negotiated on behalf of union members.
- To establish members' opinions of benefits offered by the union.
- To determine the effectiveness of union representation.
- To establish the value of benefits received compared to the cost of membership to the union.

- To establish whether benefits negotiated by unions and paid for through membership dues should be available to non-members.

3.3. PARTICIPANTS AND LOCATION OF THE STUDY

As the intent of this study was to establish the attitude of union members on the role and influence of trade unions within the banking industry in South Africa, the location of the study had to be with the employees in the banking industry within South Africa. The South African banking industry currently consists of 19 registered banks, two mutual banks, 13 local branches of foreign banks, and 43 foreign banks with approved local representative offices (Banking Association South Africa, 2010).

A population is defined as a complete collection of people, events, or items of significance that a researcher desires to investigate (Sekaran & Bougie, 2011). A population consists of all the subjects one would wish to study (Yount, 2006). The population for this study comprised all employees in the banking industry within South Africa and included members of trade unions as well as non-members. As cited in the Banking Sector Overview (Banking Association South Africa, 2010) the Labour Force Survey (second quarter of 2010), there were about 150 619 people employed by the banking sector at the end of 2009 (Banking Association South Africa, 2010). However, due to the size of the population and the limited resources of the researcher, this study was only conducted at a major South African bank to determine the views of their staff and the employees within the bank therefore formed the population of the study. On 31 December 2012 the number of permanent employees employed by this major South African bank was 33 717 (The Bank, 2013). The target participants included all staff eligible to belong to a union.

3.4. DATA COLLECTION STRATEGIES

Probability is the study of unpredictability and uncertainty and allows one to quantify the likelihood that a certain event will occur (Bolstad, 2004). Probability is based on the idea of a random experiment, which in an experiment where the outcome cannot be predicted with absolute certainty before it is run (Bolstad, 2004). There are several methods of drawing data from a sample. Sampling designs can be divided into probability sampling and non-probability sampling (Ghauri, Grongaug & Kristianslund, 1995). In a non-probability sample the probability that a particular subject (a subject is a single member of

a sample) will be included in the sample is unknown (Ghauri *et al.*, 1995). In probability sampling all subjects have a known, but not necessarily an equal probability of being included (Ghauri *et al.*, 1995). As non-probability sampling includes the possibility of bias as the elements in the population do not have any probability attached to their being selected as sample subjects and that due to this the findings of the study could not with certainty be generalised to the population, this study was conducted utilising probability sampling (Sekaran & Bougie, 2011). Specifically in probability sampling, the unrestricted probability sampling design was utilised for this study. This is more commonly referred to as simple random sampling which is where every subset, element of a statistical population has a known and equal probability of being chosen and therefore a simple random sample is meant to be an unbiased representation of the population.

The sample size, or the number of observations being used to make population estimates, is critical in research. Without an appropriate sample size, data may not be reliable, and conclusions reached may be based on misinformation due to the sample not being truly representative of the population. Due to this precision and confidence levels are critical when determining the location as well as the size of the sample. Precision is defined as “one of the considerations in determining sample validity: the degree to which estimates from the sample reflect the measure taken by a census: measured by the standard error of the estimate - the smaller the error, the greater the precision of the estimate” (Cooper & Schindler, 2006, p.715). Confidence level is defined as the probability estimation of how much dependence can be placed on the results; the standard accepted level of confidence in business research is 95% (Sekaran & Bougie, 2011). The sample for this study was drawn from the employees of one of the major South African banks within KwaZulu-Natal region. The reason and justification for selecting KwaZulu-Natal as the sample is given in Section 3.5.3. The population for this study consisted of 33 717 elements. The size of the sample to be utilised as the representation of the population should be of sufficient to possess all of the elements to ensure that the sample is representative of the population. In order to determine the sample size, a sample size calculator was utilised, available from Raosoft Inc, (2004) and this calculator indicated that the sample size would need to be 384 (Raosoft Inc, 2004). This result was obtained with the following data being utilised – margin of error 5%; confidence level 95%; population size 33 717 and a response distribution of 50%. Utilising the same data, this sample size was checked with the sample

calculator available from Creative Research Systems and the suggested size of the sample was 383 (Creative Research Systems, 2012).

3.5. RESEARCH DESIGN AND METHODS

The definition for research design is given as the plan and structure of investigation so conceived as to obtain answers to the research question. The plan is the overall scheme or programme of the research and includes an outline of what the researcher will do (Cooper & Schindler, 2006).

3.5.1. Description and purpose

In the initial stages of a research study there is a need to select a specific research design and this could be either an exploratory study or a descriptive study. An exploratory study is utilised when the researcher lacks a clear understanding of the problem, in instances where there is minimal knowledge of how the problem or comparable problems have been solved through or in previous research (Cooper & Schindler, 2006). A descriptive study is defined as being “attempts to describe or define a subject, often by creating a profile of a group of problems, people or events, through the collection of data and the tabulation of the frequencies on research variables or their interaction, the study reveals who, what, when, where or how much the study concerns a univariate (univariate refers to an expression, equation, function or polynomial of only one variable) question or hypothesis in which the research asks about or states something about the size, form, distribution or existence of a variable” (Cooper & Schindler, 2006, p.708).

The goal of this study was to obtain a profile of relevant aspects of the problem being researched and the information obtained from this research is critical prior to any form of corrective steps being considered or implemented in order to address the problem. The research needed to be descriptive in order to obtain information that is pertinent to the perceived problem and from the results obtained corrective actions could be implemented to address the problem.

There are two types of descriptive studies, namely longitudinal studies and cross-sectional studies. Longitudinal studies are studies that are repeated, using the same population in each of the studies, over a drawn out period of time by means of follow up studies (Jawaharlal Nehru Medical College, 2006). The critical portion of longitudinal studies is

the fact that the study utilises the same population/sample in each of the subsequent studies. Cross-sectional studies are established on a solitary assessment of a sample population at one point in time, the results of which can be projected to the total population given that the sampling was concluded on a random basis (Jawaharlal Nehru Medical College, 2006).

The investigation for this study was not concluded on the basis of a causal study as it cannot be proven that there is a relationship in which one deed or event is the direct consequence of another. In other words, there could be reasons why employees within the banking industry are not members of unions, other than the possible belief that their subscriptions do not represent value for money when compared to the benefits received. Due to this the investigation for this study was a correlational study because the researcher wanted to describe and portray the important variables associated with the problem and that there is a mutual relation between two or more of the variables (Sekaran & Bougie, 2011).

In instances where little is known on the topic being researched it is suggested that the initial research method to gather information should be qualitative research as this involves in-depth interviews, quality and open-ended questions as the researcher is trying to establish the true situation (Patton & Cochran, 2002). As stated by Redmond, Keenan and Landorf (2002), qualitative research endeavours to confirm or create a theory obtained from the gathering of broad descriptive information in a natural situation and due to this is often referred to as naturalistic research. It is used where the researcher aims to generate new theories or new hypotheses that are to be tested later (Redmond *et al.*, 2002).

Quantitative research differs in that its aim is to answer and address a specific research question by showing statistical evidence under a strict set of guidelines. This method of research is used in an effort to test a hypothesis when the consequence of one variable on another is being tested, or to determine the relationship between two or more variables where a large group of people are being studied to establish explicit facts or certain criteria need to be established (Redmond *et al.*, 2002). Therefore, a researcher could address a research question in a qualitative style with the intention of identifying issues key to an individual, and thereafter test the same problem on a group in a quantitative manner in order to establish whether this proposition is appropriate to a larger population (Redmond

et al., 2002). It is important to recognise the value of both approaches, qualitative and quantitative, and to recognise each method's relevant strengths as well as its limitations and restrictions (Redmond *et al.*, 2002). Researchers need to recognise that neither a qualitative nor a quantitative approach is fundamentally superior to the other, but one approach may be clearly more suited to certain situations depending on the research being conducted (Redmond *et al.*, 2002).

It is noted that in research conducted by Uys (2011) for his dissertation on "Factors influencing the future existence of trade unions in South Africa", the research method used was qualitative because in order to achieve the research objectives set, semi-structured face-to-face interviews were conducted with each participant in the study (Uys, 2011). This research methodology, individual interviews, was also utilised by Sheik (n.d.) in his research "Collectivism, Unionisation and Union Influence" (Sheik, n.d.).

The method of research for this study was quantitative as the aim of this study was to answer and address a specific research problem through statistical evidence under an exacting set of guidelines. This method of research was utilised in an effort to test a hypothesis rather than the generation of a new hypothesis as would occur with qualitative research. Furthermore, the large population of union and non-union members leads itself more readily to a quantitative rather than a qualitative study.

3.5.2. Construction of the instrument

Research instruments are basically a procedure for acquiring information that is relevant to the research project, and there are many alternatives from which to choose (Wilkinson & Birmingham, 2003). Wilkinson and Birmingham (2003) stated that research instruments cannot be considered as a "one-size-fits-all" type activity and that there is no particular research instrument that would be considered as being essentially superior to any other (Wilkinson & Birmingham, 2003). Therefore all research instruments could be used to address a research problem as each instrument has its own strengths and weaknesses and all could be used well or poorly.

The questionnaire is the preferred research instrument as it provides an inexpensive and effective method of obtaining and collecting data that is in a structured and manageable format (Wilkinson & Birmingham, 2003). However, it needs to be considered that

questionnaires can be complicated to design and analyse due to the likelihood that questions asked could be misleading or ambiguous and could result in extended periods of work in the capturing, checking and analysing of the completed questionnaires (Wilkinson & Birmingham, 2003). However, a structured questionnaire can provide the researcher with rich data that is in a format ready for analysis and simple interpretation (Wilkinson & Birmingham, 2003). If the questionnaire is effectively managed it could be less resource-intensive than many other research instruments, and in addition the questionnaire format assists with the gathering of the views and opinions from numerous individuals (Wilkinson & Birmingham, 2003).

In order to obtain the data necessary to address the above objectives a questionnaire was utilised for the gathering of the necessary data (Appendix 2). In order for this to be effective the research instrument, in this instance the questionnaire, would “enable the transmission of useful and accurate information or data from the respondent to the researcher” (Wilkinson & Birmingham, 2003, p.8). In order for the data to be useful and accurate there is a need for it to be valid and reliable. Validity of the data is required in order to establish how effectively an instrument measures a particular concept that it was intended to measure (Sekaran & Bougie, 2011). Reliability is a test of how stable and how consistently an instrument measures the specific concept that it is measuring (Sekaran & Bougie, 2011). The Cronbach Alpha test was utilised to test the reliability of the data obtained from the study. Cronbach’s Alpha is a frequently utilised test of internal reliability and in effect this test calculates the average of “all possibilities split-half reliability coefficients” (Bryman & Bell, 2003, p.77). The validity and reliability of the data ensure that if the study is repeated the data collected in subsequent studies should be a replication of the original data (Bryman & Bell, 2003).

The format of the questionnaire was compiled to ensure that the questions were in a clear and unambiguous format so that respondents would be able to interpret the questions, articulate their responses and transmit the questionnaire effectively to the researcher. The administration of the questionnaire through QuestionPro would ensure that the responses were recorded, coded and analysed effectively in order to ensure that they accurately reflect the respondents’ views. In order to ensure that this occurred, the first questions in the research instrument were intended to establish the participants’:

- awareness of the benefits available that are negotiated on their behalf;
- opinion of benefits offered by the union;
- opinion on the effectiveness of union's representation ;
- opinion of the value of benefits received compared to the cost of membership to the union;
- opinion on whether the benefits negotiated by unions and paid for through membership dues should be available to non-members.

Everything that could be counted or measured is called a variable and an understanding of the various variables as well as the method in which they are measured plays a crucial part in the choice of coding and data collection (Jackson, 2003). The measurement of variables can be categorised as categorical (nominal or ordinal scales) or continuous (interval or ratio scales). There are two main measurement categories of variables, namely categorical which measures change in a variable and continuous that measures the magnitude of the change (Jackson, 2003). The questionnaire utilised both categories, the measurement scales of nominal scales to establish for example the participant's age and gender; and interval scales to establish the value of the benefits offered by the union.

3.5.3. Recruitment of study participants

It is critical that the sample be reliable and valid in order to generalise the findings from the sample to the population being investigated, in other words the sample statistics need to be trustworthy estimates and should replicate the population parameters as meticulously as possible within a narrow margin of error (Sekaran & Bougie, 2011).

The population of this study was well distributed, in both metropolitan and rural areas, throughout South Africa, however, due to the size and distribution, it would have been difficult to obtain results from each and every element of the population, therefore a sample of the population was utilised. A population element is defined as the individual participant or object on which the measurement is taken (Cooper & Schindler, 2006). The basic concept of sampling is that by choosing a number of the elements in a population a researcher is able to derive conclusions about the total population (Cooper & Schindler, 2006). However, in order for this sample to be representative of the entire population, the sample must exhibit the characteristics of that population and as cited in the Banking

Sector Overview (Banking Association South Africa, 2010) the Labour Force Survey (second quarter of 2010) the largest number of people employed in the banking sector were in Gauteng (60 percent), followed by the Western Cape and KwaZulu-Natal at 12% and 11% respectively, and the population in terms of gender was 60% female (Banking Association South Africa, 2010). To ensure that coverage errors did not occur and that all characteristics of the population were met the sample should include both rural and metropolitan union members as well as the non-union members. Gauteng, though having the largest number of people employed in the banking sector, does not represent the entire population due to the lack of persons in rural areas, and the Western Cape is predominately metropolitan with a low representation of rural areas. Due to this the sample that best represents the entire population would be a KwaZulu-Natal and the sample was thus drawn from the staff of one of the major banks in KwaZulu-Natal. The number of staff employed in KwaZulu-Natal by the bank is 7% of its total employees and the ration of female staff is 70%. KwaZulu-Natal therefore represented an acceptable sample of the population of the bank.

The participants for this study were selected from the KwaZulu-Natal branches of a major banking group in South Africa. As the research problem was to establish the attitude of union members towards the role and influence of trade unions within the banking industry in South Africa, no criteria were required in terms of the participants' position held within the bank. Though the objective states that the study needed to establish the attitude of union members, this was not a critical requirement due to the possibility that non-members of unions could have previously been members and resigned or that participants had never joined a union. However, both these type of participants could address the objectives set for this research. The data collection, through the completion of the questionnaire, continued until data had been saturated or the required sample size had been met. Participation in this study was strictly voluntary; participants remained anonymous throughout the study and were guaranteed confidentiality by the researcher. A confidentiality agreement was also concluded prior to answering any questions in the questionnaire (Appendix 1).

In order to ensure that no research bias was brought into the study through the distribution of the questionnaire to participants, the questionnaire was distributed as follows:

- Participants had access to the research instrument, the questionnaire, via an Internet link which was provided by the instrument administrator, QuestionPro. This link was distributed, via e-mail, to the Branch Area Managers, Branch Managers, Sales Managers and other managers of staff throughout the KwaZulu-Natal region with a request to distribute the questionnaire to all their staff.

and

- All staff attending training courses at the Durban training centre, this being the centralised training for KwaZulu-Natal, had access to a laptop which so that they had access to the same research instrument via the same Internet link.

The e-mail and the access to the questionnaire explained the purpose and the reason for the study and invited the participants to participate in the research. The confidentiality agreement at the start of the questionnaire was also emphasised in the e-mail.

3.5.4. Pretesting and validation

Pretesting of the questionnaire was carried out in order to ensure its objectivity, reliability and validity. The objectivity of an instrument is tested in order to ensure that the questions are independent of the tester, that there are no biases, and to ensure that the results are independent of the method of calculation (Schwarz, 2011). Reliability is tested in order to establish whether the questionnaire measures the same way each time it is used and this should include times when it may be used by different researchers (Schwarz, 2011). Validity is tested in order to ensure that the questionnaire measures what it was intended to measure (Schwarz, 2011).

For this study the questionnaire had to be tested prior to its submission to the participants because of the possibility that the researcher could easily have overlooked mistakes and ambiguities in question layout and construction. This was concluded through piloting the questionnaire with a small sample of participants who completed the questionnaire. This task allowed for others, with a different perspective, to comment on its suitability and clarity (Wilkinson & Birmingham, 2003).

In addition to bringing errors to the attention of the researcher pretesting allows the researcher to establish the respondents' interest in the research subject, and the

participants' willingness to complete the research instrument (Cooper & Schindler, 2001). It allows the researcher to establish whether the researcher and the participants understand the questions in the same way. Results will be impacted should a researcher ask a question with a particular perspective of its meaning whilst the participant interprets the same question with a different meaning (Cooper & Schindler, 2001). Pre-testing allows the researcher to ensure that the questions' sequence as well as the questionnaire logic are valid, as this could have a significant impact on the final results. If participants answer questions that are not valid to them then this could skew the final results (Cooper & Schindler, 2001). Testing also establishes how long it takes for a participant to complete the instrument and if it takes too long it could result in incomplete questionnaires or participants exiting the instrument prior to completion, thereby influencing the final results (Wilkinson & Birmingham, 2003).

3.5.5. Administration of the questionnaire

The administration of the questionnaire was concluded through the survey tool QuestionPro. QuestionPro is web-based software that is used for the creation and distribution of surveys (QuestionPro, 2013). The survey tool consists of an instinctive wizard interface for creating survey questions, tools for the distributing of the survey via email as well as tools for the analysing and viewing of the results (QuestionPro, 2013).

The survey tool could, once the questionnaire had been distributed to the participants, record the responses and provide the researcher with the results of the responses. These results were available to the researcher in both an Excel and PowerPoint format thereby allowing the researcher to interpret the data in formats required for the research topic.

3.6. ANALYSIS OF THE DATA

Data analysis is defined as the progression of editing and minimising data that has been obtained into data that is manageable in terms of its size, the development of summaries that are pertinent to the research, seeking and establishing patterns and the application of statistical techniques (Cooper & Schindler, 2006).

According to Cooper and Schindler (2006), although a visual presentation of the data is not new it is essential for the examination of the data (Cooper & Schindler, 2006). This they suggested is due to the fact that summary statistics when only submitted in a numerical

format, and accepted without visual inspection, could obscure, conceal or even possibly misrepresent the fundamental structure of the data which would lead to flawed assumptions (Cooper & Schindler, 2006). The data obtained for this study is presented in graphical, tabular and narrative formats.

In addition to a visual representation of the data, the summary statistics are presented in a percentage format as this serves two purposes, the first being that it simplifies the data by converting all the data numbers to a range between zero and 100, and secondly it translates the data into a standard format with a base of 100 for relative comparisons (Cooper & Schindler, 2006).

3.7. SUMMARY

The chapter has detailed the population for this study as being union members within the banking industry of South Africa as well as non-members of the unions due to the possibilities explained. The sample was drawn from the KwaZulu-Natal employees of a major South African bank and in order for the data to be a realistic representation of the population data was obtained from both metropolitan and rural areas within KwaZulu-Natal. A total of 383 participants were required. A random sampling method was followed for the distribution of the research instrument which was in the format of a questionnaire. The questionnaire was distributed to the participants via an e-mail with an Internet link and included an invitation to participate in the research. Participants were informed they could complete the questionnaire voluntarily and be assured of confidentiality.

The results derived from this questionnaire were analysed utilising a quantitative method. In the following chapter, these results are presented in a statistical descriptive format and include figures, tables and narrative text.

CHAPTER FOUR

PRESENTATION AND ANALYSIS OF SURVEY RESULTS

4.1. INTRODUCTION

The purpose of this chapter is to present and analyse the results of the survey that was concluded in terms of the research methodology detailed and discussed in Chapter Three. In addition the results and findings from this study will be compared to the findings of prior research and placed into context with those findings. The study was carried out within the KwaZulu-Natal branches of a major bank in South Africa as this sample was representative of the population. The data obtained from this study will be presented in two sections, the first section will discuss and analyse the demographic profile of the participants whilst the second section will focus on the findings to address the five objectives.

4.2. DESCRIPTION OF SAMPLE

Five hundred and one participants started the survey of which only 396 completed the survey; this represented a completion rate of 79%. The time taken to complete the questionnaire was two minutes.

As detailed in Chapter Three, the sample size for the results of the study to be generalised would need to be 384. The results of this study, with 396 responses, can therefore be generalised to the entire population of the major South African bank as the sample was representative of the population

4.3. TREATMENT OF DATA

Once sufficient participants had completed the survey further participation in the survey was stopped and the data was edited in order to remove from the survey results all data that was incomplete, participants who started but did not complete the survey, or inaccurate data (Sekaran & Bougie, 2011). This revised data was then utilised for the analysis of the study and is presented in this chapter.

4.4. RELIABILITY OF THE DATA

The data obtained through the survey was tested for reliability by calculating the Cronbach's Alpha; the resulting score for the Cronbach Alpha test was 0.606. Whilst this could be viewed as being unreliable, Dekovic, Janssens and Gerris (1991 as cited by Clark & Watson, 1995), stated that there is a complication to the standard reliability score in that in reality there are no longer apparent standards concerning what level of reliability should be considered as acceptable (Clark & Watson, 1995). For example Nunnally (1978 as cited by Clark & Watson, 1995), suggested a minimum of 0.80 and 0.90 as the standard of reliability for basic and applied research, in that order, however it is not exceptional for "contemporary researchers" to categorise reliabilities in the 0.60s and 0.70s as an acceptable or adequate measure of reliability (Clark & Watson, 1995). Due to this, the Cronbach Alpha score obtained for this research study is acceptable and the data can be viewed as reliable.

4.5. DEMOGRAPHIC PROFILE OF RESPONDENTS

The demographic profile of the respondents included information, in addition to the normal demographic profile of gender and age, such as the length of service and whether the respondent is currently a member, has never been a member or whether the respondent had previously been a member of a union and had subsequently left or resigned. As the study's intent was to establish the attitude of union members towards the role and influence of trade unions within the banking industry in South Africa, the race of the participant was not a requirement.

4.5.1. Respondents' gender

The gender (Question 1) was asked of the respondents in order to establish whether there would be any correlation between gender and membership of a union. Of the respondents that completed the survey 60% were female and 40% were male as is evident in Figure 4.1.

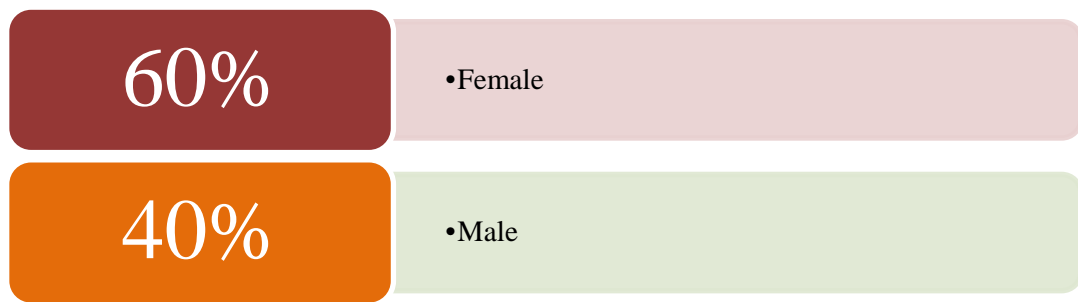


Figure 4.1: Gender of respondents

When comparing the respondents in terms of gender to that of the population, the participation by gender was fairly representative of the gender split within the bank; the number of female employees within the bank during 2012 was 65%. In addition, the participation by gender fairly represented that of the banking industry as information from the Banking Association of South Africa (2010) indicates that 60% of the employees in the banking sector were female (Banking Association South Africa, 2010).

4.5.2. Age and length of service of the respondents

The age and length of service (Question 2 and Question 3 distribution of the respondents (Table 4.1) was consistent with the age and length of service of employees within the bank.

Table 4.1: Age and length of service of participants

Age Demographics of Participants		Percentage
Age of survey participant	Under 20 years	3%
	20 years to 29 years	35%
	30 years to 39 years	29%
	40 years to 49 years	20%
	50 years to 59 years	12%
	60 years and older	1%
Length of Service		Percentage
Number of years employed	Less than 1 year	3%
	1 to 5 years	25%
	6 to 10 years	31%
	11 to 15 years	12%
	16 to 20 years	12%
	21 years and longer	17%

The bank is actively employing graduates and due to this the expectation was that the greatest number of employees would fall within the age of 20 to 29 years (35%) as this is the age group of those having finished studies and have entered the workforce. The findings reflected in Table 4.1 shows that the percentage of respondents, in terms of age groups, decreases with respondents from the age group 30 to 39 years representing 29% of the respondents; the respondents in the age group 40 to 49 years representing 20%, followed by 12% and 1% in the age groups 50 to 59 and 60 years and older respectively. The age of the respondents impacts the length of service and there is a correlation between the age and the length of service of the respondents. This is illustrated Table 4.2.

4.5.2.1. Relationship between age and length of service

The cross tabulation between the respondents' age and the length of service reveals that there is a correlation between these two variables. From the data it is evident that the older the respondent the longer the respondent has been an employee within the banking industry. In order to confirm this relationship a cross tabulation was performed on these two variables and the resulting "p" value of 0.00 confirms that there is a relationship between age and length of service (Table 4.2).

Table 4.2: Cross tabulation between age and length of service

	Length of Service							
		Less than 1 Year	1–5 Years	6–10 Years	11–15 Years	16–20 Years	21 Years and more	Totals
Age	Under 20 Years	20%	80%	0%	0%	0%	0%	2.5%
	20 to 29 years	5.8%	49.6%	44.6%	0%	0%	0%	35.1%
	30 to 39 years	0.9%	14.6%	44%	32.8%	7.7%	0%	29.3%
	40 to 49 years	0%	6.3%	8.9%	12.7%	35.4%	36.7%	20.0%
	50 to 59 years	2.0%	2.0%	2.0%	0%	18.4%	75.6%	12.4%
	60 years and older	0%	0%	0%	0%	33.3%	66.7%	0.7%
	Total	3.0%	25.2%	30.6%	12.1%	11.9%	17.2%	100%
Pearson’s Chi-Square Statistics								
Chi-Square						423.357		
p Value						0.00		
Degree of Freedom						25		
Significant Correlation between Variables Exists: 95%								
Critical Value for (p = 0.01 [1%])						44.314		
Critical Value for (p = 0.05 [5%])						37.652		
Critical Value for (p = 0.10 [10%])						34.382		

4.5.3. Membership of a union – Question 4

In order to complete this study there was a need to identify which of the respondents were currently members of a union, which of the respondents had previously been members of a union and had subsequently resigned their membership and which of the respondents had never been members of a union. The purpose of this was to direct the respondent to questions in the research instrument that were pertinent to members or to those questions pertinent to non-members. Non-members were not excluded from the survey as the responses from this segment of the sample were required in order to address the research

question and the responses by each were expected to differ substantially. For example, the reason for a respondent having resigned from a union would differ to the reason why another respondent has never considered joining a union and both would differ to that of a respondent who is currently a member.

4.5.3.1. Previously a member of a union

Due to the above the initial question in the research instrument established whether the respondent was a member of a union or not. Of the 396 respondents 57% responded that they were members of a trade union whilst 43% indicated that they were not currently a member of a union (Figure 4.2). The 57% of the respondents that indicated that they were members of a union is consistent with the bank's recognition agreement with SASBO which states that the union has the right to carry out union business in terms of the union's Constitution and the Act exclusively as the collective bargaining body, subject to the fact that the union has and maintains a level of representation of at least 50% plus one of the employees within the bargaining unit at any time (SASBO, 2008).

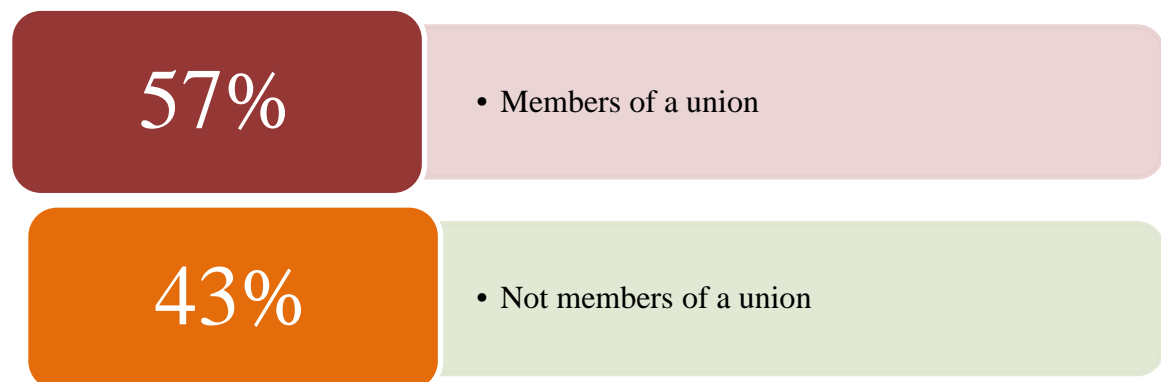


Figure 4.2: Membership of a union – all participants

4.5.3.2. Never a member of a union – Question 16

As can be established from the responses detailed in Figure 4.2, 43% of the initial 396 respondents indicated that they were not members of a union. For the study there was a need to establish whether those respondents who had indicated that they were not currently members of a union (sample size of this group – 172 respondents), had previously been members of a union and had subsequently resigned or whether they had never previously been a member (Figure 4.3).

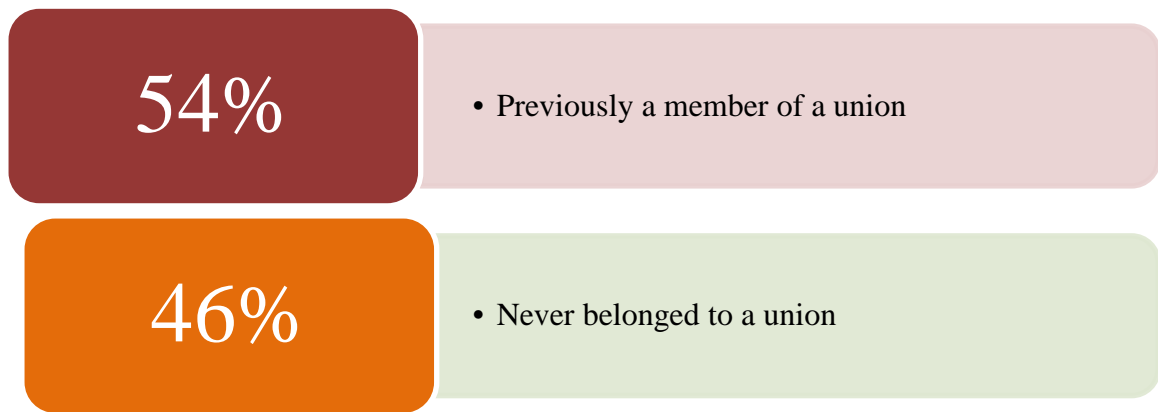


Figure 4.3: Membership of a union – currently not a member

Of the 43% of respondents who had previously indicated that they were not currently a member of a trade union, 54% subsequently indicated that they had previously been a member of a union and had at some point resigned from that union. Forty-six percent (46%) of the respondents indicated that they had never been a member of a union. However, the research instrument did not exclude these respondents as the researcher needed to establish the reasons for this segment of the respondents having made a choice never to join a union.

4.5.4. Membership to which union – Question 5

Figure 4.4, indicated the union membership of existing members. Of the 57% who initially indicated that they were a member of a union the majority, 98%, indicated that they were currently members of SASBO, see Figure 4.4. One percent (1%) indicated that they were members of Solidarity and 1% indicated that they were a member of the Congress of South African Trade Unions (COSATU). None of the respondents indicated membership to National Council of Trade Unions (NACTU); Federation of Unions of South Africa (FEDUSA); Confederation of South African Workers' Unions (CONSAWU) or the South African Commercial, Catering and Allied Workers Union (SACCAWU)

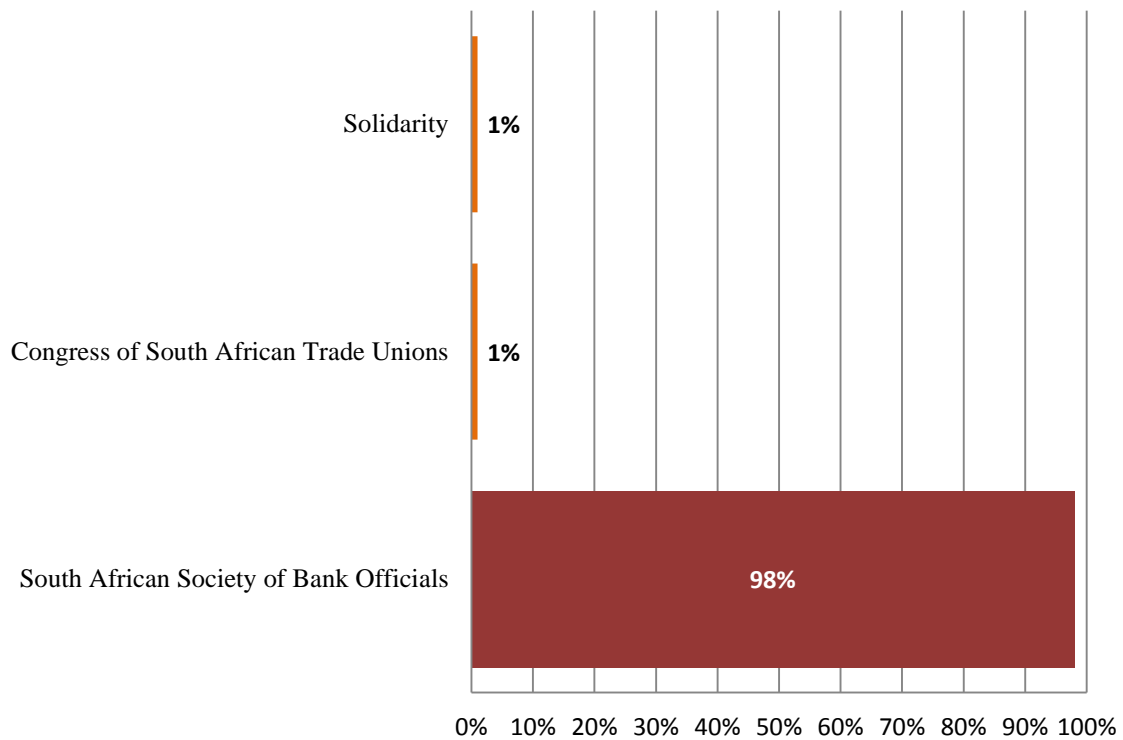


Figure 4.4: Union – existing members

The 54% of the respondents who subsequently indicated that they had at some point in the past been a member of a trade union were asked to which union they had previously belonged (Figure 4.5) and were given the same choice of unions afforded to those respondents who had initially responded that they were currently members of a union. These unions were SASBO; COSATU; SACCAWU; CONSAWU; FEDUSA; NACTU and Solidarity. As the respondents only specified prior membership to SASBO and COSATU only the results of these two unions are reflected in Figure 4.5.

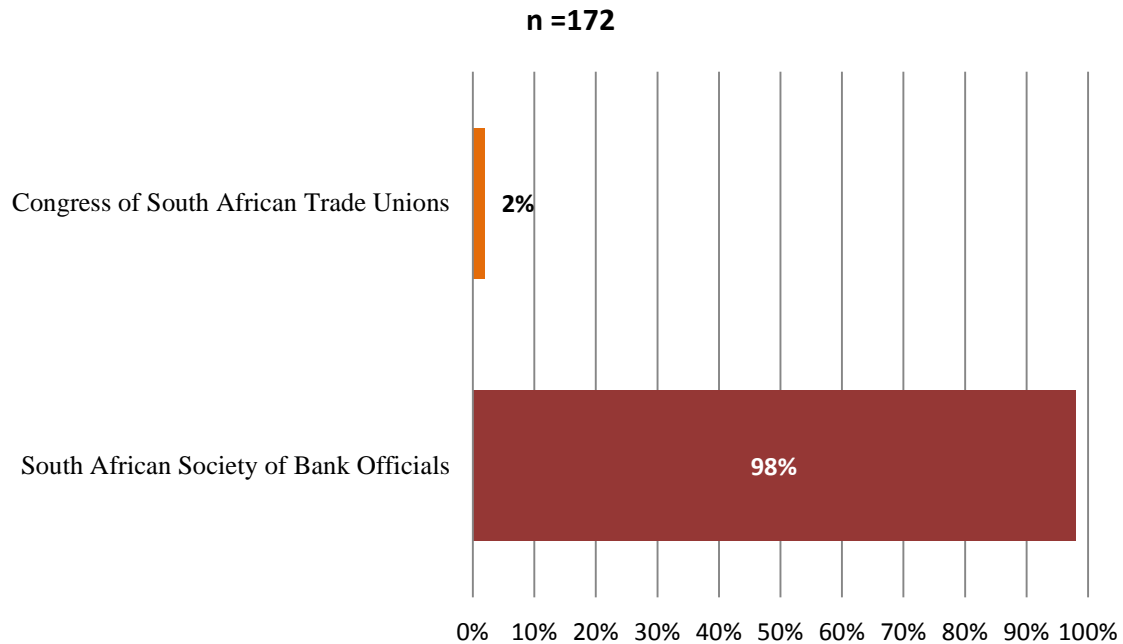


Figure 4.5: Trade union membership of ex-union members

Ninety-eight percent (98%) of the respondents indicated that they had previously belonged to SASBO whilst 2% indicated that they were previously a member of COSATU. The 2% that indicated prior membership to COSATU could have been influenced by the fact that SASBO is an affiliate of COSATU.

Though the majority of respondents, both current union members and ex-union members, indicated that they were or had been members of SASBO, the data throughout this document is presented for a generic union without the information being specific to a solitary union within the banking industry.

4.6. OBJECTIVES OF THE STUDY

Each of the objectives for the study and the results of the respondents' responses to questions are discussed in the section that follows

4.6.1. Awareness of benefits available – Question 6

In order for union membership to increase there is a need for a union to attract new members as well as the retention of its existing members. However, if employees are unaware of the benefits offered by the union there is the possibility that they will either not join the union or after having become a member will at some point resign their

membership. In addition, the union needs to know whether the non-usage of the benefits they offer is due the members' belief that the benefits do not represent value to the members.

The initial question in the research instrument (Question 6) was solicited in order to establish the respondents' reason for becoming members of the union and was posed to the 57% who had initially indicated that they were currently members of a union. Their decision to join a union would have been influenced through the existing awareness of the benefits or through the union's communication on the benefits of being a member. The results for the respondents decision to become union members is reflected in Figure 4.6 Of the respondents, 52% indicated that their decision to join the union of their choice was based on their awareness that the union would assist its members should there be problems in the workplace. Twenty-eight percent (28%) of the respondents indicated that their decision was based on their awareness that the union would assist in ensuring that pay as well as working conditions improved. Ten percent (10%) of the respondents indicated that they had joined the union as "most of the people at work were members" and 9% of the respondents specified that they had joined the union as it was their belief that it was a condition of employment. This confirms the research of Pascual and Waddington (2000), who stated that it appears that persons do not join unions predominately to improve conditions of employment and lifestyle, through increased remuneration, but rather to ensure that they have access to the non-financial benefits offered (Pascual & Waddington, 2000).

The above responses, specifically those respondents who indicated that they had joined the union due to "most of the people at work are members" and that it was their belief that membership to the union was a condition of employment, should be viewed as a sign that there are members within the ranks of the union who could be unaware of the benefits of union membership.

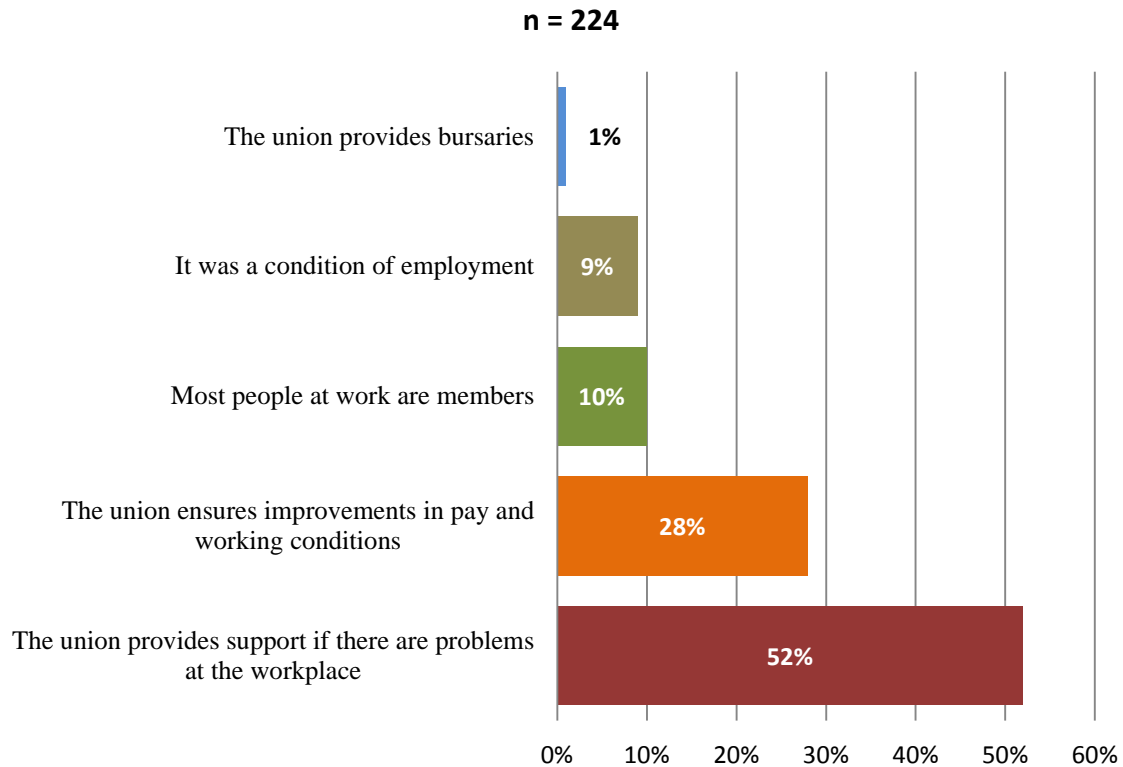


Figure 4.6: Reason for becoming a union member

Twenty-six percent (26%), the majority, of the respondents indicated that the benefit offered by the union (Question 7) when joining was that the union would represent their members during wage and salary negotiations (Figure 4.7). Eighteen percent (18%) indicated that they had been advised that they would have union representation in all disputes with management, and 17% were advised that they would receive a monthly newspaper/newsletter to ensure that members would be aware of the actions of the union and would allow for the ease of communication of any service and benefit available to members. Twelve percent (12%) of respondents were advised that there would be regular meetings with union representatives.

Thereafter, the benefit of being a union member was that the member would have union representation in instances of redundancy and retrenchment (11%); negotiation by the union with the bank with regard to hours of work and leave benefits (8%); negotiations by the union on behalf of its members for medical and pension benefits for which 6% of the respondents indicated awareness and union organised holiday opportunities at 2%. The research of Pascual and Waddington (2000) indicated reasons why employees in the United Kingdom join unions with the three largest percentage of respondents indicating

that they join a union for “support if I have a problem at work”; “improved pay and conditions of employment” and “because I believe in trade unions (Pascual & Waddington, 2000).

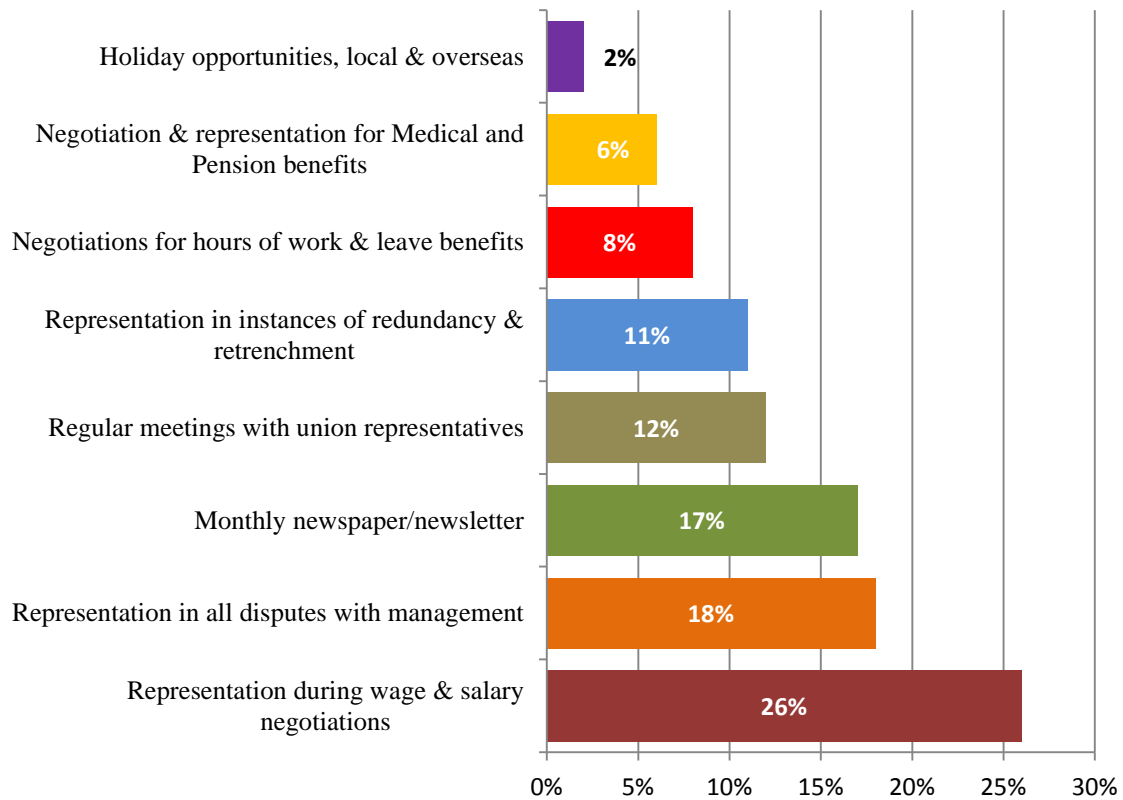


Figure 4.7: Benefits offered by union

The benefits offered by the union prior to a respondent becoming a union member were compared to the benefits delivered by the union (Question8) once a respondent became a member (Figure 4.8). The representation during wage and salary negotiations was experienced by 30% of the respondents, an increase of 4% of the members. Representation in all disputes with management was only experienced by 6% of members, a decrease by 12%. The receipt of a monthly newspaper/newsletter increased from 17% to 37%, this being the greatest increase between union benefit offered and delivered after becoming a member. Regular meetings with union representatives was only experienced by 4% of the members after becoming members whilst 12% were advised that this was a union benefit prior to becoming a member. Representation in instances of redundancy and retrenchment was only experienced by 7% of the respondents post membership. The benefit of union negotiations for hours of work and leave was experienced by 7% of the members and

union negotiation and representation for medical and pension benefits by 6% of the respondents. The benefit of holiday opportunities offered by the union increased to 3% once respondents became union members.

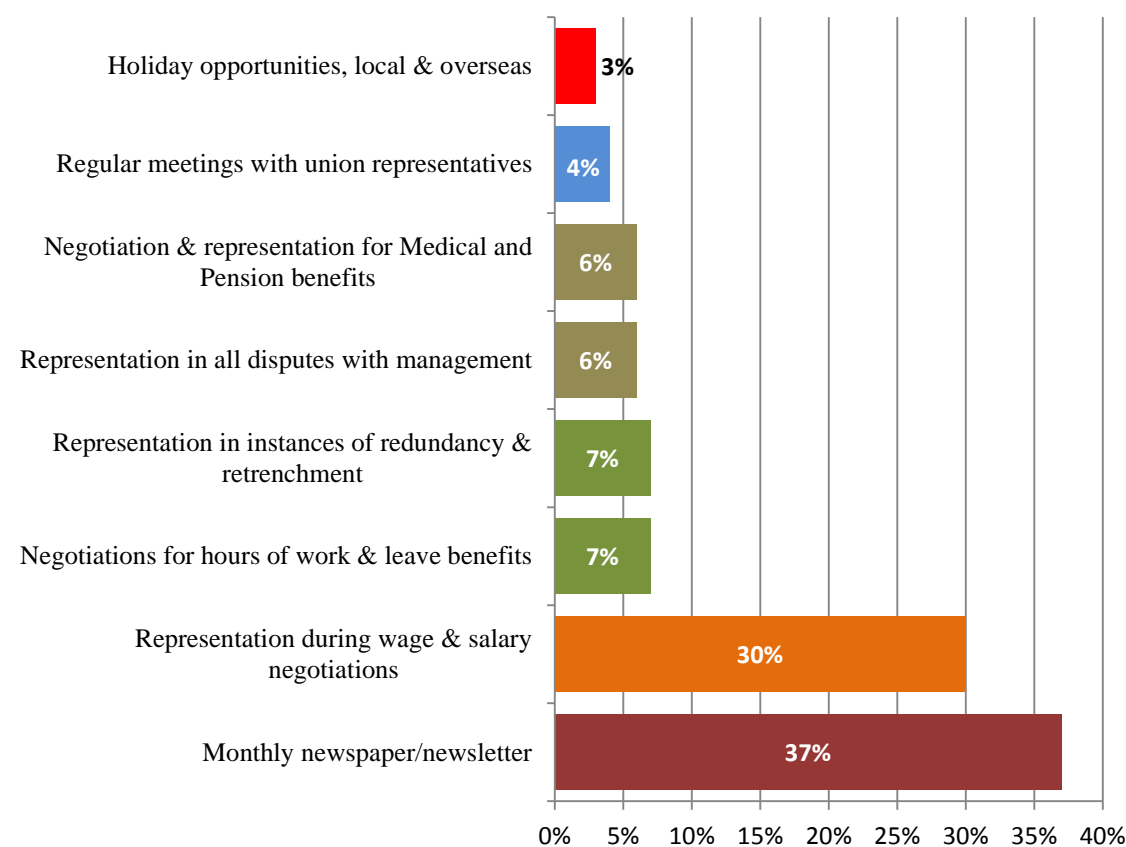


Figure 4.8: Benefits delivered by union

The benefit of being a union member is the service offered by the union in the form of representation during disputes within the workplace. Figure 4.6 shows that the majority of respondents, 52%, indicated that their decision to become union members was based on their awareness that the union would support members should there be problems within the workplace. When prospective members were advised of the benefits of union membership, prior to the respondent becoming a member, only 18% of the respondents indicated that this specific benefit was offered to them prior to their joining the union. After becoming a member of the union only 6% of the respondents, Figure 4.8, acknowledged that this benefit had been delivered as offered. This indicates that there could be a gap in the perceived need of bank employees and the delivery of a benefit by the union. The respondents have indicated that union representation is the most important reason for them

becoming union members yet the union does not promote the benefit to prospective members and the delivery thereof could also be lacking.

The utilisation of the benefits and services the union offers to its members (Question 9) was presented to those respondents who were currently members of a union. The responses as reflected in Figure 4.9 were that 86% of the respondents had no need, as yet, to utilise the services offered by the union. Five percent (5%) responded that they had utilised union services during performance meetings and a further 5% had union representation at grievance hearings. Three percent (3%) of the respondents had used the services of the union at disciplinary hearings and 1% had required union representation at the Commission for Conciliation, Mediation and Arbitration (CCMA).

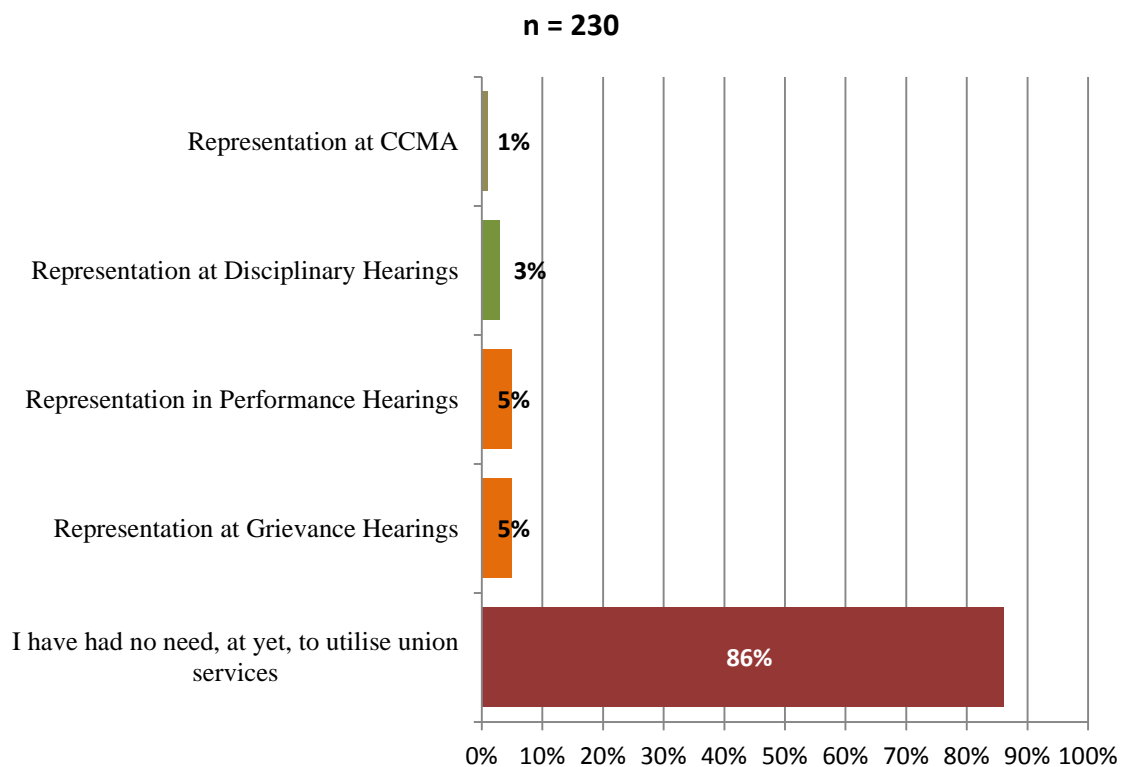


Figure 4.9: Utilisation of union services

Figure 4.9 above shows that 14% of the respondents indicated that they had, at some stage, utilised one of the services offered by their union during disputes within the workplace (disciplinary, grievance, performance or CCMA hearings). It therefore appears that utilisation of this benefit is higher, in terms of percentage, than the responses indicated in

Figure 4.8. This indicates that whilst the benefit was not delivered as offered by the union at joining, the members are aware of the benefit and are utilising same.

The information above pertains to the responses of participants who were currently members of a union. There was also a need to establish whether the respondents (n =172) who were previously union members or had never previously been a member were aware of the benefits and services a union offers to its members (Figure 4.3). Eighteen percent (18%) of this segment indicated that they had no need for union representation (Figure 4.10). This response could be as a result of the respondents’ lack of awareness of all the benefits and services offered by the union but would require additional research to establish why there is no need.

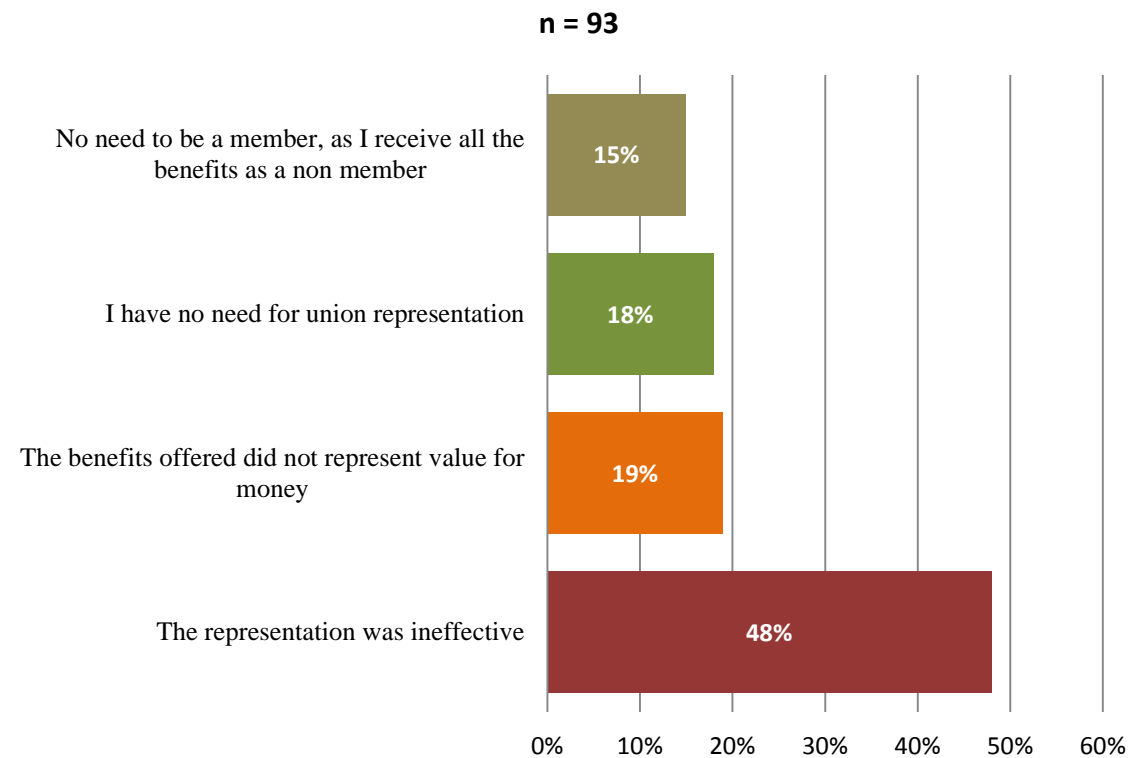


Figure 4.10: Awareness by ex-union members

The respondents who indicated that they had never been a member of a trade union, 46% of the 172 respondents, were also requested to respond as to why they had never joined a union (question 17) (Figure 4.11). Of this group 19% indicated that they were not interested in becoming union members and, similar to the responses of those who had resigned as members, this decision could have been based on a lack of total awareness of

the services and benefits that a union offered its members. In addition a further 19% of the respondents indicated that they had never been approached by a union and the question is therefore whether this segment of the sample group would have become members if they had been approached. There is thus a possible 38% whose decision not to join a union could have been based on a lack of awareness of the products and services offered to members.

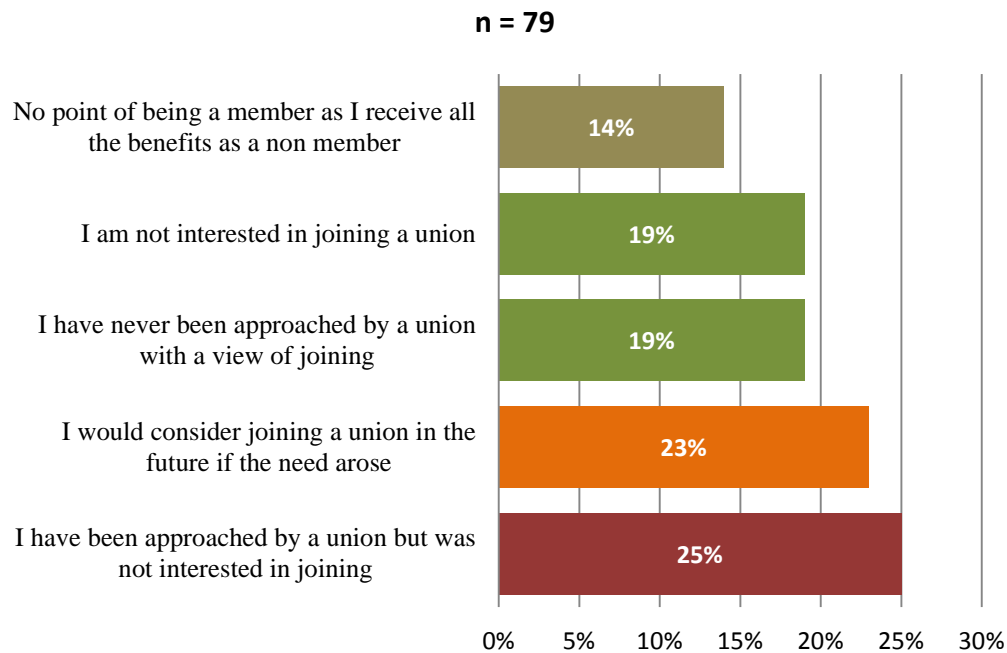


Figure 4.11: Awareness of benefits – never a member

The indication by 23% of the respondents that they would consider joining a union in the future if the need arose indicates that these respondents were aware of the benefits of being a union member. However, they would only consider membership if the need arose and this point will be articulated further in this study.

From the data obtained from the three groups of respondents, namely current union members, previous union members and never a member, there appears to be an acceptable level of awareness by all segments of the study to the services and benefits offered by the union to their members. This is confirmed through the respondents' awareness of the benefits offered and subsequently delivered together with the responses regarding the utilisation of such benefits. There is still, however, a definite segment which is a

substantial number of employees within the bank, who are not knowledgeable of all benefits and services available to union members.

4.6.2. Effectiveness of union representation

The effectiveness of union representation impacts an individual's decision-making process and the more effective a benefit or service the more value is associated to that offering. A union that is viewed as being effective in the representation of its members would be one that retains members and effectively increases the number of members, thereby remaining the recognised union within the workplace. As an example, for SASBO to retain its recognition agreement with the bank it needs to ensure that it retains a level of representation of at least 50% plus one of the employees within the bargaining unit at any time (SASBO, 2008). Should members have a perception that the union is not effective, then there is an increased possibility of these members resigning.

The respondents who indicated that they had previously been members of a union were asked to specify the reason for their leaving or resigning from the union of their choice (Question 19). The responses of this are reflected in Figure 4.12 and of these, 19% indicated that the benefits offered did not represent value for money and this will be discussed further in Section 4.6.4, however, this response signifies that when considering the effectiveness of the benefit the member did not perceive it as representing value. In addition, a further 48% of the respondents, a substantial majority, indicated that they had left or resigned from the union as they felt the union representation was ineffective.

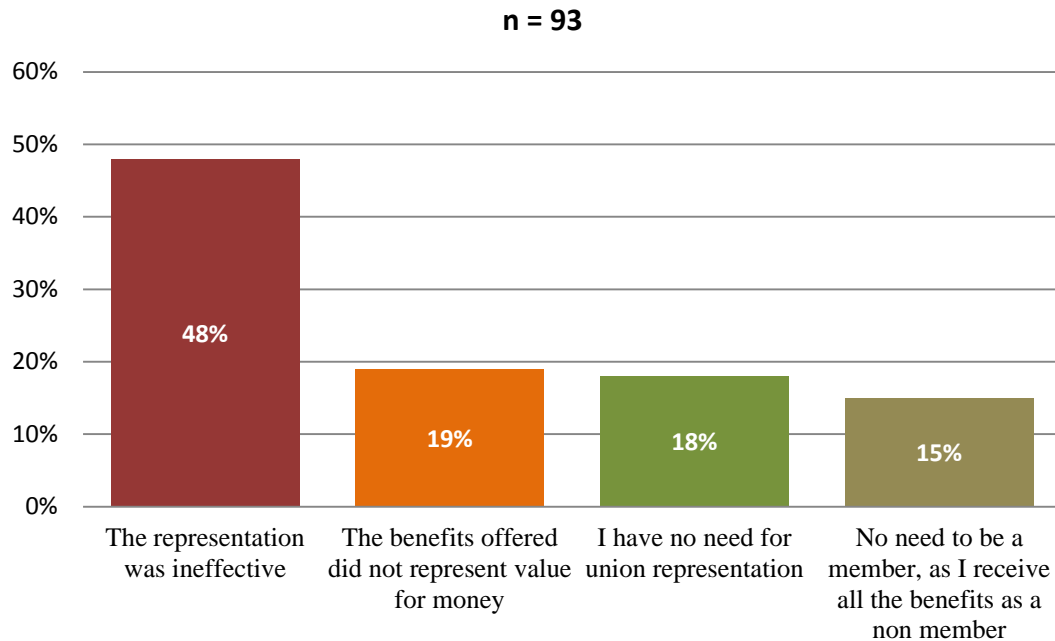


Figure 4.12: Effective representations by ex-union members

The response by 18% of the respondents indicated that they felt that they had no need for union representation and this could be an area that represents a gap in the effectiveness of the union's representation. When considering the responses to the question (Question 17) why the respondent had never joined a union, and because 25% responded that they had been approached by a union but were not interested in becoming a member, further research would be required to establish whether the response was influenced by respondents' perception of the union being ineffective.

Effective representation is a concern when considering that 19% of the respondents who had never previously been union members responded that they had never been approached by a union with the view of joining the union (Figure 4.13). This would suggest that the union, though having a recognition agreement with the bank, has insufficient representation within the bank in order to ensure that the union approaches all new employees to become members. This finding is opposite to that reflected in the research of Peetz and Todd (2001) in that NUBE ensures that union representatives meet new employees in person and that NUBE, to this end, ensures that they have the necessary delegates in each branch of the bank (Peetz & Todd, 2001).

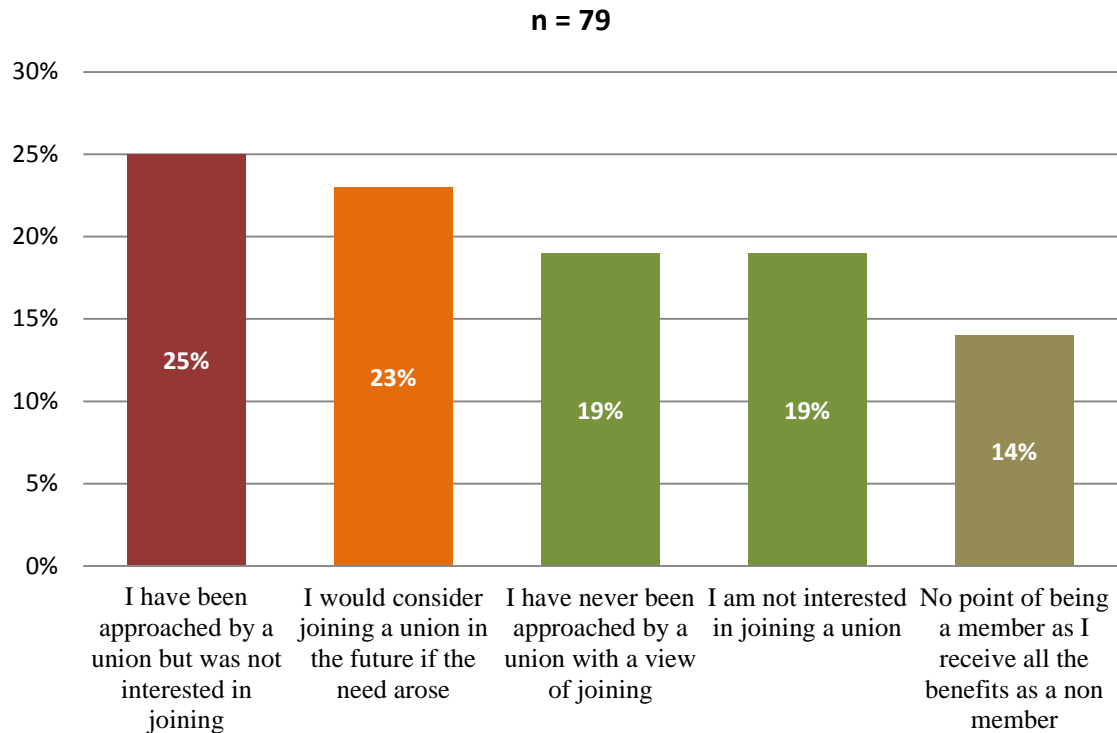


Figure 4.13: Effective representations of never members

In addition to the missed opportunity mentioned above, it is important to consider respondents who are currently union members and who were asked which of the benefits they were offered when joining the union and which of the benefits were delivered upon as promised. Eighty-two percent (82%) from this segment (n = 158) of respondents indicated that they were advised that the union would represent them, as members in all disputes with management, however, just 18% indicated that this benefit of representation was subsequently delivered (see Figure 4.14).

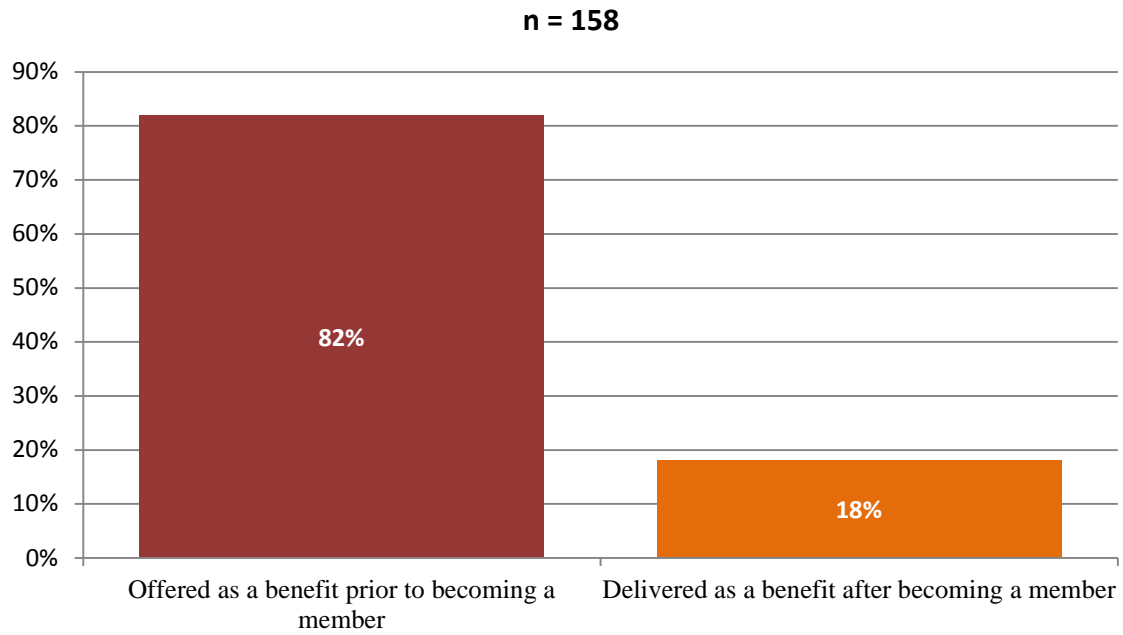


Figure 4.14: Representation in disputes

Further to this, 82% from the segment ($n = 106$) of respondents indicated that they were advised prior to becoming union members that one of the benefits of membership would be regular meetings with the official union representatives. However, subsequent to becoming a member of the union only 18% of the respondents indicated that this benefit had been delivered as initially promised (see Figure 4.15).

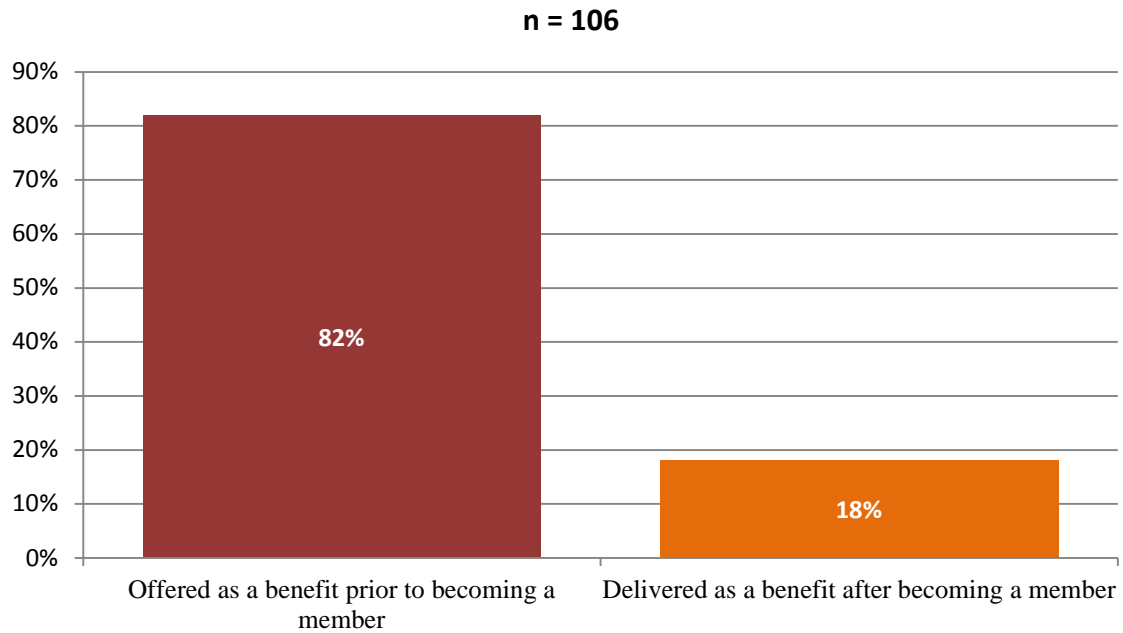


Figure 4.15: Benefit offered and delivered – regular meetings

Considering that 52% of members initially joined the union due to their understanding that the union provided support should a member have problems at work, see Figure 4.6, and then the result as indicated by the respondents above, Figure 4.15, namely that 18% acknowledged that this benefit has been delivered as was originally offered, it would appear that the effectiveness of union representation through the interaction with union members at regular meetings is lacking.

Respondents that were currently union members were asked what they believed would add value to benefits already offered by their union (Question 11) and 34%, see Figure 4.16, indicated that in order for the union to increase its value to them as members the union would need to have regular meetings with their members. The survey by Rose, Kumar and Ramasami (2001 as cited in Ratna & Kaur, 2012) indicated that non-union employees viewed their unions unfavourably. It appeared that employees did not have the knowledge concerning trade unions and that this was indicative of the unions' failure in ensuring that it met with and ensured that all employees understood the purpose of a union and that this was probably a problem in a union organising its membership strategies (Ratna & Kaur, 2012).

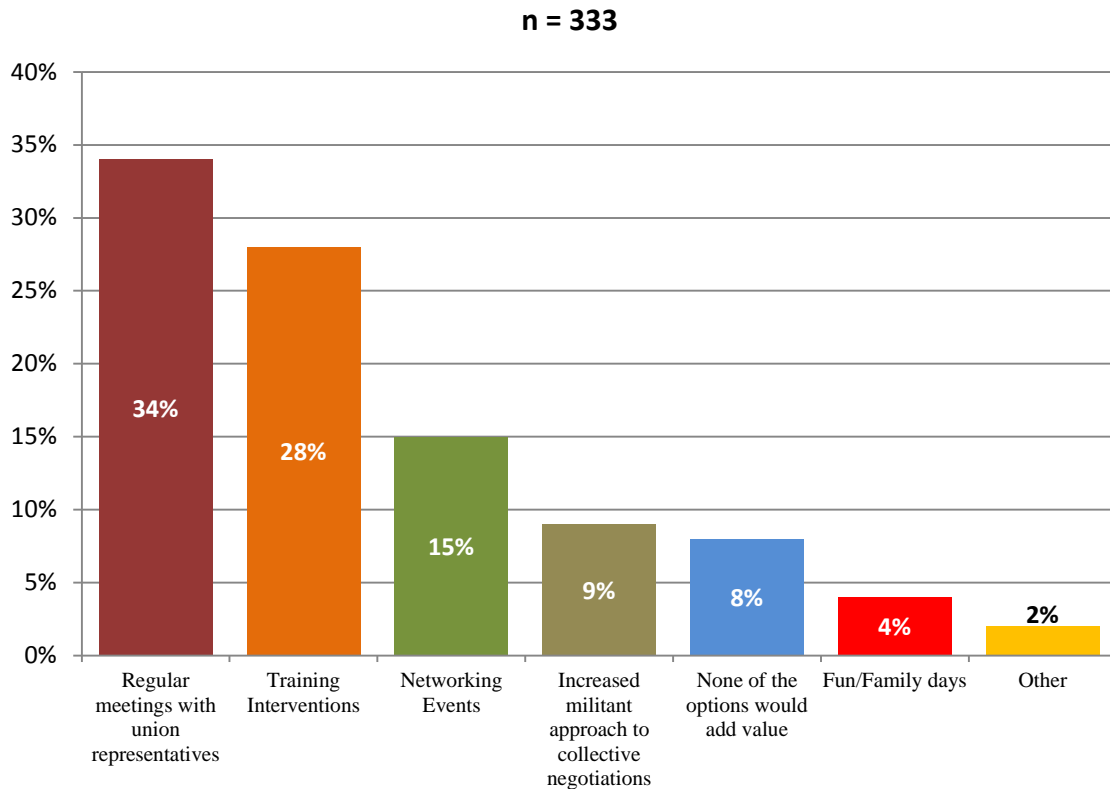


Figure 4.16: Regular meetings’ impact on effectiveness of union representation

From the responses received for the study it appears that overall the effectiveness of union representation is ineffective and that it is mainly due to a lack of meetings between the member of the union and the union representatives. The responses indicate that the majority of employees join a union in order to have union representation should there be problems in the workplace (Figure 4.6). However, without regular meetings between members and union representatives there would be a gap in the effective representation. The effectiveness of union representation is further highlighted by the fact that the majority of respondents (34% – see Figure 4.16) indicated that to improve the value of union offerings the union should ensure regular meetings between members and union representatives.

The ineffective union representation is further reinforced by the data obtained from respondents that had previously been union members as it indicates that the majority of the respondents (48% – see Figure 4.12) had subsequently left or resigned due to ineffective union representation.

4.6.2.1. Relationship between age and union membership

The need for an individual to become a union member would, in addition to the effectiveness of union representation, be based upon an individual's risk profile. The higher the individual's risk of there being a possible problem in the workplace, the greater the need for both effective union representation and union membership. The research of Goerke (2008) revealed that the assessment of costs and gain depends on individual preferences and is likely to vary with risk attitudes (Goerke, 2008). The results from this study indicate that there is a decrease in union membership as a respondent's age increases and the need for additional research would be required in order to establish whether this would be due to a decrease in risk profile or the respondent comparing the effectiveness of union representation to the cost of union membership.

The trend noted in this study is that union membership appears to be most important to the respondents of the younger age group and that union membership decreases as respondents become older. The initial age group in Table 4.3 reflects this relationship is the respondents in the age group 20 to 29 years of age; in the age group of 30 to 39 the number of respondents that are union members is equal to those who are non-union members. The relationship between the two variables, the respondent's age and union membership, was tested through a cross tabulation where the "p" value of 0.01 confirmed that age and union membership are positively related. The results of this cross tabulation are presented in Table 4.3.

Table 4.3: Cross tabulation between age and union membership

	Are you a member of a trade union?			
Age		Yes	No	Totals
	Under 20 Years	1.3%	1.3%	2.5%
	20 to 29 years	24.2%	10.9%	35.1%
	30 to 39 years	14.6%	14.6%	29.3%
	40 to 49 years	9.1%	10.9%	19.9%
	50 to 59 years	7.1%	5.3%	12.4%
	60 years and older	0.3%	0.5%	0.8%
	Total	56.6%	43.4%	100%
Pearson's Chi-Square Statistics				
Chi-Square				15.603
p Value				0.01
Degree of Freedom				5
Significant Correlation between Variables Exists: 95%				
Critical Value for (p = 0.01 [1%])				15.086
Critical Value for (p = 0.05 [5%])				11.07
Critical Value for (p = 0.10 [10%])				9.236

4.6.2.2. Relationship between age and prior union membership

The data from the study revealed that there was a relationship between age and prior membership to a union. To identify whether there is a relationship between the respondent's age and prior union membership, a cross tabulation was performed on these two variables, as illustrated in Table 4.4. The "p" value of 0.00 confirms that age and prior union membership are positively related. Due to this one can be 95% certain that the relationship between these two variables would not have occurred by chance alone. This relationship would suggest that as a respondent's age increases the respondent leaves or resigns from the union. From the union's perspective this information would suggest that there is a need for the union to focus on their existing members as it appears that they are losing existing, older union members.

Table 4.4: Cross tabulation between age and prior union membership

	Did you previously belong to a trade union?			
Age		Yes	No	Totals
	Under 20 Years	0%	2.9%	2.9%
	20 to 29 years	10.5%	14.5%	25.0%
	30 to 39 years	14.5%	19.2%	33.7%
	40 to 49 years	19.2%	5.8%	25.0%
	50 to 59 years	8.7%	3.5%	12.2%
	60 years and older	1.2%	0%	1.2%
	Total	54.1%	45.9%	100%
Pearson's Chi-Square Statistics				
Chi-Square			24.425	
p Value			0.00	
Degree of Freedom			5	
Significant Correlation between Variables Exists: 95%				
Critical Value for (p = 0.01 [1%])			15.086	
Critical Value for (p = 0.05 [5%])			11.07	
Critical Value for (p = 0.10 [10%])			9.236	

4.6.3. Opinion of benefits offered by the union

In order for the union to retain and attract members there is a need for its benefits and services to represent value for money for members and prospective members (Question 10).

The current union members were asked how the value of the benefits offered had changed since they had initially joined the union. The majority of respondents, 66%, indicated that in their opinion there had been no change to the value of the benefits offered by their union since they had become members (Figure 4.14). Thirteen percent (13%) of the respondents indicated that the value had increased slightly whilst a further 11% of the respondents indicated that the value of the benefits offered were less favourable (Table 4.14). An

equally portion of respondents, 5%, indicated that in their opinion the benefits had either improved significantly or were much less favourable.

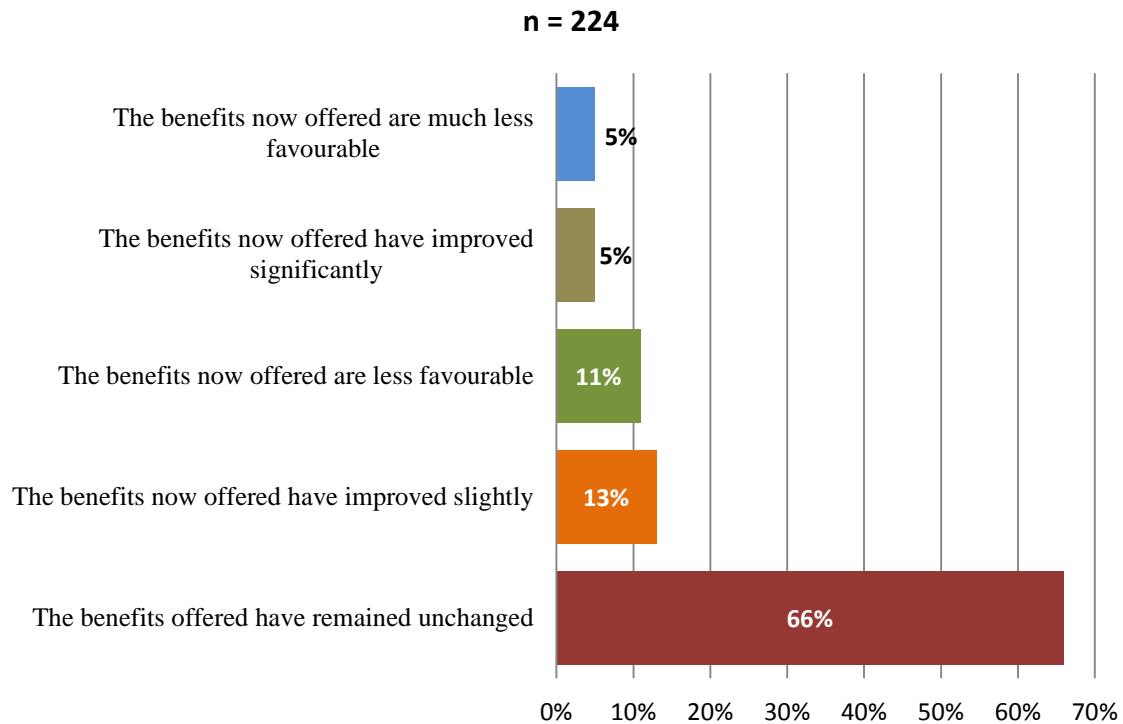


Figure 4.17: Value of benefits offered

The responses reflected in Figure 4.17 were summarised into two segments, namely benefits more favourable which included the responses that indicated that benefits had remained unchanged and secondly, benefits that were less favourable. The rationale of combining the data was to compare the data based upon the responses of those who indicated that there was no perceived change in the value of benefits offered to that the responses of those who felt that the value of the union benefits had increased since becoming members. Eighty-two percent (82%) of the respondents indicated that they have seen no change in the value or a reduced value in the benefits offered by the union, and 18% indicated that the value of the benefits offered by the union had increased since they had become members (Figure 4.18).

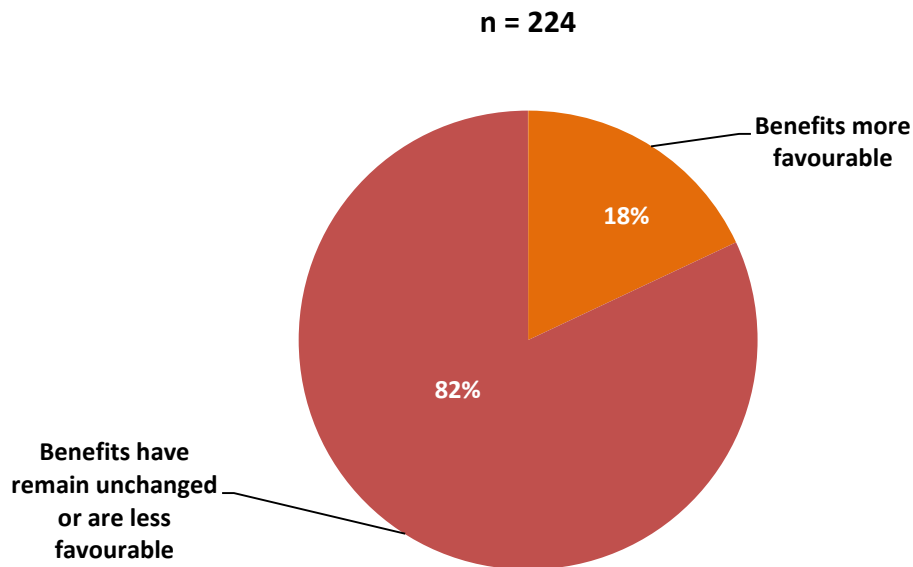


Figure 4.18: Summary – value of benefits

From the data obtained through this study it is therefore apparent that in the opinion of the members the benefits offered by the union have not changed.

4.6.4. The value of the benefits received – Question 10

The respondents who were union members were asked whether the benefits represented value for money. The majority of respondents, 48%, indicated that the benefits represented average value for money; 22% responded that the benefits offered minimal value for money whilst 14% stated that the benefits represented no value at all (Figure 4.19). Fifteen percent (15%) of the respondents indicated that the benefits were good value for money and just 1% specified that the benefits represented excellent value for money.

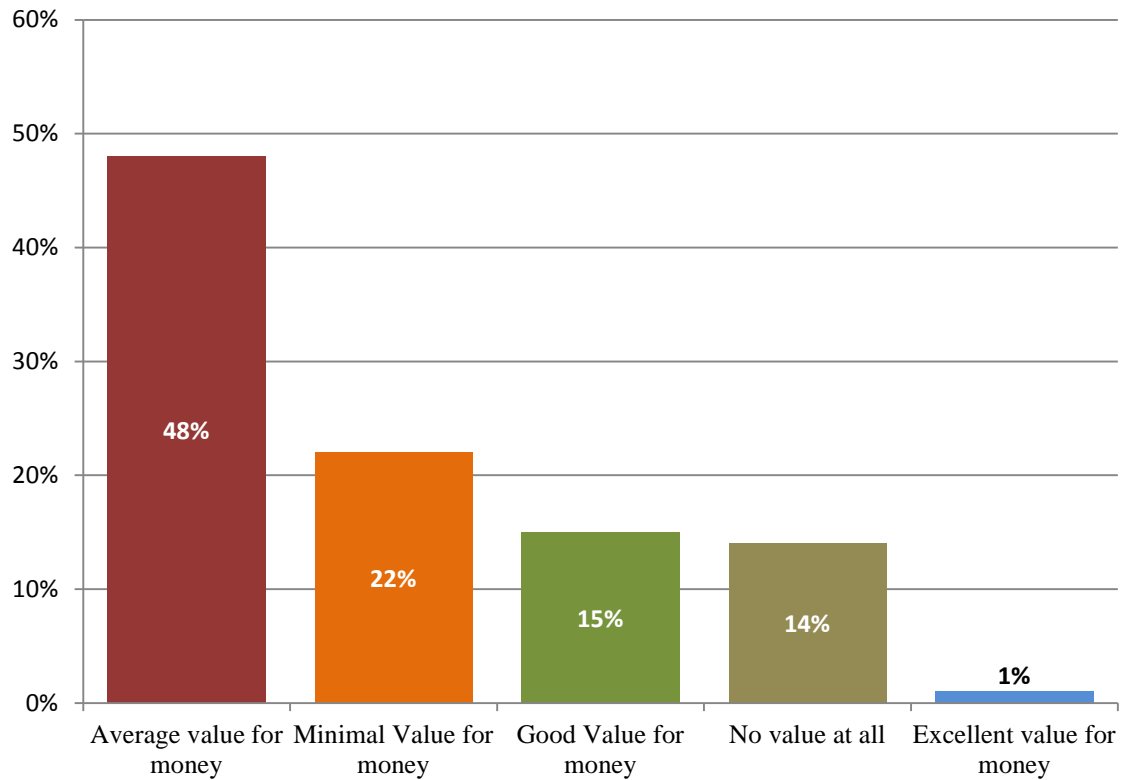


Figure 4.19: Value for money for union benefits

Therefore, 36% of respondents indicated that the benefits offered by the union represented minimal or no value for money. This should be of concern to a union considering that the membership of a union is based on the benefits and services offered by the union to attract and retain members. Eighty-four (84%) of respondents indicated that the benefits represented average or less than average value for money and when compared to the 16% who indicated that the benefits were of a value greater than average these results indicate that the majority of members felt that the benefits offered by the union represented average or less than average value for money.

In addition, 54% of those who had initially indicated that they were currently not union members (Figure 4.3) were asked to give reasons for their decision to leave or resign from the union (Question 19). Of these respondents 19% indicated (Figure 4.20) that they had resigned or left the union as the benefits offered by the union did not represent value for money.

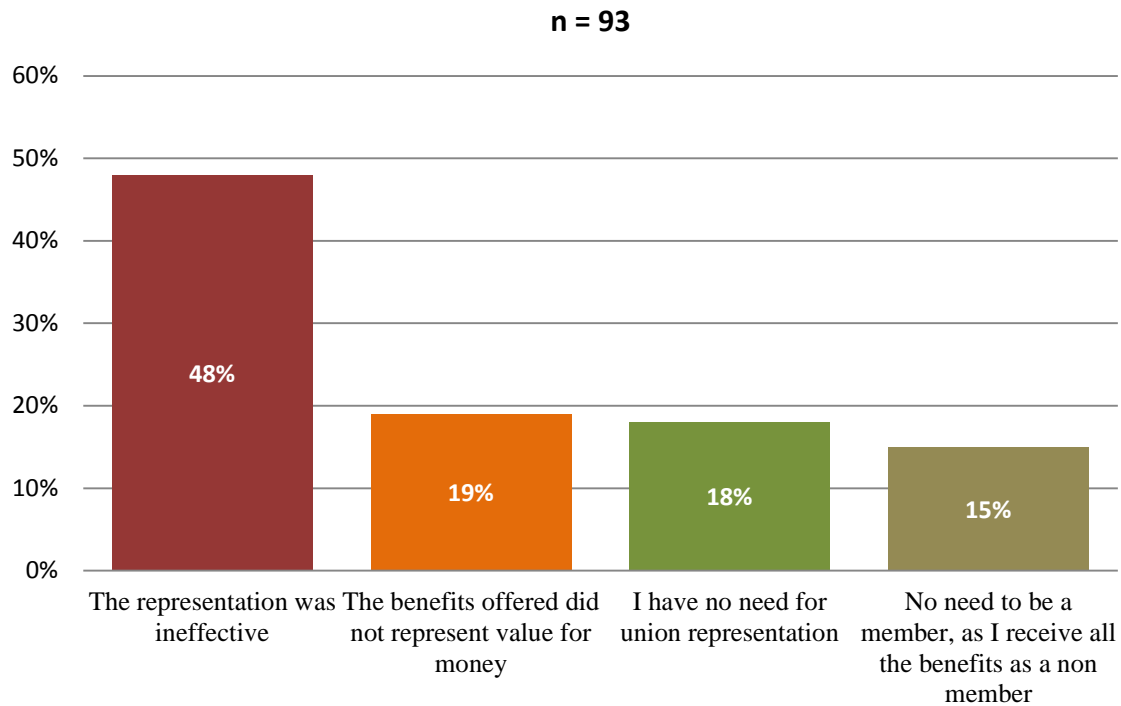


Figure 4.20: Reasons for leaving union

The majority of respondents (Question 11), 34% (Figure 4.21), indicated that the offering that would most improve the value of the union benefits would be regular meetings with union representatives. Twelve percent of the respondents indicated that this was offered as a benefit prior to them becoming union members, Figure 4.7, and that just 4% of the respondents, Figure 4.8, indicated that this benefit had been delivered after they became a union member. This specific response should be of significant concern for unions because this benefit is suggested as being one that would add value for money, yet the union already offers such. The Malaysian Trade Union NUBE attributes one of the successes to their attraction strategy as the fact that union delegates within the place of employment meet with new employees in person, once that employee's three month probation period has been served (Peetz & Todd, 2001). To this end NUBE has ensured that they have the necessary delegates in each branch of the bank and that the union committees address safety issues, unfair and/or illegal practices and discipline issues (Peetz & Todd, 2001).

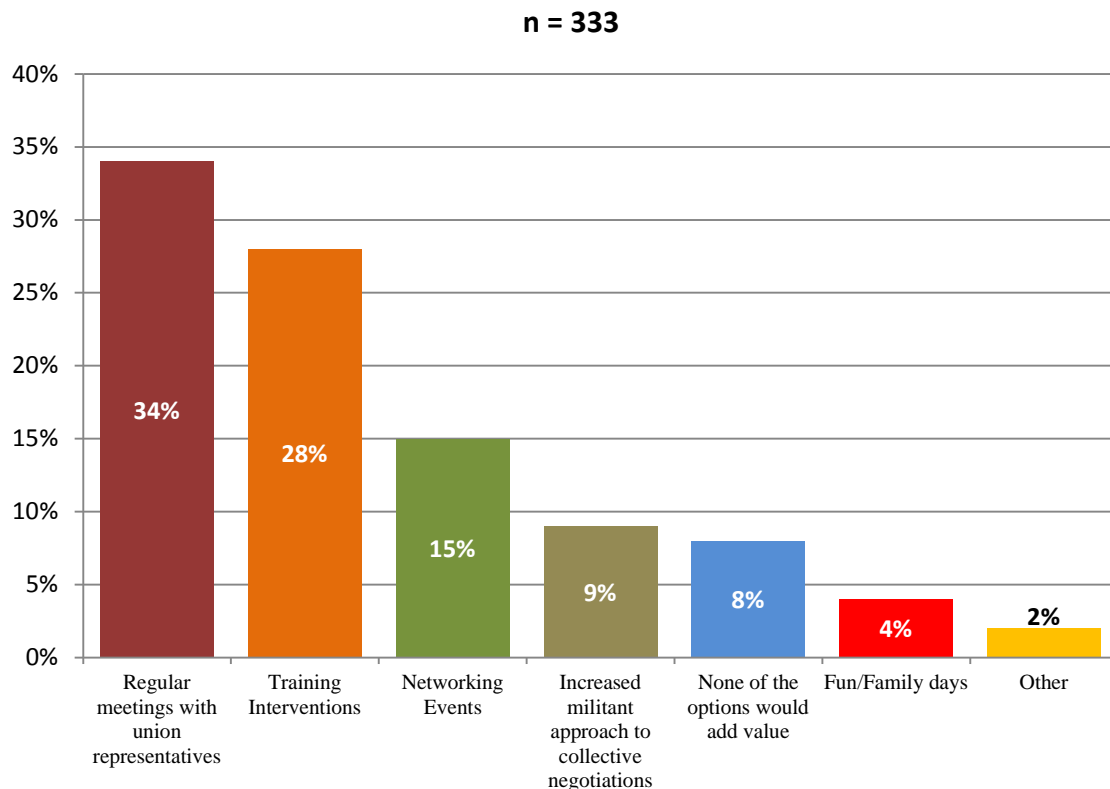


Figure 4.21: Recommended increased value of union benefits

Twenty-eight percent (28%) of respondents indicated that if the union offered training interventions as an additional benefit or service, this would be viewed as an increase in the value of the benefits offered by the union. The benefit of training interventions would be constant with existing research. Peetz and Todd (2001) found that NUBE had introduced an all-inclusive education and training policy and that this union spends in excess of 20% of its member's subscriptions on education (Peetz & Todd, 2001). According to Gopal (1996 as cited in Peetz & Todd, 2001), "the average number of union courses rose from ten per year in the early 1980s to 80 per year in the early 1990s. About 2 000 members are trained per annum and in some cases advanced training, for some members, is provided overseas" (Peetz & Todd, 2001, p.337).

Fifteen percent (15%) of the respondents indicated that value would be added through the union arranging network events that would assist their members in the creation of professional networks. A further 9% felt that in order to view the union increasing the value of their offerings it would need to take on a more militant approach to representing

members and when negotiating with employers. Eight percent (18%) of the respondents indicated that none of the suggested choices would add value.

Only 4% of the respondents indicated that they believed family or fun days arranged by the union could encourage a sense of belonging. This result challenges the findings of Peetz and Todd (2001) who stated that NUBE arranges such family or fun days amongst its members and these have included such things as a cyclethon, a charity luncheon and games in Klang, a treasure hunt in Kedah, a “funjog” in Kuala Lumpur and, in other locations, dinners, dances and trekking” (Peetz & Todd, 2001, p.338).

Two percent (2%) of the respondents indicated ‘other’ as their choice and were then requested to specify what would add to or increase the value of the benefits offered by the union.

Table 4.5: Other options to improve the value of union benefits

Other options by participants to improve the value of union benefits	
Respondent 1	Not a militant approach, but certainly a lot more assertive
Respondent 2	No discussions are ever in the media so members feel SASBO does nothing
Respondent 3	I believe that they should negotiate better. They shouldn’t take “no” for an answer. Let’s fight for what’s ours too and not sit back.
Respondent 4	More professional staff who are concerned with the wellbeing of members instead of only increasing the membership.
Respondent 5	Climbing out of the banks pocket and fighting for their paying members
Respondent 6	Better support to members in situations, like going on reassignment.

As there were only six respondents who utilised this option the results would be insignificant but are recorded in Table 4.5

4.6.4.1. Relationship between age and value for money of union benefits offered

To identify whether there is a relationship between the respondent’s age and the respondent’s opinion on the value for money union benefits represent, a cross tabulation was performed on these two variables. The results of this cross tabulation are presented in

Table 4.6. The “p” value of 0.04 confirms that age and respondents’ perception of the value of union benefits are positively related. Due to this one can be 95% certain that the relationship between these two variables would not have occurred by chance alone.

The important trend noted in this study is that the value of union benefits appears to be viewed more positively by the respondents of the younger age group and that the value associated with the union benefits decreases as respondents’ age increases.

Table 4.6: Cross tabulation between age and the value of union benefits offered

	In general how would you rate the value of the benefits offered by your union?						
		Excellent value for money	Good value for money	Average value for money	Minimal value for money	No value at all	Totals
Age	Under 20 Years	0%	1.3%	0.9%	0%	0%	2.2%
	20 to 29 years	0%	5.8%	25.9%	8%	3.1%	42.9%
	30 to 39 years	0.4%	3.6%	11.6%	6.3%	4%	25.9%
	40 to 49 years	0.4%	1.8%	5.4%	4.9%	3.6%	16.1%
	50 to 59 years	0%	2.2%	4.5%	2.7%	3.1%	12.5%
	60 years and older	0%	0.4%	0%	0%	0%	0.4%
	Total	0.9%	15.2%	48.2%	21.9%	13.8%	100%
Pearson’s Chi-Square Statistics							
Chi-Square						32.773	
p Value						0.04	
Degree of Freedom						20	
Significant Correlation between Variables Exists: 95%							
Critical Value for (p = 0.01 [1%])						37.566	
Critical Value for (p = 0.05 [5%])						31.41	
Critical Value for (p = 0.10 [10%])						28.412	

It is therefore critical for unions to ensure that the benefits and services offered to their members are perceived by the members as representing value for money. Should this not occur there is the possibility that members will resign from the union and thereby impact the union's strength in the workplace. From the data gathered from the respondents in this study and presented in the above sections it appears that the perception of the majority of respondents is that the benefits offered by the union do not represent value for money.

4.6.5. Should union negotiated benefits be available to non-members? – Question 13

Fifteen percent (15%) of the respondents who had previously been union members indicated that they had left the union as they felt that there was no point in being a member because as non-members they received all the benefits negotiated by the union on behalf of their members (Question 19) (Figure 4.22).

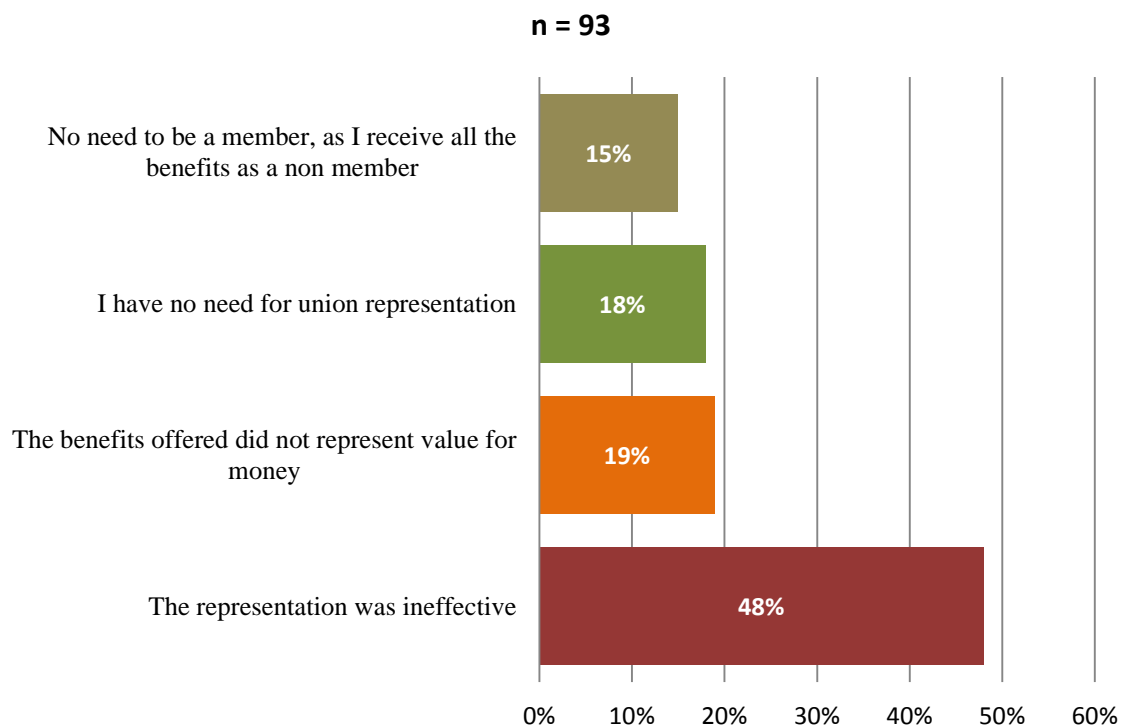


Figure 4.22: Reason for leaving union

In addition, those respondents who had never been union members were required to indicate their reasons for this (Question 17). Fourteen percent (14%) of the respondents indicated that are comfortable being non-members as they receive the same benefits as those of the paying union members (Figure 4.23).

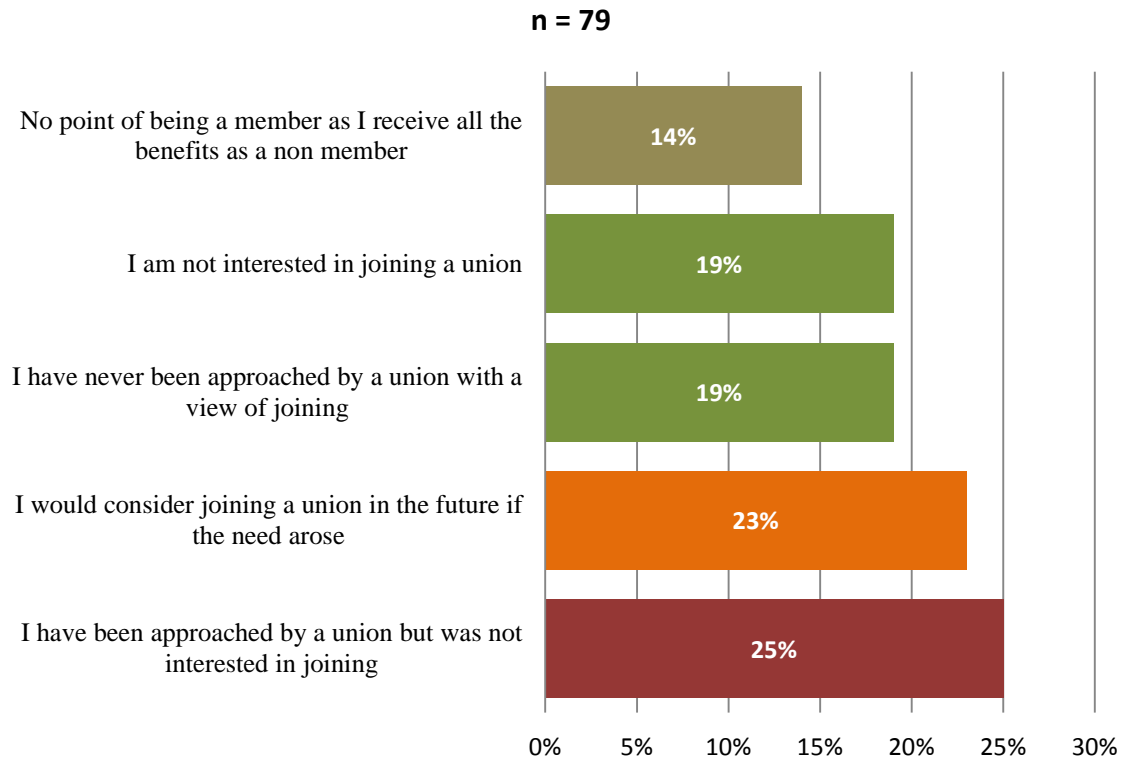


Figure 4.23: Reason for never joining a union

This result is consistent with the research of Schnabel (2002) who stated that the services offered by unions, higher wages and working conditions, are negotiated with both union and non-union members within a workplace (Schnabel, 2002). These negotiated benefits are non-rival in consumption and low-cost exclusion of non-members is not possible and therefore an individual employee has a “free rider” incentive not to become a union member (Schnabel, 2002).

Current union members, 57% of the total respondents (Figure 4.2), were asked whether they believed that non-union members should be entitled to the benefits negotiated by the union on behalf of their members (Question 13). The majority, 85%, indicated that in their opinion non-union members should not be entitled to the union negotiated benefits available to members (Figure 4.24.)

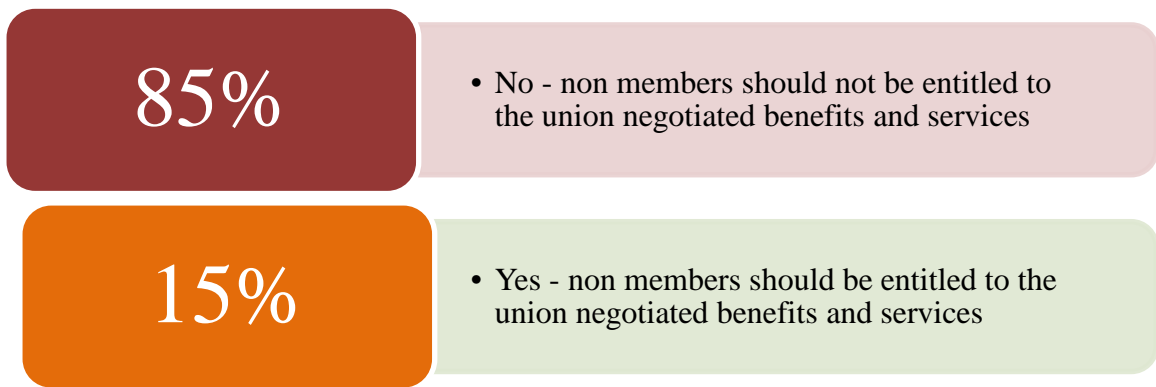


Figure 4.24: Entitlement of non-union members to benefits

The respondents who indicated that non-members should not be entitled to union negotiated benefits were then asked whether they believed that union membership should be mandatory for bank employees (Question 14). In addition to the free loader, 23% of the non-union members indicated that they would join a union if a future need arose (Figure 4.23). Interestingly, NUBE from the research of Peetz and Todd (2001), allows new employees entering the banking industry just six months to join the union and if they fail to do so NUBE does not accept their application for membership thereafter (Peetz & Todd, 2001).

The indicated responses to the question of whether union membership should be mandatory or not reveals that 65% of the respondents, Figure 4.25, felt that union membership should not be mandatory for all bank employees whilst only 35% of the respondents indicated that union membership should be mandatory for all bank employees.

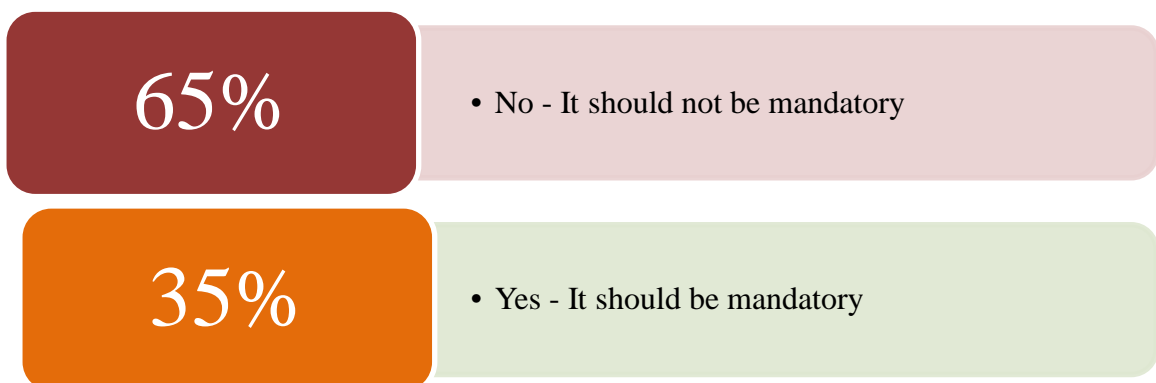


Figure 4.25: Mandatory membership of union

Whilst internationally membership of a union is rarely obligatory in terms of labour law, Summers (1965) stated that in Chile when a union has the support of more than 55% of the employees then all employees are declared to be members of that union with no additional encumbrance other than the payment of the union dues (Summers, 1965). Whilst union membership is not mandatory in South Africa, 98% of the respondents who indicated that they were union members belonged to a single union (Figure 4.4) of which 35% indicated that union membership should be mandatory, Figure 4.25. Of the respondents who indicated that union membership should be mandatory 37% deem union membership to be mandatory in order to address the problem of the free rider (Question15), Figure 4.25.

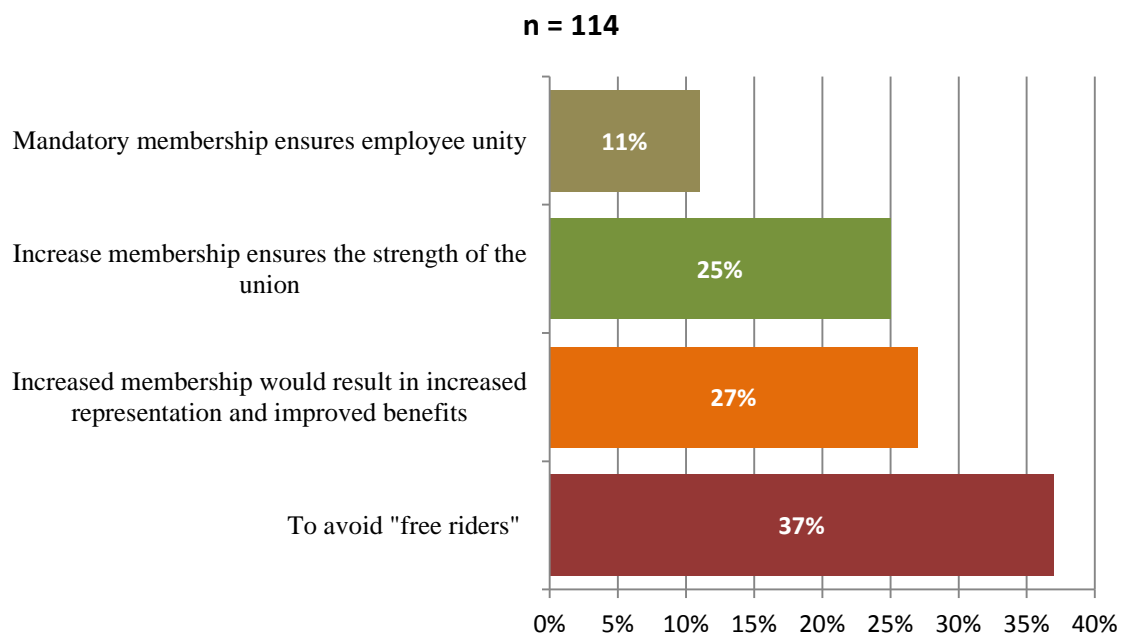


Figure 4.26: Reasons for mandatory union membership

Twenty-seven percent (27%) indicated that mandatory union membership would result in increased representation and improved benefits. Twenty-five percent (25%) indicated that mandatory membership would ensure the strength of the union. Eleven percent (11%) of the respondents indicated that in their opinion mandatory membership would ensure employee unity (Figure 4.26).

Whilst there is no law in South Africa making union membership amongst employees in any industry mandatory the free loader problem experienced by the union and their members will continue. This free loading problem was discussed in the research of Kumar

et al. (2013) who found that in Malaysia the law stipulated that any benefits negotiated by a union were not confined solely to union members. As a result, employees in Malaysia did not see any urgent need to become union members, remaining “free loaders” even though the membership dues were not a financial issue and this “free loader” issue would continue due to there being no legal obligations in Malaysia on employees to join trade unions (Kumar *et al.*, 2013). From the readings of Peetz and Todd (2001), it is evident that the Malaysian union NUBE has attempted to counter the free loading concern as well as the problem of employees just becoming union members when the need arose. This is done through a policy that if a new employee has not joined the union within six months of entering the banking industry then NUBE would not accept their application for membership thereafter (Peetz & Todd, 2001).

Whilst the majority of respondents, 85% (Figure 4.24), have indicated that non-union members should not benefit from the benefits negotiated by the union on their behalf, 65% (Figure 4.25) did not believe that the issue of the free rider should be addressed through mandatory union membership for employees within the banking industry.

4.6.4.1. Relationship between age and entitlement of union negotiated benefits by non-members

Earlier in this study it was established that there was a relationship between the age of the respondent and union membership (Section 4.6.2.1). The study also established that there is a relationship between the ages of the respondents and their attitude to entitlement to union negotiated benefits by non-members. The older the respondent the greater the conviction that non-members should be entitled to those benefits negotiated by the union for their members (Table 4.7).

Table 4.7: Cross tabulation between age and entitlement to benefits by non-union members

	Should non-members be entitled to the benefits and services negotiated by the unions on behalf of their members?			
Age		Yes	No	Totals
	Under 20 Years	0%	2.2%	2.2%
	20 to 29 years	2.2%	40.6%	42.9%
	30 to 39 years	6.3%	19.6%	25.9%
	40 to 49 years	3.6%	12.5%	16.1%
	50 to 59 years	2.7%	9.8%	12.5%
	60 years and older	0%	0.4%	0.4%
	Total	14.7%	85.3%	100%
Pearson's Chi-Square Statistics				
Chi-Square				14.660
p Value				0.01
Degree of Freedom				5
Significant Correlation between Variables Exists: 95%				
Critical Value for (p = 0.01 [1%])				15.086
Critical Value for (p = 0.05 [5%])				11.07
Critical Value for (p = 0.10 [10%])				9.236

It is evident that the “p” value of 0.01 confirms that age and entitlement by non-union members to benefits negotiated by the union on behalf of their members is positively related. Due to this one can be 95% certain that the relationship between these two variables would not have occurred by chance alone.

It is therefore evident that the younger respondents felt that non-union members should not benefit through those benefits negotiated by the union on behalf of its members whilst this decreases in the responses indicated by the respondents in the older age categories.

4.6.4.2. Relationship between age and whether it should be mandatory for employees to be union members

To identify whether there is a relationship between the respondent's age and mandatory union membership by bank employees, a cross tabulation was performed on these two variables. The results of this cross tabulation are presented in Table 4.8. The "p" value of 0.00 confirms that age and entitlement by non-union members to benefits negotiated by the union on behalf of their members is positively related. Due to this one can be 95% certain that the relationship between these two variables would not have occurred by chance alone.

Table 4.8: Cross tabulation between age and mandatory union membership for bank employees

	Should it be mandatory for bank employees to join a union?			
Age		Yes	No	Totals
	Under 20 Years	1.3%	0.9%	2.2%
	20 to 29 years	20.1%	22.8%	42.9%
	30 to 39 years	8.0%	17.9%	25.9%
	40 to 49 years	3.1%	12.9%	16.1%
	50 to 59 years	1.8%	10.7%	12.5%
	60 years and older	0.4%	0%	0.4%
	Total	34.8%	65.2%	100%
Pearson's Chi-Square Statistics				
Chi-Square				18.734
p Value				0.00
Degree of Freedom				5
Significant Correlation between Variables Exists: 95%				
Critical Value for (p = 0.01 [1%])				15.086
Critical Value for (p = 0.05 [5%])				11.07
Critical Value for (p = 0.10 [10%])				9.236

It is therefore evident that the respondents in the younger age segments felt that it should be mandatory for bank employees to become union members and that this requirement

decreased as the respondents' age increased. This relationship is constant with the findings of the previous relationships related to the age of the respondent.

4.7. KEY FINDINGS

The key findings established are shown in Table 4.9. All the objectives that were set for this study have been met.

Table 4.9: Summary of findings

Objectives	Findings	Section
To establish members' awareness, through utilisation, of benefits available that are negotiated on behalf of union members	There is an acceptable level of awareness by all segments of the study to the services and benefits offered by the union to their members. This is confirmed through the respondents' awareness of the benefits offered and subsequently delivered together with their responses regarding the utilisation of such benefits. There are a number of employees within the bank who are not knowledgeable of all benefits and services available to union members.	4.6.1
To determine the effectiveness of union representation	From the data presented in this section the members' opinion of the effectiveness of the union representation is that overall the representation is ineffective, however, this ineffectiveness appears to be predominately because members do not experience meetings with the union representatives. This is further reinforced through respondents indicating that to add value to union benefits union representatives should meet the members.	4.6.2
To establish members' opinions of benefits offered by their union	From the data obtained through this study it is apparent that in the opinion of the members the benefits offered by the union have stagnated with the majority of respondents indicating that the benefits have remained unchanged since their joining the union.	4.6.3

<p>To establish the value of the benefits received compared to the cost of membership of a union</p>	<p>The majority of respondents indicated that the benefits offered by the union do not represent value for money. The greatest concern for the union from this section would need to be that of union representation. This is because the majority of respondents indicated that in order for benefits to have an increased value the union needs to ensure that their representatives meet with their members on a regular basis. The fact that this is already a benefit offered by the union is a matter that requires the union's immediate attention.</p>	<p>4.6.4</p>
<p>To establish whether benefits negotiated by unions and paid for through membership dues should be available to non-members</p>	<p>Whilst the majority of respondents, 85%, have indicated that they believe non-union members should not benefit from those benefits negotiated by the union on their behalf they, 65%, do not believe that the issue of the free rider should be addressed through making union membership mandatory for employees within the banking industry.</p>	<p>4.6.5</p>

4.8. SUMMARY

From the data obtained from the responses of the three categories of respondents, namely currently union members, previously union members who had subsequently resigned or left the union, and those who have never previously been a union member, it is evident that there is sufficient data to address the problem identified. This was to establish the attitude of union members on the role and influence of trade unions within the banking industry in South Africa. Due to responses received, 396, being in excess of the required sample size of 394, the data obtained from this research can be generalised to the entire population.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATIONS

5.1. INTRODUCTION

In this chapter, conclusions are presented based on the results obtained and presented in the previous chapter and recommendations are made that will assist the unions in their understanding of the attitude of union members towards their role and influence within the banking industry in South Africa. At the outset, the limitations of this study are specified as these impact on the generalisation of the conclusions and/or the recommendations as well as any future studies.

5.2. LIMITATIONS OF THE STUDY

The following limitations for this study are acknowledged:

- Of the 396 respondents, the majority (333) that are currently or were previously a member of a union all belonged to a single union, namely SASBO. This would imply that should a similar research be undertaken and the respondents are or were members of other unions the indicated responses could possibly differ to those of this research. However, as SASBO's membership in May 2012 totalled 60 768 and it is viewed as "The Finance Union" amongst the banks, it is possible that the data presented can be generalised to the unions representing employees within the banking industry as the number of responses required was 384 as established from the sample calculation (Sekaran & Bougie, 2011).
- The collection of the data from the respondents took four months to complete. This was due to problems experienced with the Internet link through QuestionPro to the research instrument. Initially 501 respondents started answering the questions asked via the research instrument but only 396 completed the questionnaire. Though the problem experienced by the respondents would not have impacted the final data for the study, due to all incomplete research instruments being excluded from the final data, this problem is mentioned in order to ensure that future researchers are aware of the problem experienced during the course of this study.

- The study has revealed a relationship between age and a number of responses obtained. Therefore any future study that focuses on the younger age group will obtain results that differ to the results obtained from this study. It is recommended later in this chapter that further studies be concluded on relationships obtained during the course of this study.

5.3. CONCLUSIONS OF THE STUDY

The study has addressed each of the intended objectives and has been able to establish the following:

- Union members are aware of the benefits negotiated on their behalf by the union. It was established that non-members are also aware of the benefits. However, there were also respondents who have never been approached by the union and this could be a concern as this is the pool of future union members. The union should therefore ensure that the benefits they provide are more effectively communicated amongst this segment of bank employees.
- In the union members' opinion the benefits that the union offers them have remained unchanged for a number of years and the value of the benefits are influenced through this stagnation. However, this needs to be read in conjunction with the segment on the value of benefits.
- Union representation, from the perspective of the members, is ineffective and this is reinforced by the responses from those who were previously union members. In addition, respondents indicated that regular meetings with union representatives would be viewed as adding value to the benefits the union offers their members.
- The majority of members regard the benefits as average value for money when compared to the cost of union membership.
- The majority of union members feel that the benefits negotiated by unions and paid for through membership fees should not be available to non-members.

Conclusions were reached for all the above objectives and these conclusions are detailed individually.

5.4. RECOMMENDED FURTHER RESEARCH

The study has revealed a definite relationship between the age of the respondents and

- membership of a union;
- the value of the benefit when compared to the cost of membership;
- entitlement of non-members to those benefits negotiated by the union for their members; and
- mandatory union membership.

These relationships have been proven through the cross tabulation of each and through the confirmation that the necessary “p” values were below 0.05. However, in order to establish the actual reasons for such relationships further studies are required. Therefore, if this study was repeated using respondents predominately of the younger age groups then the results obtained would differ substantially to the results of this study.

5.5. IMPLICATIONS OF THIS STUDY

The review of the literature in Chapter Two revealed that there was a need within the existing research to establish the attitude of union members toward the role and influence of trade unions within the banking industry in South Africa. This study fills that gap and addresses issues that would assist academics who intend researching the influence of unions and the responses of their members. The previous section has highlighted additional research that could be conducted in this regard. This study has also addressed areas that can benefit those stakeholders identified in the ethical clearance submitted for the study, namely:

- The banking industry within South Africa would gain a better understanding of the value a union offers their employees in terms of the benefits negotiated by the unions. In addition, employers entering into Recognition Agreements with the union will have a better understanding of the effectiveness of union representation.
- Employees within the banking industry will benefit from this study if the study is used to deal with their concerns regarding the value of the benefits offered and negotiated by the union on behalf of its members. The study would support the fact that the majority of employees view the union benefits as average value for money.

- In addition, the study would assist in the discussion on benefits that the union could add to their portfolio to represent better value for money.
- This study could be utilised by the employees in order to improve benefits and union representation.

The unions that have members within the banking industry would benefit through this study as it addresses the concerns of the union members and therefore allows the unions to address such concerns as well as to consider improvements to the existing benefits. This study will therefore assist the union in the retention of its current members and to understand why so few new members are joining.

5.6. RECOMMENDATIONS TO SOLVE THE RESEARCH PROBLEM

The recommendations to address the findings of this study are as follows:

- The study revealed that union members are aware of the benefits that unions offer them. It also revealed that the monthly newspaper/newsletter creates the necessary awareness amongst the union members throughout the banking industry in terms of member representation, industrial actions (campaign against e-tolling), and salary negotiations, amongst others. The union could also use this form of communication to attract non-union members, especially those who have never been approached by a union. The monthly newspaper is posted to the business address of union members and the union representatives could also distribute copies to non-union members on a tri-monthly basis. The cost of this would be minimal compared to the possible lost membership income.
- The study revealed that the benefits which the union offers have remained unchanged. In order to alter this opinion the union would need to offer new benefits or add value to the current benefits.
- Added value to current benefits could be addressed by the union through more effective union representation which could be implemented through more regular meetings between the members and the union representatives. Respondents indicated that they would regard such action as adding value to the current benefits. The union could arrange these meetings by appointing additional union representatives, the cost of which would be borne through increased membership fees. Research by Peetz and

Todd (2001) revealed that the Malaysian union NUBE is successful because it ensures that there are enough union representatives in each branch to meet new employees in person (Peetz & Todd, 2001). The cost of union representation through the effective utilisation of shop stewards is minimal because it comprises only the cost of training and meetings and the salaries of the representatives are carried by the employer.

- The members' opinion of the value of union benefits could be improved through the union offering new benefits. This could be achieved through the union offering various training courses to the members. The research of Peetz and Todd (2001) stated that NUBE had introduced an all-inclusive education and training policy and that the union spends in excess of 20% of its members' subscriptions on education (Peetz & Todd, 2001). According to Gopal (1996 as cited in Peetz & Todd, 2001), "the average number of union courses rose from ten per year in the early 1980s to 80 per year in the early 1990s. About 2 000 members are trained per annum and in some cases advanced training, for some members, is provided overseas" (Peetz & Todd, 2001, p.337). Employees in the banking industry in South Africa are currently completing courses in order to meet the legislation requirements of the Financial Advisory and Intermediary Services (FAIS) Act. In terms of this legislation all persons giving advice to customers have to be compliant in terms of the FAIS Act Number 37 of 2002. The first set of regulatory exams was due to be completed in 2011 and were finally extended to 2013 due to the high failure rate. This resulted in a number of employees having to be reassigned as they were non-compliant in terms of the legislation. The second series of regulatory exams are due to begin and this is an opportunity for the union to add value through training interventions that could ensure their members are compliant in terms of the Act. The union could initially offer training to assist members with the expenses involved. In addition to members viewing this benefit as a value added offering, there is the possibility that it could attract new members to the union.
- The issue of the free loader is more difficult to address as there is no law in South Africa that states employees have to be union members. In addition, the issue against mandatory union membership is further supported through the majority of respondents to this study who indicated that union membership should not be mandatory. Summers (1965) in his research stated that in Chile when a union has the

support of more than 55% of the employees then all employees are declared to be members of that union with no additional encumbrance other than the payment of the union dues (Summers, 1965). However, this approach would have to be legislated in South Africa with all unions, from all industries, agreeing to such. This is neither practical nor would the return warrant such action. To address the free loader the unions within the South African banking industry could adopt the approach of NUBE who allows new employees in the banking industry just six months to join the union, and if they fail to do so NUBE does not accept their application for membership thereafter (Peetz & Todd, 2001). However, for this to be effective the unions have to ensure that its representatives meet with each and every new employee as soon as that employee is appointed. The cost to implement such an action is minimal and has already been addressed. The union would have to address any constitutional changes, as well as requirements within its Recognition Agreement. This change would have to be communicated to all employees within the banking industry either through the union's monthly newspaper or through the employees' internal communications which should be allowed in terms of the Recognition Agreement. This would then be further reinforced through the union representatives and union stewards.

If the union implements these recommendations it would address the concerns of the members regarding the value of union membership. In addition, these recommendations would assist in the promotion of the union amongst non-union members and thereby increase the numbers of union members and strengthen the union.

5.7. SUMMARY

The reason for the study was that employees within the banking industry appear to no longer appreciate the benefits nor see the logic of becoming a member of a union and there appears to be a growing opinion that the benefits gained through union membership are not of sufficient value when compared to the membership fees paid. In addition, both members and non-members experience the benefits negotiated by the unions and this influences decision making regarding the need to join a union. Due to this, the role and influence of the unions within the banking industry are diminishing as employees are not affiliating themselves to the unions.

The study has been able to address the attitude of union members toward the role and influence of trade unions within the banking industry in South Africa. In summary, the attitude is that whilst the union is necessary, it can at times also be done without, and the option to join a union when the need arises is always available. The union negotiated benefits at best represent average value for money, with there being more members who feel that the benefits offered represent minimal to no value compared to those who feel that the value when compared to membership fees is good to excellent. In addition, there is the option of the free rider, available to employees, who know that the benefits negotiated by the union on behalf of its members will also be available to them, the non-members.

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APPENDIX 1:

INFORMED CONSENT

I, Neil von Hagen, a Masters of Business Administration (MBA) student at the Graduate School of Business and Leadership at the University of KwaZulu-Natal (UKZN).

You are invited to participate in a research study entitled, "The attitude of union members on the role & influence of trade unions within the banking industry in South Africa". The aim of the study will establish whether the attitudes of trade union members on the offerings & benefits negotiated by the union on their behalf are of value when compared to the membership fees paid.

Through your participation I hope to establish unions' members' attitude on the role & influence of the trade unions within the banking industry in South Africa. This attitude being in terms of members awareness of benefits available, that are negotiated on behalf of union members, the members opinion of benefits offered by the union, the effectiveness of unions representation, the value of benefits received compared to the cost of membership to the union and whether the benefits negotiated by unions and paid for through membership dues should be available to non-members.

Your participation in this study is voluntary. You may refuse to participate or withdraw from the survey at any time with no consequence. Confidentiality and anonymity of records identifying you as a participant will be maintained by the Graduate School of Business and Leadership, UKZN.

It should take you approximately 5 minutes to complete the questionnaire. The questionnaire comprises approximately 17 questions depending on the choices you make. I would be grateful if you would take the time to complete the questionnaire.

Should you accept the conditions of this study and are willing to participate, please click the box next to "I ACCEPT" and then click CONTINUE to proceed with the questionnaire.

If you have any questions or concerns about completing the questionnaire or about participating in this study, you may contact me or my supervisor at the numbers listed below.

Sincerely

Neil von Hagen

Contact Details

Researcher: Neil von Hagen (031-3669111)

Supervisor: Professor Anesh Maniraj Singh (031-2607061)

APPENDIX 2:

RESEARCH INSTRUMENT

Question 1: Gender?

- ☐ Male
- ☐ Female

Question: 2 Age?

- ☐ Under 20
- ☐ 20 - 29
- ☐ 30 - 39
- ☐ 40 - 49
- ☐ 50 - 59
- ☐ 60 and above

Question 3: Length of Service?

- ☐ Less than 1 year
- ☐ 1 - 5 years
- ☐ 6 - 10 years
- ☐ 11 - 15 years
- ☐ 16 - 20 years
- ☐ 21 years and more

Question 4: Are you a member of a trade union?

- ☐ Yes
- ☐ No (if “no” was selected please go to Question 16 on the last page)

Question 5: Which trade union do you belong to?

- ☐ Congress of South African Trade Unions (COSATU)
- ☐ South African Commercial, Catering and Allied Workers Union (SACCAWU)
- ☐ Confederation of South African Workers Unions (CONSAWU)
- ☐ Federation of Unions of South Africa (FEDUSA)
- ☐ National Council of Trade Unions (NACTU)
- ☐ Solidarity
- ☐ South African Society of Bank Officials (SASBO)

Question 6: What prompted you to join a union?

- ☐ The union provides support if I have problems at work
- ☐ The union ensures improvements in my pay and working conditions
- ☐ Most people at work are members
- ☐ They provide bursaries
- ☐ I believed it was a condition of employment

Question 7: Which of the following union benefits were offered to you when joining the union? (Multiple answers can be selected)

- ☐ Representation during Wage and Salary negotiations.
- ☐ Negotiations for hours of work and leave benefits.
- ☐ Negotiations and Representation for Medical Aid & Pension Fund benefits.
- ☐ Regular meetings with union representatives.
- ☐ Representation of my interests in all disputes with management.
- ☐ Representation in situations of redundancy and retrenchment.
- ☐ High quality, inexpensive local and overseas holiday opportunities.
- ☐ Monthly newspaper/ newsletter

Question 8: Which of these benefits were delivered as offered? (Multiple answers can be selected)

- ☐ Representation during Wage and Salary negotiations.
- ☐ Negotiations for hours of work and leave benefits.
- ☐ Negotiations and Representation for Medical Aid & Pension Fund benefits.
- ☐ Regular meetings with union representatives.
- ☐ Representation of my interests in all disputes with management.
- ☐ Representation in situations of redundancy and retrenchment.
- ☐ High quality, inexpensive local and overseas holiday opportunities.
- ☐ Monthly newspaper/ newsletter

Question 9: Which of the following union services have you used? (Multiple answers can be selected)

- ☐ Representation at disciplinary hearings.
- ☐ Representation at grievance hearings.
- ☐ Representation in performance hearings
- ☐ Representation at Commission for Conciliation, Mediation and Arbitration (CCMA).
- ☐ Representation at the Labour Court.
- ☐ I have had no need to utilise the union services as yet

Question 10: In general how would you rate the value of the benefits offered by your union?

- ☐ Excellent Value for money (if selected please go to question 12)
- ☐ Good Value for money (if selected please go to question 12)
- ☐ Average Value for money (if selected please go to question 11)
- ☐ Minimal Value for money (if selected please go to question 11)
- ☐ No Value at all (if selected please go to question 11)

Question 11: Which of the following would, in your opinion, improve the value of the benefits offered by your trade union? Multiple answers can be selected and suggestions on benefits can be made. Record suggested benefits in the block provided by selecting Other

- ☐ Training Interventions - example assisting members in requirements of Financial Advisory and Intermediary Services Act (FAIS).
- ☐ Networking events to assist member's professional development.
- ☐ Regular meetings between union representatives and members to address my concerns.
- ☐ An increased militant approach to collective negotiations.
- ☐ Fun/Family days.
- ☐ None of these would add value
- ☐ Other

Question 12: How does the value of the benefits now offered by the union compare to those offered when you first became a union member?

- ☐ The benefits now offered have improved significantly
- ☐ The benefits now offered have improved slightly
- ☐ The benefits offered have remained unchanged
- ☐ The benefits now offered are less favourable
- ☐ The benefits now offered are much less favourable

Question 13: In your opinion should non-members be entitled to the benefits & services negotiated for by unions on behalf of their members?

- ☐ Yes
- ☐ No

Question 14: Should it be mandatory for bank employees to join a union?

- ☐ Yes
- ☐ No

Question 15: In your opinion why should it be mandatory for bank employees to become union members?

- ☐ To avoid “free riders”, persons receiving unions benefits without contributing to the union via membership fees.
- ☐ Increased membership and therefore membership fees would allow the union to increase its representation and to provide additional benefits.
- ☐ Increased membership ensures the strength of the union.
- ☐ Mandatory membership ensures employee unity.

If you had to complete Question 15 thanks, you have completed the survey

Question 16: Did you previously belong to a trade union?

- ☐ Yes **(if yes selected please go to question 18)**
- ☐ No **(if no selected please go to question 17)**

Question 17: Given that you are currently not or have never been a member of a union, please select one of the statements below that best applies to you

- ☐ I have been approached by a trade union but was not interested in joining
- ☐ I have never been approached by a trade union with a view to joining
- ☐ I would consider joining a trade union in the future; if the need arises
- ☐ No point of being a member as I get all the benefits as a non member
- ☐ I am not interested in joining a trade union

If you had to complete Question 17 then thanks, you have completed the survey

Question 18: Which trade union did you belong to?

- ☐ Congress of South African Trade Unions (COSATU)
- ☐ South African Commercial, Catering and Allied Workers Union (SACCAWU)
- ☐ Confederation of South African Workers Unions (CONSAWU)
- ☐ Federation of Unions of South Africa (FEDUSA)
- ☐ National Council of Trade Unions (NACTU)
- ☐ Solidarity
- ☐ South African Society of Bank Officials (SASBO)

Question 19: What was your reason for leaving/resigning from the union?

- ☐ The benefits offered did not represent value for money
- ☐ The Representation was ineffective
- ☐ I have no need for union representation
- ☐ There is no point of being a member, as I get all the benefits as a non-member

If you had to complete Question 19 thanks, you have completed the survey

Neil von Hagen

APPENDIX 3: ETHICAL CLEARANCE



24 April 2013

Mr Neil von Hagen 210552680
Graduate School of Business and Leadership
Westville Campus

Dear Mr von Hagen

Protocol reference number: HSS/0155/013M
Project title: Trade unions members' perceptions of the value of belonging to a union within the banking industry

EXPEDITED APPROVAL

I wish to inform you that your application has been granted Full Approval through an expedited review process.

Any alteration/s to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form, Title of the Project, Location of the Study, Research Approach and Methods must be reviewed and approved through the amendment/modification prior to its implementation. In case you have further queries, please quote the above reference number. Please note: Research data should be securely stored in the school/department for a period of 5 years.






I take this opportunity of wishing you everything of the best with your study.

Yours faithfully


.....
Professor Steven Collings (Chair)

/pm

cc Supervisor: Professor AM Singh
cc Academic Leader: Dr E Munapo
cc School Admin.: Ms Wendy Clarke

Humanities & Social Sc Research Ethics Committee
Professor S Collings (Chair)
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snymanm@ukzn.ac.za / mohuno@ukzn.ac.za
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INSPIRING GREATNESS



APPENDIX 4

CHANGE IN TITLE



24 October 2013

Mr Neil von Hagen (210552680)
Graduate School of Business & Leadership
Westville Campus

Protocol reference number: HSS/1137/013M

New project title: The attitude of union members on the role & influence of trade unions within the banking industry in South Africa

Dear Mr Von Hagen,

Approval - Change In Title and Methodology

I wish to confirm that your application in connection with the above mentioned project has been approved.

Any alteration/s to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form, Title of the Project, Location of the Study, Research Approach/Methods must be reviewed and approved through an amendment /modification prior to its implementation. In case you have further queries, please quote the above reference number. Please note: Research data should be securely stored in the discipline/department for a period of 5 years.

Best wishes for the successful completion of your research protocol.

Yours faithfully

Dr Shenuka Singh (Acting Chair)

/ms

cc Supervisor: Professor Anesh M Singh
cc Academic leader Research: Dr E Munapo
cc School Administrator: Ms Wendy Clarke

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