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PROGRAMME : MBA International Business

TITLE (COURSE) : BUSI1359 PATHWAY SPECIALISATION PROJECT

PROJECT TITLE : **The impact of Multinational Corporations (MNCs) on the operations of Trade Unions in a globalized world: A case study of Mineworkers Union of Zambia (MUZ)**

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## **DEDICATIONS**

I would like to dedicate this research project to my husband, Mr. Reuben Phiri, and our four children, Dean, Shigionoth, Phumelela and Kangwa for the encouragement, understanding and support rendered to me during the time I spent studying for my Masters.

## **ACKNOWLEDGEMENTS**

Foremost, I express my gratitude to my supervisor Dr. Kelvin Mukolo Kayombo for your support of my Dissertation research and study, patience, enthusiasm, motivation and immerse knowledge. Your guidance helped me during the research and thesis writing. Indeed you were a mentor and better advisor for my study.

Apart from my supervisor, I would like to thank all my lecturers during my MBA programme: Dr. Chanda Lengwe, Dr. Kwesi Atta Sakyi, Dr. Richard Mbewe, Dr. Kapasa Mweshi, Mr Mukuma and Mr Francis Mukosa.

I would like to thank my parents- Mrs Stephanie Musonda and the late Mr Ellis Musonda. Without your own achievements in your academic studies and corporate world, none of this would have been possible. Thanks for your encouraging words.

Last but certainly not the least, my grandmother, the Late Mrs Agatha Bwalya your encouraging words of how school is important still echo's vividly in my mind. Thanks grandma!!

## **ABSTRACT**

**Purpose** – This study aims to examine the impact of the operations of multinational corporations (MNCs) in trade unions in light of globalization. The study uses qualitative approach on the case study of the Mineworkers Union of Zambia – sampled using purposive sampling technique.

**Findings** – The study finds that the trade unions are poorly prepared to operate in globalised world where the major market player are the multinational corporations. These MNCs have the financial muscle and human resource capacity to deflate any actions undertaken by the trade unions. Lastly, the study also undertakes to make recommendations of future actions to be undertaken by both the trade unions and the MNCs in order to create a win-win situation.

**Limitations** – The lack of information on the activities of the trade unions and the apathy by union leaders to provide the required information is the major limitation of this research. However, this limitation does not compromise on the accuracy and validity of the findings.

**Recommendations** – In order to fully achieve the multi-dimensional and sometimes conflicting goals of achieving improved worker welfare and the increased corporate profitability, managers and trade union leaders should be meeting regularly to map out new strategy and manage the dissemination of any information affecting the workers.

**Value** – Generally, there are few studies that have been undertaken to show the impact on the operations of MNCs on trade unions, especially in Zambia, this study has a value in figuring out the connection linking the trade union as well as the multinational corporation in the process of creating a win-win situation.

**Keywords:** *Trade Unions, Multinational Corporations, Globalization, Mineworkers Union of Zambia, Zambia.*

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## CHAPTER 1: INTRODUCTION

### 1.1 Introduction

The world has noted unprecedented transformation in social, political, economic and technological aspects of human endeavors through a phenomenon known as globalization. This has brought about unpredictability in the business environment. Thus creating a complex business environment in which managers have to deal with many issues paramount of which are human resources in a globalized World. Employees are more skilled than ever, culturally diversified and located in various parts of the world. On the other hand, multinational corporations (MNCs) have to deal with issues in a global context. This includes their treatment of workers and worker representatives.

The essence of this paper is to identify and explain the new complex relationship of how multinational corporations (MNCs) are dealing with trade union activities in developing countries like Zambia. To illustrate this relationship, a case study of the Mineworkers Union of Zambia (MUZ) is presented. This organization has been chosen because of it being the first trade union in Zambia, dating back to the colonial years. Secondly, the MUZ represents workers in Zambia's main economic stay – the copper mining industry.

The MUZ is a labour union representing the mine workers interests. These various mines operate in Zambia. There are various multinationals that are operating in Zambia. These include First Quantum Minerals, Glencore PLC, Barrick Gold, Vendata resources Ltd etc

The research aims, objectives and research questions will justify why this research should be carried out. This is contained in sections 1.2 and 1.3. Section 1.4 explains research contributions while 1.5 explains the scope. The “research design” and thesis content are in sections 1.6 and 1.7 respectively. Section 1.8 explains the chapter summary.

## 1.2 “Research Problem and Justification”

We are living in a globalised world that is characterised by the fact that all forms of control and boundaries have been reduced or cut out all together (Hernandez-Requejo, 2013). This means that MNCs can operate anywhere in the World where they can receive the highest return on investment. This can be in a country with the easy availability of resources: natural resurces and skilled labour, with a conducive business environment. The quest for profits amongst multinationals is so high that they sometimes “exploit” the local employees. The employees in turn, resort to forming trade unions – organizations that are aimed at representing their interests. The issue is are the interests of the employees and the multinational, compatible?

There are abundant reports in the press and NGOs that suggest that employees in Zambia are being “exploited” by the multinationals that have invested in the country (Simutanyi, 2008; Bantubonse, 2007; Lungu, 2008). The introduction of market reforms in 1991 in Zambia, have seen the erosion of the impact of trade unions on the operations of companies, especially multinationals (Gewald and Soeters, 2010).

The essence of this research is to specifically address the issue of the relationship between trade unions and multinationals. The information arising from here will help MNCs design appopriate human resource management strategies, but in such a way as tio keep achieving profitabiity. Secondly, trade unions will be able to fuly understand the fnancial position of the company and what role they can play. Thirdly, the research results obtained here can be used by policy makers in formaulating new labour laws that take into consideration the ever-growing impact of globalization, especially, the role played by multinationals.

Hernandez-Requejo (2013) argues that traditionally, trade union represents the interests of the employees in front of the managers and the company itself . Due to these global changes, where change is the only constant, trade unions have to redefine their positions. Management in dealing with employees has to deal with trade unions. This creates the necessity to analyse this complex relationship, especially from the point of view of developing countries where the MNC can wirelkd more power than the national government.

The justification for the research is the fact that it is necessary for developing countries like Zambia to understand and appreciate the potential improvement in stabndards of living if the

multinational corporations co-operated with trade unions who manage the company's major asset, i.e the employees.

### **1.3 Research Aim, Question and Objectives**

The principle assumption of this thesis is that multinationals can work together with the trade unions (as a custodian of employee interests), in achieving its corporate goals. However, this has to be proved by undertaking research as described below in Chapter Three.

#### **1.3.1 Research Aim**

This research will identify and measure the impact of MNCs in a globalised world but a case study will be undertaken at the Mineworkers union of Zambia in particular. The study will identify areas for improving the relationship between multinationals and trade unions.

#### **1.3.2 Research questions**

How can the Mineworkers Union of Zambia (MUZ) work with locally operating multinationals (MNCs) in the process of improving worker rights and welfare at their work places?

#### **1.3.3 Research Objectives or Hypotheses**

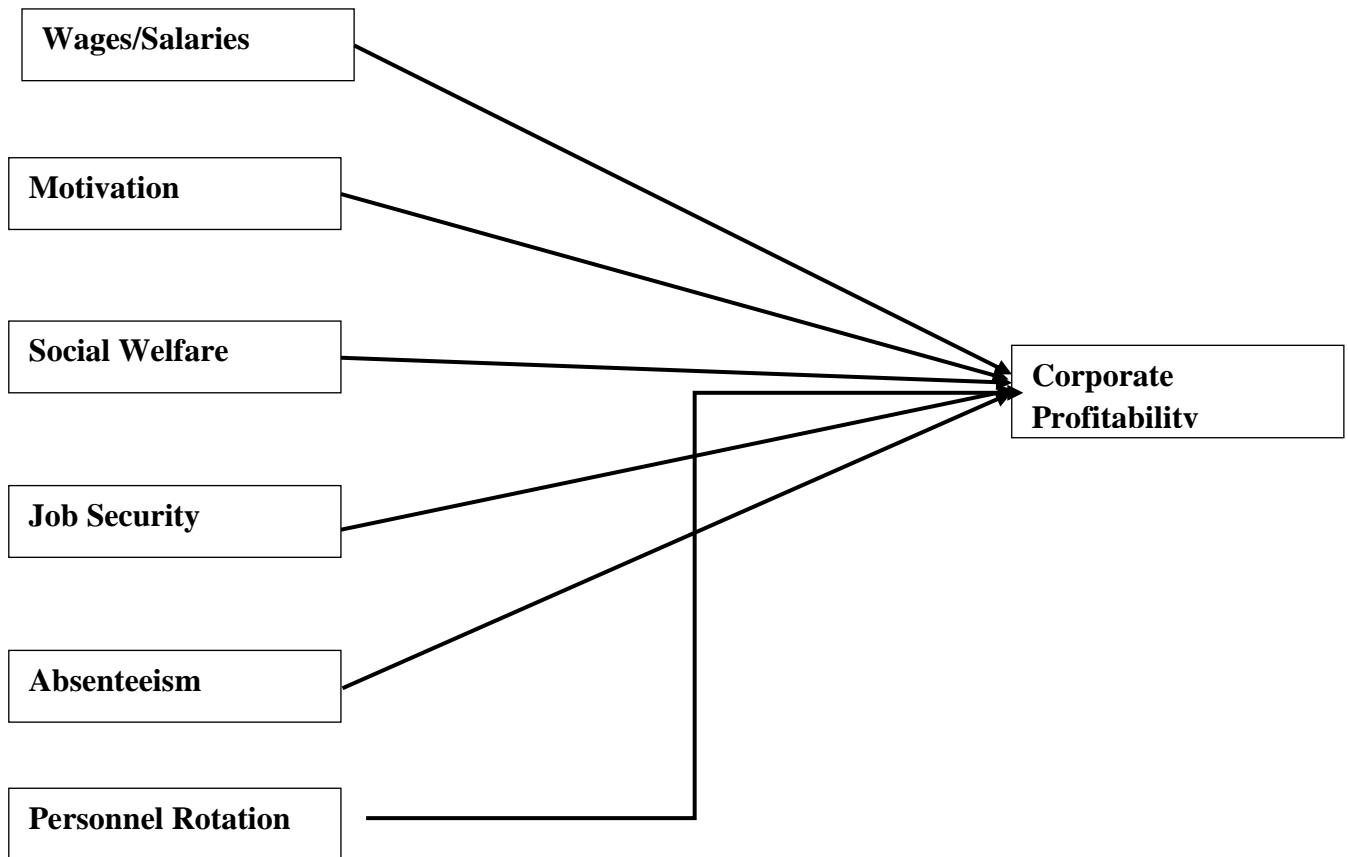
1. To show the impact of the operations of multinational corporations and globalisation on trade unions.
2. To evaluate the challenges faced by mineworkers union of Zambia (MUZ) operating in a multinational corporation environment.
3. To recommend how multinational corporations and mineworkers union of Zambia (MUZ) can work together amicably.

4. Make recommendations on how mineworkers union of Zambia (MUZ) can effectively deal and address the challenges faced by workers in a multinational corporation environment.

### 1.4 Explanatory Variables and Dependent Variables

According to Ratna and Kaur (2012), a company's major assets are its employees whose interests are represented by trade unions. Therefore, it goes without saying that the trade union plays an important role in helping the corporation achieve its corporate goals. This means that the relationship between the trade union as well as the multinational corporation is the union is an explanatory (independent) variable, while corporate profitability is the dependent variable. Thus is shown in the figure below:

**Explanatory Variables ..... Dependent Variables**



(Source: Prepared based on Egulu *et al.*, (2005).

## **1.5 Research Contributions**

The results of this research will lead to the following:

1. Increase the knowledge that exists pertaining to the relationship between trade unions and multinational corporations;
2. Show the impact of the operations of MNCs on trade unionism

## **1.6 Research Design**

The primary method for conducting this research based on the qualitative exploratory method that will explore the existing literature on this issue. It is worth mentioning that there is a lot of literature prepared on this topic. But to make it unique to the Zambian situation, the case method is applied. This is because the research is interpretivist meaning it covers real life issues, currently, existing in the research issue at hand.

The case study is the Mineworkers Union of Zambia (MUZ). However, to provide analytical data, semi structured interviews will be conducted among selected respondents. In this case, purposive sampling is applied so that the thematic and content analysis of the research issues at hand is adequately addressed.

### **1.6.1 Research approach and method**

Grover (2015) posits that research approach is made based on three components namely philosophical world view, research design, and research methods. In this case, the philosophical view undertaken is positivism that entails applying scientific methods to explain certain phenomenon. The research design is described above, while the third component which is research method will be subject of discussion in chapter three.

### **1.6.2 Data collection and analysis techniques**

*Primary Data:* personal interviews were used to collect data from the respondents, who were selected based on their knowledge of unionism and global business environment. In this case, a questionnaire was constructed for this purpose.

*Secondary Data:* was sourced from journals (academic), magazines, including newspapers, resources (online) etc.

## **1.7 Dissertation Layout**

The research is structured as follows: it has got chapter one which is an Introduction. This chapter discusses the research problems, research aims and objectives and the research question. Chapter two is a literature review that discusses selected academic works pertaining to the research problem, especially globalization, multinational and trade unions by explaining them and showing the links and interrelationships.

Chapter three discusses the research methodology that has been applied to specifically achieve the goals of the research. Chapter four presents the research findings from the survey conducted based on a predetermined survey. This is followed by chapter five that discusses the achieved results by connecting the findings of the literature review and the surveys. The final chapter presents the conclusions and recommendations arising from the work.

## **1.8 Chapter Summary**

This chapter was aimed at introducing the research topic to the reader. It also elaborates on the contents of the dissertation itself. It is important to note that the problem raised herein is extremely important, especially for developing countries like Zambia that can only develop if the country receives external capital and technologies from foreign companies that are usually multinationals. However, it is necessary to protect the local employees from exploitation by these MNCs and that is the major intention of this thesis. It is based on the assumption that multinationals can work together with the trade unions (as a custodian of employee interests), in achieving corporate goals.

## **“CHAPTER 2: LITERATURE REVIEW”**

### **2.1 “Introduction”**

The section introduces the literature that has been reviewed on the impact of multinationals on the operations of trade unions in a globalised world. The purpose for reviewing the literature will help the researcher know the literature extant on multinationals impact on trade unions in a globalised world, hence identifying existing gaps. This will help to look at specific study areas to base the research on and inform this research.

This chapter is outlined as follows:

Section 2.2 defines globalisation. This includes the concept overview, impact of globalisation on business and globalisation impact on trade unions activities. The multinational corporations, types of multinationals corporations, management and impact of multinationals on the global economy, impact of multinationals on the local economy are discussed in section 2.3. Section 2.4 deals with Trade unions, trade unionism history in Zambia, the role that trade unions play in the global economy and the role of trade unions in the corporation. Section 2.5 the literature reviews the relationship between the multinationals and trade unions. The gaps identified in the impact of multinationals on the operations of trade unions globally wherein this research is filling are in section 2.6. and section 2.7 gives the chapter summary

### **2.2 Globalization**

Globalisation has brought about greater employment flexibility and reduced the power of bargaining as multinational corporations tend to weaken the trade union power (Ratna and Kaur, 2012; Balaneasa, 2013; Ibrahim, 2013; Katz, 2015). Due to globalisation employees are able to move around the world and work in different parts of the world with different working cultures, ethics and attitudes. This puts pressure on the workers to be versatile but allows the multinational corporations’ greater control on the employees as the multinational corporations can chose

employee from any part of the world to work in any specific place. This has reduced the power of trade unions as they cannot control people who are frequently mobile and located in different parts of the world (Cradden and Jones, 2007; Marginson, 2016).

Lee and Vivarelli (2006) asserts that since the nineteen eighties, the economy of the world is increasingly “connected” as well as “integrated”; decreased costs of transportation and information technologies in communication diffusion on the one hand, have reduced the idea or concept of distance, whereas on the other hand – Foreign Direct Investment (FDI), gross trade, technology transfers and capital flows have significantly risen. World wide, there has been a great concern with the globalisation wave due to its impact over income and employment distribution.

The issue is what is globalization and how has it impacted the operations of trade unions and multinational alike? Is there a link between the three?

### **2.2.1 Globalization – Concept Overview**

Globalization cannot be described as a single concept that is defined and contained within a given time period, nor can it be a process defined plainly from the beginning to the end (Al-Rodghan and Stoudman, 2006). Additionally, globalisation cannot be explained upon with certainty and be applied across all situations and people. Globalization deals with the transferring across foreign border of policies (economic integration); knowledge transfer; cultural transfer; relations, reproduction and power discourses; global process, a revolution, a concept, and establishing of global markets that are sociopolitical control free.

These authors go on to define globalization (Czerny, 1995). as follows: Globalization is a process that encompasses the causes, course, and consequences of transnational and transcultural integration of human and non-human activities. Globalization is defined here as a set of economic and political structures and processes deriving from the changing character of the goods and assets that comprise the base of the international political economy - in particular, the increasing structural differentiation of those goods and assets.



### **2.2.2 Impact of Globalization on Business**

Reich (1998) says globalization leads to increased competition. This competition can be related to product and service cost and price, target market, technological adaptation, quick response, quick production by companies etc. When a company produces with less cost and sells cheaper, it is able to increase its market share.

Daniels *et al.*, (2007) and Joshi (2009) defines international business to explain commercial transactions (sales, private/governmental, investments, transport and logistics) that takes place between two or more countries, regions, or nations across political borders. International business can refer also to activities in business that include crossborder dealings of services, goods, or resources. Economic resources of transaction include skills, capital, labour for production of goods/services, e.g. banking, finance, construction, insurance.

The expansion of business activities internationally overlapped with the globalisation phenomenon of markets (Cavusgil *et al.*, 2008). This market globalization meant growth in economic integration and growth in the interdependence among nations worldwide. Company internationalization means the tendency of corporations to increase international scale of their business, therefore globalization refers to intensive economic relations among the nations world wide.

Globalization encourages companies to internationalize and to substantially increase the volume and types of cross-border transactions in goods, services and capital (Ristovska and Ristovska, 2014). Also, the globalization leads to rapid dissemination and diffusion of products, technology and knowledge in the world, regardless of the origin.

### **2.2.3 Globalization's impact on trade union activities**

According to (Lee and Vivarelli, 2006), the relative comparative advantages theory, both FDI and trade should take labour abundance as an advantage in domestic countries and create specialization in domestic labour activities. This creates an expansion in employment locally. Nonetheless, contrary to Heckscher-Ohlin (HO) forecast, analysis of literature recently supports that the impact on employment increasing trade is not positive for developing nation.

One of the major factors of production is labour (Nepgen, 2008). How does globalization impact labour through the operations of trade unions? Globalization has brought about economical, social and political situation which makes it difficult for trade unions to function as previously. This is mainly due to opposition of labour to capital plus exacerbated by the global competition worldwide. Organisations like Trade Unions represent interests of workers in the form of number strengths, and solidarity, initially at the national stage but now challenges have emerged at the global level. Thus, due to the external and internal factors, that a lot of unions are faced with, is that of survival instead of influence and growth.

### **2.3 Multinational Corporations (MNCs)**

The balance of capital and labor power over the last thirty years has significantly shifted in favor of capital (Levesque *et al.*, 2015). Multinational corporations are at the centre of this shift. MNCs are influencing globalization by their control of value chains and their agenda for social and economic development. Foreign governments are orienting their policies in favour of “foreign direct investment” (FDI) and support civil society actors and trade unions to enhance development economically. Because of this, MNCs are shaping trade unions with regard to their preferences and interests.

Edwards and Zhang (2015) argues that Multinational companies (MNCs) are becoming ever more influential in the global economy. The stock of foreign direct investment increased fivefold between 1990 and 2004, meaning that MNCs have direct control over a growing amount of production and service provision.

Multinational corporations do not recognise host country trade unions and will only work with them as a result of requirement by legislation (MacDonald, 1997). The multinational corporation has become a superpower that controls both employee and trade unions (Hill and Hult, 2018).

#### **2.3.1 Types of Multinational Corporations**

This enterprise operates in more than one country but controlled from 1 country (home) (Cavusgil *et al.*, 2008). Usually, an enterprise or group that gets some of the revenue from businesses across its border is multinational enterprise.

The categories of multinational enterprises are four and include: (1) a multinational, decentralized enterprise having a strong home country presence, (2) a global, centralized enterprise getting cost advantage - centralized production with resources that are cheap and available, (3) an international enterprise that builds on the parent R&D or enterprise technology, or (4) a transnational enterprise that combines the above approaches.

### **2.3.2 Managing a Multinational Corporation**

According to Gillen (2002) multinational enterprise management requires a different conceptual tools than domestic companies. In particular, issues to do with strategic, economic, sociopolitical and organisational are important and fundamental as they have an influence on the international expansion process of the company, linkages among subsidiaries (foreign) and headquarters (corporate- home country), and relationship among the multinational enterprise and local countries interest groups, including suppliers, labour unions and government.

### **2.3.3 Impact of MNCs on the global economy**

A lot of MNCs have production plants two or more countries hence their production is authentically global (Cavusgil *et al.*, 2008) . Decision making and control with regards to production is centralized and are made by the parent company. However, there are cases where some decision making is transferred to the local subsidiaries. Unlike ordinary companies, quite often corporate giants acting in the oligopolistic markets. And this has shown how important MNCs are globally.

Following this argument, we can make a supposition that developing countries can enjoy more rapid growth with the MNCs and their investment, getting financial resources that their lack and not only developing countries. Also investments by MNCs in future can increase the level of overall domestic investment, what again can give impetus for more rapid growth and development of developing countries.

Edwards and Zhang (2015) posits investments which are made by MNCs can be both capital – investments, which are not always safe, and fixed investments, i. e. factories or plants and these

in turn cannot be easily removed from the country, ipso facto creating debts' problems and it is also quite crucial for developing countries, because later will not produce boom and bust cycles. What is more, establishing and investing in local affiliates, MNCs does not raise host countries external indebtedness. In addition, MNCs are also investing in physical as well as human capital.

#### **2.3.4 Impact of MNCs on the local economy**

Gunnigle *et al.*, (2007) argues that one of the most widely researched impacts of a multinational on the local business environment is the phenomenon known as “double breasting”. Double breasting is a phenomenon whereby a multinational concurrently runs a union and non-union facilities in their dealing with their employees. It is assumed that MNCs will adapt its own practices in the host country. Although, this adaptation process is uneven and complex (Levesque *et al.*, 2015).

Although MNCs are seen to be actors that are powerful and exercise tight control, the arena is distinguished through tensions amid opposing actors (Edwards and Belanger, 2009). Coalitions of actors contained in MNCs follow goals that are different and set up their power resources in attaining them. Local managers draw capital and utilize their capacity to further their agendas and follow interests that are specific.

#### **2.4 “Trade Union”**

The primary role of trade unions are member protection and promotion (Ratna and Kaur, 2012). Their primary role or focus deals with worker protection against unfair labour practices and discrimination. Therefore, trade unions/labour unions are a mixture of employees who come collectively together in order to accomplish a common goal for their affiliates. Trade union leaders bargain with management or their employers on behalf of the members of the union. The leader negotiates contracts (labour) through collective bargaining with management to include rules around the work place, wages, hiring of workers, complaints procedures, promotion and firing

of workers, safety, benefits and work policies. Therefore, these contracts bargained by the leaders are obligatory for the affiliates and employers as well as other non-members.

Unions can be an instrument of social change but even when they play a larger role in society, their core activity remains focused at the workplace. Their principal engagement is with management though their actions may extend to lobbying, politics, and the community at both local and international levels.

#### **2.4.1 History of Trade Unionism in Zambia**

Collins (2013) posits that trade union/trades union are employees organization that come collectively together to accomplish a lot of common goals including; safety standards improvements, trade protection integrity and better wages attainment, benefits (vacation, retirement and health care) and conditions of work by increased power bargaining obtained through creation of worker monopoly.

OECD (2018) argues that the origin of trade unions started in Great Britain. Trade unions were popularised in a lot of countries during the Industrial Revolution. Trade unions comprises of professionals, individual workers, students, past workers, apprentices and unemployed also. The density of trade union , or percentage of employees that have joined trade union, are high in Nordic countries.

According to Kaluba (2014), the genesis in Zambia of trade unionism can be traced back to when huge copper deposits were discovered on the copperbelt during the 1920s. this lead to commercual copper mining. The copper mines establishment were followed by collective acion and the coming together of African workers. In 1953, the first ever major strike occurred. This confirmed that the workers were alert to obtaining common interest and workers were well able to arrange resistance against their employers. After this strike, the Europeans also formed their own union for protecting their own interests as well that was posed by the mine workers (African). The Northern Rhodesia (European) Mineworkers Union (NRMU) was created in 1936.

After independence in 1964, the ZCTU was seen by the UNIP government as an enemy politically. The government was unhappy when the trade union started calling for multi-party

politics. Therefore the government did try to weaken the trade union and divide the labour (Kaluba, 2014).

Nevertheless, 1990/1991 saw the labour movement's popularity soar and Movement for Multi-party Democracy (MMD) was supported in the re-introduction plural politics. However, after the MMD was in power, Mr Chiluba weakened trade unions by passing laws that weakened it. However, due to the support the trade union gave the MMD, the trade union failed to fight the MMD party. Therefore the labour movements importance and role was reduced.

#### **2.4.2 The position of trade unions in the economy (global)**

According to Egulu *et al.*, (2005), globalization has emerged as a great factor that is posing challenges in the trade union movement. These are inequalities increases, rights of workers are eroded, growth in joblessness, working poor has increased especially in informal economy, welfare State dismantled, privatisations, evaluations, subsidies removals, sharing of costs in education and health, and labour markets deregulations all these present challenges for trade unions.

The trade union has been responding to these globalisation challenges and poverty from their old mandate and traditions. Trade unions have always searched for better welfare and justice (social). Trade unions were influential in addressing Industrial Revolution excesses, devastation resulting from the post war and political independence struggle and campaigns against apartheid and dictatorial regimes, trade unions are still engaged in this fight today to protect employees and social justice promotion.

#### **2.4.3 The role of trade unions in the corporation**

According to Ratna and Kaur (2012), the major objectives of the trade unions are summarised below:

**Representation:** Trade unions stand for workers when they are faced with challenges at work. These include representation (legally), unfair treatment, compensation when injured at work or help workers with legal issues when they take their employers to court.

**Negotiation:** The labour unions bargain together with management to reach a consensus to different opinions on different issues like holidays, pay, work practice changes etc.

**Voice:** The criteria for policy evaluating decisions including layoffs, transfer, promotion, retrenchment and selection are biased. Therefore, trade unions interventions in these decision making helps workers have a voice decision making hence safeguarding worker interests.

**Increased services:** During the last decade, the unions increased its service ranges to their general membership. They have included training/education, benefits, Legal assistance, etc.

MNCs have paid attention to Corporate Social Responsibility (CSR), the increased focus on abuses inside MNCs and consumer awareness, MNCs have engaged in activities eg coming up with codes of conduct and stakeholder initiative dialogues. Trade unions are often times seen to be involved (Kaag, 2006).

A convenient start for analysing the relationship between trade unions and CSR is the question what unions actually make of the concept. In many cases CSR is perceived as a threat to unions, as it transfers yet more power and discretion to managers (Preuss *et al.*, 2006).

## **2.5 The relationship between MNCs and trade unions**

Employment and labour relations have been neglected in the literature study concerning MNCs. These topics add to the understanding of the functioning of MNCs better. Employment relations makes a distinct contribution by establishing power considerations that has been seen in the other jurisdiction of the literature (collins, 2008; Hardy, 1996; Edwards and Belanger, 2009)

Ferner *et al.*, (2012) highlight how important power as well as dynamic relationship connecting subsidiaries and MNC headquarters. There is a distinction among these: the power of resources, the power of process as well as power (meaning). Dorrenbacher and Gammelgaard (2011) argues that strategic capabilities are important (i.e networking and bridging and understanding networking power relations in multinationals).

With globalisation and internationalism going on, its very cardinal that to see the tools that trade unions are accessing in the companies that are operating internationally and since to it that its taken at the international level. Not only in zambia, but international as well. Trade unions are confronted increasingly by these decisions at a more global stage but has impact that is local. These can include strategic decisions and reorganisations made in the corporation to include quality systems, management systems or new automation (Kaag, 2006).

The collective agreement as a tool does become of little value in these situations. Legislation in most cases is determined at the national level ie where governments are obliunged to adhere to ILO or OECD norms or guidelines. As multinational are operating globally, there is no world government where any trade union can agree and conclude these international agreements. Even so the multinational companies cannot be held accountable wheather they fulfil ILO norms.

## **2.6 Gaps in the literature/theoretical framework**

Employees who have less protection need international agreements. These agreements have clauses that regulate fundamental custom eg rights to collective bargaining and organise, forced labour, discrimination (non) plus child labour. The international agreements help with gaining access in the sectors that have working conditions that are poor and where there is unionisation that is of low level.

## **2.7 Chapter Summary**

This chapter stands out as an overview of the classics and modern academic works on three important issues related to this dissertation: globalization, trade unionism and multinational corporations. It is at the crssroads of these three issues that we find the answer to the research problem and that is the role of MNCs and trade unions in achieviong corporate profitability.



## **“CHAPTER 3: RESEARCH METHODOLOGY”**

### **3.1 “Introduction”**

In the chapter, the methodology applied in conducting this research is discussed. It starts with the description of the research method (section 3.2), this section describes the “research paradigm”, method as the basis of the research (section 3.2.1). The next step is to describe case study method (section 3.2.2). This is followed by the “data collection method”, “data sampling” method for selecting respondents and techniques for processing and analysing data (section 3.2.3 to 3.2.5). The last main issue of the chapter is the description of the validation method of the data achieved (section 3.2.6). Challenges encountered during this research are in section 3.3. The contents of the chapter are then concluded in the chapter summary in section 3.4.

### **3.2 Description of the research method**

This study is guided by the research question: *How can the Mineworkers Union of Zambia (MUZ) work with locally operating multinationals (MNCs) in the process of improving worker rights and welfare at their work places?* This qualitative study (Lee and Lings, 2008) will use semi-structured interviews for discussions and field research questionnaires with union members of MUZ. The questions in the semi-structured interviews and questionnaire will be used to help with the literature synthesis. This will help with meeting RO1 (research objective 1).

RO1 deals with showing the impact of the operations of multinational corporations and globalisation on trade unions, RO2 deals with evaluating the challenges faced by mineworkers union of Zambia (MUZ) operating in a multinational corporation environment and RO3 deals with recommending how multinational corporations and mineworkers union of Zambia (MUZ) can work together amicably.

This type of research was by (see Nepgen, 2008; Rachmawati, 2009; Opute, 2012). This will entail use of desk research which is dependent on the findings and analysing the existing information on the topic in form of books, journals, academic articles, and databases. Secondary data will be accessed and interpreted to suit the topic at hand.

### 3.2.1 “Research paradigm”

Saunders *et al.*, (2009) and Bryman and Bell (2011, pp.15-20) posit that interpretivist or phenomenological and positivism are the main epistemologies and oppose each other. They are the main epistemologies for management and business research. For this qualitative research however, interpretivist or phenomenology will be used. This epistemology opposes positivism requiring the researcher to be part of the subject of research. This helps the researcher to understand the views contained in the research subjects.

### 3.2.2 The case study method (Research strategy)

The research objectives i.e. RO1, RO2 and RO3 were RO1: *To show the impact of the operations of multinational corporations and globalisation on trade unions*, RO2: *To evaluate the challenges faced by Mineworkers Union of Zambia (MUZ) operating in a multinational corporation environment* and RO3: *To recommend how multinational corporations and mineworkers union of Zambia (MUZ) can work together amicably*.

To ascertain the objectives of the research, a detailed exploratory study of MUZ was done. Considering the research study above, a case study is the appropriate research strategy. A case study is a specific case that the research focuses on (Ericksson and Kovalainen, 2008). A case study uses empirical investigation i.e. chosen incident in the context of real issues using evidence coming from many sources (Robson, 2002; Yin, 2003).

This strategy of using the case study helps the researcher have access to insight which is comprehensive and detailed on topic in its context. It also offers the researcher, insight of people and situations that are real time (Saunders *et al.*, 2009).

The case study method has been used in research on multinationals impacting the operations of trade unions and used in research (see Nepgen, 2008; Rachmawati, 2009; Cheng, Ngok and Huang, 2011; Opute, 2012 ). This exploratory study used a case study. This meant use of semi-structured interviews. Saunders, Thornhill and Lewis (2009) argues an exploratory clarifies the understanding of the problem at hand. In this research, the exploratory purpose facilitates the all three research objectives.

### 3.2.3 Data Collection Method

Data collection involves semi-structured interviews (Bryman and Bell, 2011) and field research questionnaires of which both open and closed questionnaires was used and distributed to selected respondents and their responses were numerised and presented in the graphical format. Questionnaires have the advantage of being versatile, saves cost, saves time, helps with accuracy of data and the respondent will answer at their own convenience. Setbacks for questionnaires include not being the greatest mode for collecting data, collection of answers that are different etc.

Lings and Lee (2008) alludes that “semi-structured” interviews reach a lot of people, ensures that respondents understands the questions, asks respodents at face level, sample is representative of entire population, the respondents answers are used as statement and structured questions are possible. Setbacks include collection of data consumes at lot of time, stick to written down questions, very difficulty to get consistent informations on values, opinions and attitudes.

Triangulation of data collection techniques and case study data source outcomes as well as increase generalisability and validity of the study of the impact of multinational corporations on the operations of the trade unions, semi-structured interviews were carried out with selected MUZ members. Semi-structured interviews are recommended for qualitative research using case study because not only does it understand and reveal the how and what but also the why (Saunders, Thornhill and Lewis, 2009).

The semi-structured interview were recorded and transcribed. This helps with the analysis and processing of data. The researcher also took notes during these interviews (Saunders, Thornhill and Lewis, 2009).

Questionnaires (see appendix 2) where precoded plus pilot tested (Lings and Lee, 2008) in order help with ambiguous questions, spelling corrections ,responses, pilot testing helps with validity, reliability and practicability. Fewer questions were incorporated in the questionnaire so as to increase the response rate and help with the asnwering the questions on time (Bryman and Bell, 2011). The questionnaire had an introductory letter and given to their respective heads (see Appendix 1).

Questionnaires were administered to 100 respondents and received 73 answered questionnaires.

This questionnaire and semi-structured methods (Appendix 4) were used in their research (see Rachmawati, 2009; Opute, 2012; Onodugo, 2012).

### **3.2.4 The Data Sampling Method**

A sample is a part of the population that is being investigated. The research used purposive sampling (Lee and Lings, 2008). Ilker *et al.*, (2016) posit that purposive sampling is one of nonprobability sampling. The other being convenient sampling. In nonprobability sampling, methods that are subjective are used when sample selecting the population that is of interest. This technique does not give equal chances to respondents to be included. Nonprobability sampling is also cheaper and implemented quickly. Purposive technique was chosen by the research because the case study of this report looks at MUZ. Therefore, the researcher had participants suiting the purpose of study.

This method was used in research (see Nepgen, 2008; Rachmawati, 2009; Opute, 2012). Sample size will constitute 100 respondents. Sample size and time are weak points in this research.

### **3.2.5 Data processing**

All incomplete questionnaires as well as ones with errors were double checked. These questionnaires were discarded (Saunders, Thornhill and Lewis, 2009, Lee and Lings, 2008).

The questionnaire was precoded to make it easier for respondents to answer the questionnaire. The coding in semi structured interviews, the researcher used thematic analysis (Saunders, Thornhill and Lewis, 2009). Thematic analysis is a descriptive approach that qualitative method uses. This method identifies, analyses and reports themes (patterns) contained in the data. Literature themes include multinationals, globalisation and trade unions. These are found in the chapter reviewing the literature (Chapter 2). This method was used in their research (Nepgen, 2008; Rachmawati, 2009). See Appendix 3 for Coding)

Bryman and Bell (2011) Atlas T.I. software was used to process the data. The output of this helped with analysing data using content analysis. Content analysis is the coding of data and categorises patterns in the use of words and trends in data. Content analysis purpose is to explain the document characteristics' content through examination of what people are saying, its effect and for whom. This method helped the researcher distinguish important concepts that appeared often.

In this research study, content analysis determined the factors which impact the multinational on the operations of the trade unions. This analysis has advantages in follow-up research studies,

transparency and application flexibility. This was used in their researches (Nepgen, 2008; Rachmawati, 2009)

### **3.2.6 Validation of the Achieved Results**

Credibility (validity and generalisation) (Saunders *et al.*, 2009) of the research will be done by triangulation through data sources (secondary data as well as case study outcome) and data collection techniques (semi-structured interviews and questionnaires). This has increase reliability of the research.

## **3.3 Ethical challenges encountered**

### **Accessibility**

This research's case study is on Mineworker Union of Zambia which involved use of questionnaires and semi-structured interviews as instruments for gathering data. Therefore, this study needed interviewing time as well as questionnaire time. The researcher needed a wider scope to information. Trust and cooperation are important for this research.

The researcher counteracted these issues by approaching management and explaining to the importance of this research. A letter was also addressed to the labour union.

### **Research ethics**

With the research of this magnitude the research through the interaction with respondents can be biased to some respondents. Also issues of confidentiality and anonymities come in.

The researcher had to show partiality and act professionally and honest. These attributes help with use of data responsibly and maintain the respondent's anonymity. All data collected was secured.

## **3.4 Chapter Summary**

This chapter presented the research method that has been applied to conduct the research. The case study method and qualitative research were selected as the basic methods. The chapter described the data collection and sampling method. It further explained how the achieved data was going to be validated.

## **“CHAPTER 4: RESEARCH FINDINGS AND ANALYSIS”**

### **4.1 “Introduction”**

This chapter gives an analysis and presentation of the results of the field research is made. The discussion is made in two parts, i.e. to present the results of the research and these are in graphical format. The second part is a discussion of these results in reference to the research topic.

Data was coded (Bryman and Bell, 2011) as explained in chapter 3 – methodology. Codes that were used in the research processing of data and the research data analysis were thematic analysis synthesised from the semi-structured interviews. The researcher looked for themes that were repetitive. The results were compared with the review of the literature. The researcher came up with a coding in-order to analyse the data (see appendix 3).

The chapter begins with the demographics of the respondents in Section 4.2, Section 4.3 looks at union membership issues, Section 4.4 impact of MNCs on the operations of TU in a globalised world, Section 4.5 explains the challenges faced by mineworkers union of Zambia and section 4.6 discusses the relationship between MNCs and TU, Section 4.6 looks at the role of TU in fostering corporate profitability and Section 4.7 gives the chapter summary.

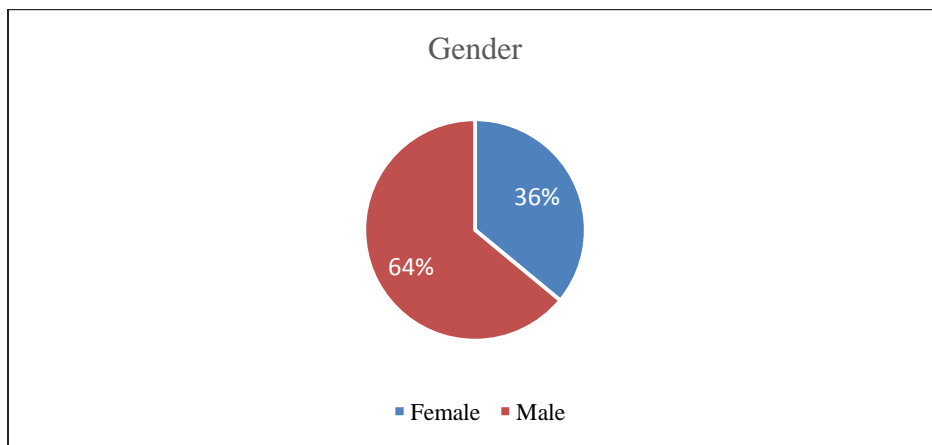
### **4.2 Demographics of the Respondents**

In this section, we present the demographics of the respondents. The questionnaires were given to 100 respondents. 73 took part and returned the questionnaires. The response rate was 73%. The intention is to show that they have the knowledge and experience to answer questions regarding the topic at hand.

#### 4.2.1 Gender distribution

This graph presents the gender distribution of the respondents. There 36% female respondents, while the remaining 64% were male. This division is a reflection of the gender distribution of the mining industry of Zambia, with males dominating (Gender Statistics Report, 2018; Bwalya, 2015; Phiri and Chileshe, 2015)

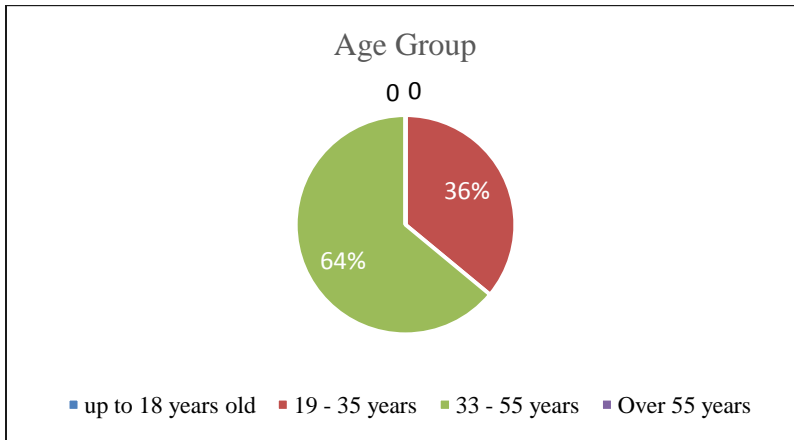
**Fig. 1: Gender distribution of the respondents**



#### 4.2.2 Age Group

Most of the respondents are in the age groups of 19 – 35 years and 36 – 55 years. This means that the respondents are those ones that are professionally active, i.e. they are working. This is important as it shows that they feel the impact of trade unionism and the coming up of multinationals,

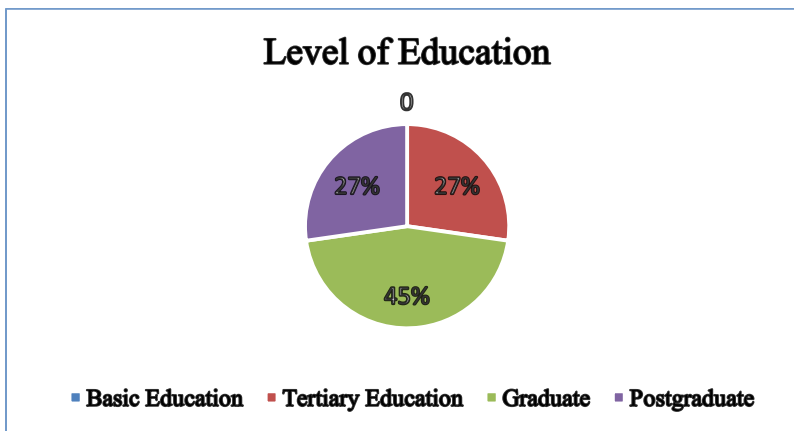
**Fig. 2: Age distribution of the respondents**



### 4.2.3 Level of Education

From the research it came out that none of the respondents had basic education. Most of the respondents had tertiary education (27%), postgraduate education (27%), with graduates dominating 45%. These results show that the respondents had the necessary education to understand and participate in such a complex research issue.

**Fig. 3: The education levels of the respondents**

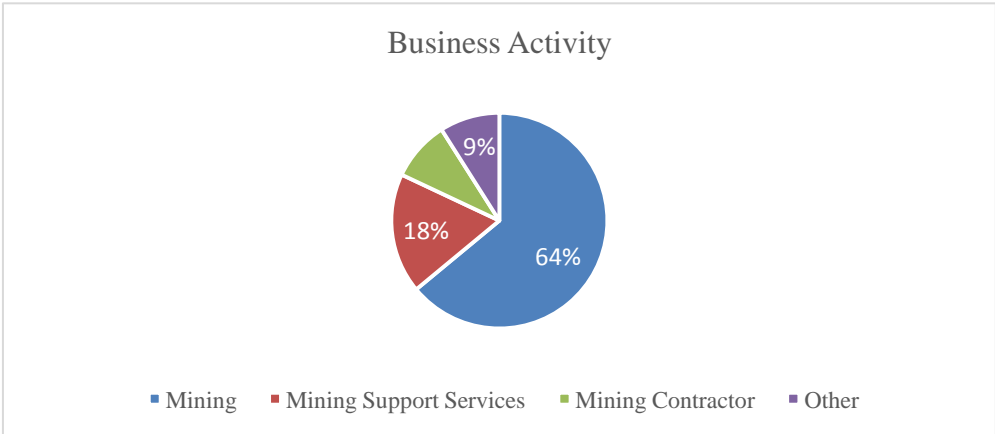


### 4.2.4 Undertaken Business Activity



Fig. 4 below is a presentation of the business activities that are undertaken by the respondents. It can be seen that majority of the respondents (64%) come from the mining sector. This is followed by those from the mining support services which accounted for 18% of the respondents and the third interesting group is that of mining contractors who account for 9% of the respondents.

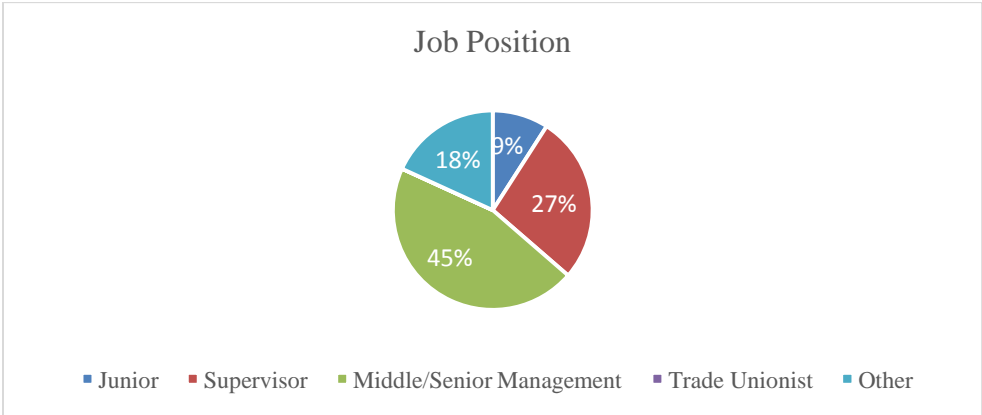
**Fig. 4: Business activities of the respondents**



The arrangement of the grouping of respondents is appropriate for this type of research because it puts down together those people who are involved in the working with MNCs and/or are affected by management decisions made by the MNC.

**4.2.5 Job Position**

**Fig 5: Job Position of the Respondent**



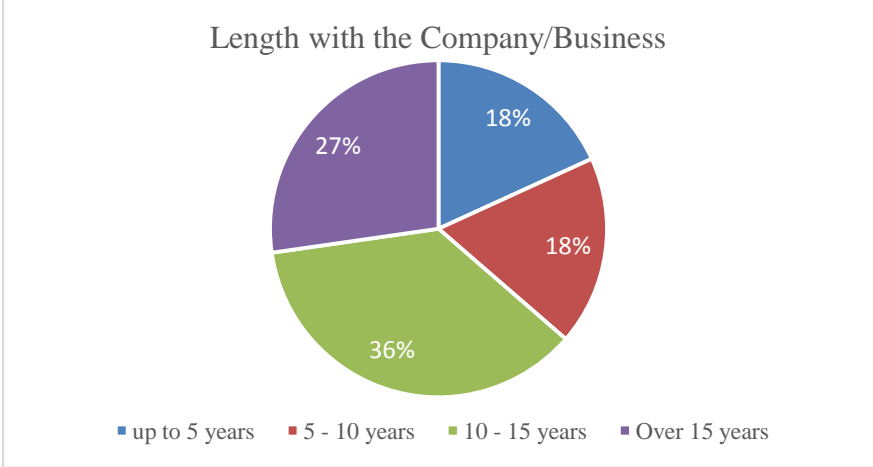
According to Fig. 5, most of the respondents are mostly in middle and senior management position (45%) and supervisors who account for 27%. The third major group of respondents is “Other” who accounted for 18%. This division is appropriate for the research as these are people who participate in the decision-making process and are also affected by the decisions made.

**4.2.6 Length with the company/business**

In this section, the length of time a given respondent has been with the company is the subject of discussion. The respondents come from all time spectrum groupings with the majority 36% with 10 – 15 years with the company. The second group are those with over 15 years with the company (27%). The respondents with less experience (up to 5 years and 2 – 10 years) are each at 18%.

The length of which the respondents have been with the company is important because it shows the experience and knowledge the person has acquired over time. Therefore there are in a position to diligently make comments about the company. This increases the reliability of the data collected by the researcher.

**Fig. 6: Length with the company or business**



#### **4.2.7 Analysis of the Demographics of the Respondents**

The demographics of the respondents is that a typical respondent is male, university graduate, aged between 19 – 35 years old and works in the mining industry. He holds a middle or senior management position (can be a supervisor) and has been with the company or in the business for more than 10 years. Such a respondent is ideal for such a research because the expectation is that they should be knowledgeable and experienced on the matters of trade unionism and the operations of MNCs.

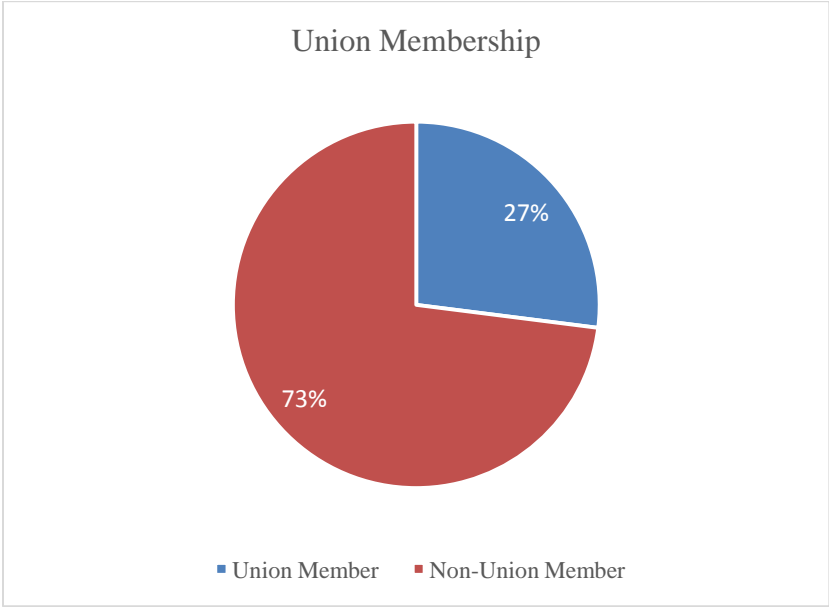
#### **4.3 Union Membership Issues**

In this section, a number of union membership issues are discussed. They include trade union membership, union leadership, the time length of being a union member and the reasons for the membership.

##### **4.3.1 Trade Union Membership**

The respondents were divided into two groups: those who claimed to be union members and those who claimed not to be. 73% of the respondents were non-union members, while 27% were union members. This is a mirror reflection of the situation in the industry where majority of the workers do not belong to any union (see Fig. 7, below).

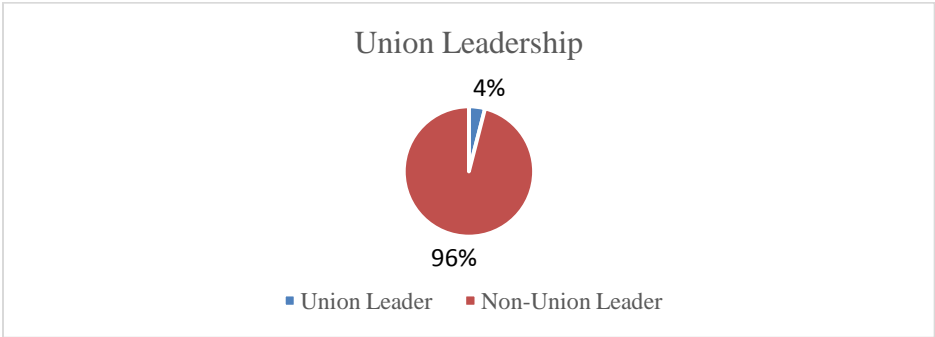
**Fig. 7: Union Membership**



**4.3.2 Union Leadership**

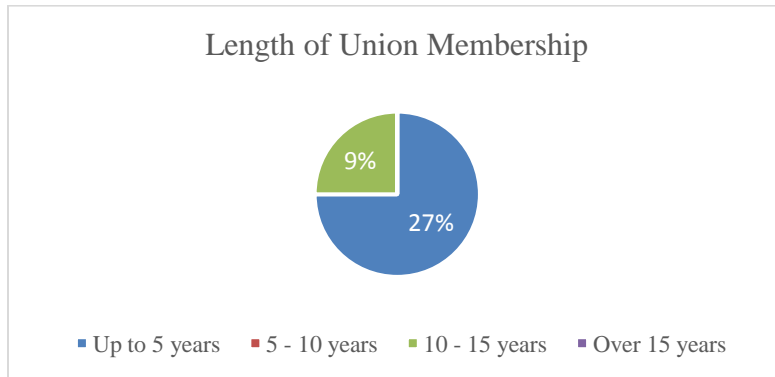
Fig 8 below shows that just 4% of the respondents were union leader. This can be attributed to the fact that generally speaking union leaders are very few in society. The ones the researcher managed to meet had difficulties in answering some questions claiming that they did not have “the mandate” to speak on behalf of the Union. Even after asking them to speak their mind and will not be quoted individually, they were still reluctant.

**Fig. 8: Union Leadership**



### 4.3.3 Length of being a Union Member

**Fig. 9: Time respondent has been a member of the Union**

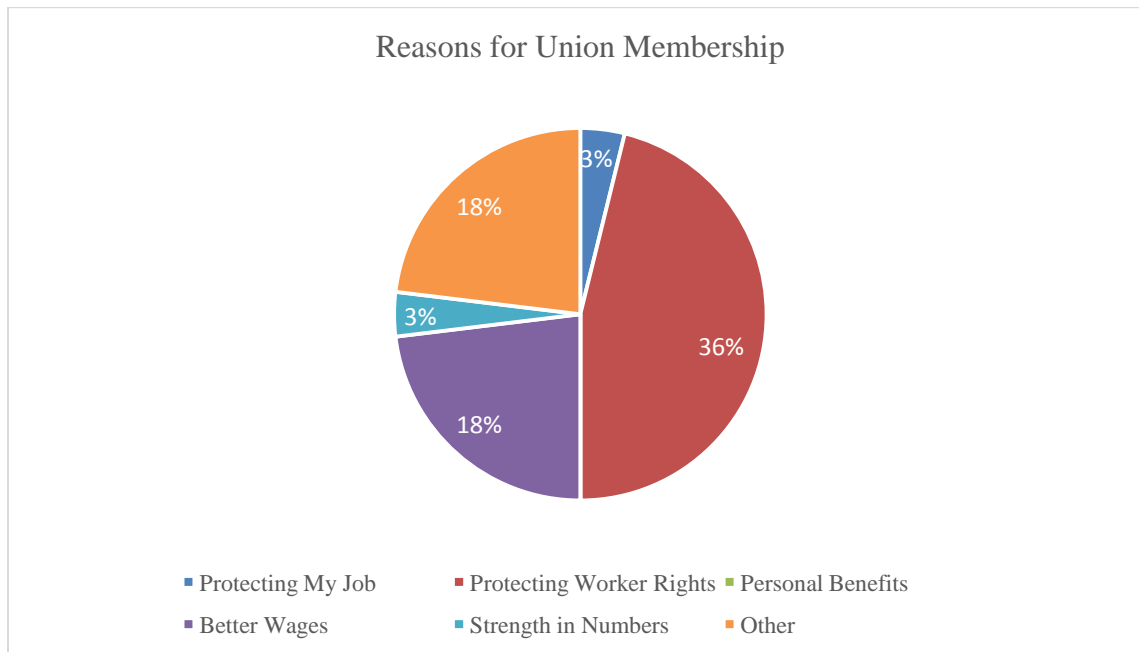


According to Fig. 9, above, it can be seen that majority of the members have up to 5 years' experience as a member of the trade union. The other group consists of people with 10 – 15 years' experience. In spite of that it can be concluded that the respondents have enough trade union experience and as such, to provide credibility to this research.

### 4.3.4 Reasons for Union Membership

The respondents expressed a number of reasons that had led them to become members of trade union. The most prominent reasons was “protecting workers’ rights” – 36%; “better wages” – 18%; together with “Other” – which also recorded 18% answers. The other two criteria “protecting my job” and “strength in numbers” – each scored 3%.

**Fig. 10: Reasons for being a union member**



From Fig. 10, it can be seen that the major reasons for joining trade union was to protect the rights of the workers and secondly, to get better wages. The first would be a good reason for belonging to a union while the second would be on the borderline of morality. But all in all, it is clear what the motives for becoming a union member are.

#### **4.4 Impact of MNCs on the operations of TU in a globalised World**

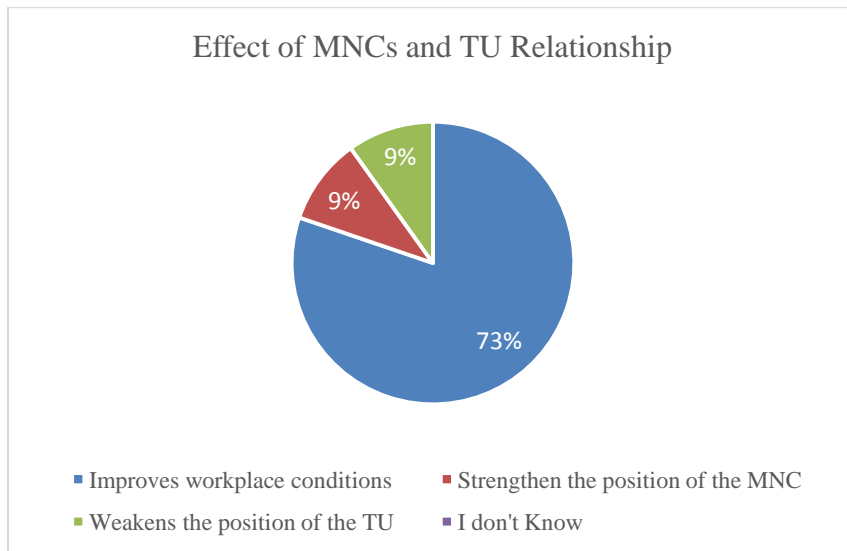
*RO1: To show the impact of the operations of multinational corporations and globalisation on trade unions.*

In this section of the dissertation, the researcher looked at the impact of multinationals on trade unions and its workers on one hand, and the impact of globalization of multinational corporations and their operations in the emerging markets like Zambia. The first analysis will look at the impact of multinationals on the relationship between the trade union and globalisation. The second analysis will look at the impact of the

MNCs on the workers while the third analysis will look at what specific areas in which the MNC affects the worker.

#### 4.4.1 Effect of MNCs relationship with the TU

**Fig. 11: MNCs relationship with the TU in a globalised world**



From Fig. 11 above, it can be seen that the major consequence of MNCs has been the improvement of workplace conditions – 73%. This is in line with the primary message of MNCs unifying taste, meaning unifying conditions by offering the same product or conditions. The other responses: “strengthens the position of the MNC” and “weakens the TU”, each score an almost equal response of 9% and 8%, respectively (Ibrahim, 2013). The respondents are split on the impact of the multinational corporation on trade unions in a globalised world.

According to the respondents, the following are factors that are impacting the operations of MNCs on trade unions. These are matching worker expectations and corporate profitability, worker productivity in line with wage increase, on-job training regarding worker efficiency and productivity and worker empowerment and wages.

Other researchers Morris, 2002; Dufaux, 2010; Cheng *et al.*, 2011; Ibrahim, 2013; Onodugo, 2012; Genty *et al.*, 2013; Balaneasa, 2013; Williams *et al.*, 2017).

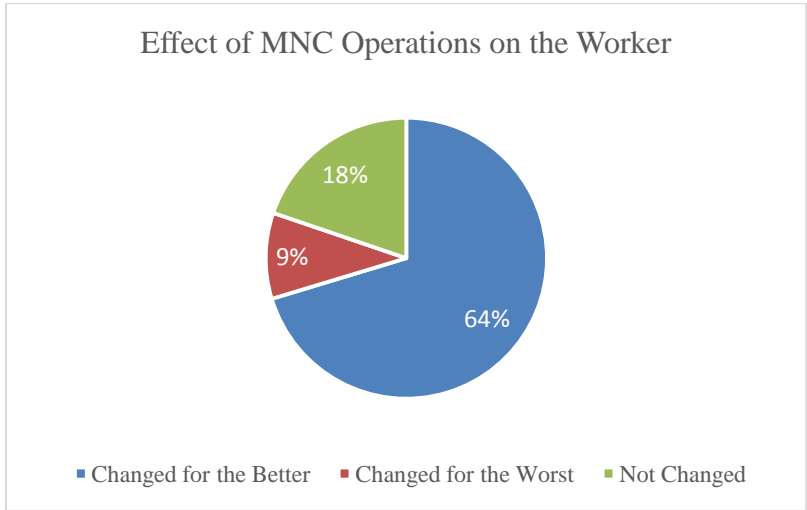
Although the research found that MNCs improves the working conditions, many researchers view MNCs as enemies of trade unions as they are seen to deter capital utilization freely and control management rights to establish unilateral work practices (Morris, 2002; Balaneasa, 2013; Cheng *et al.*, 2011)

**4.4.2 Effect of MNC operations on the Worker**

In this section, the effect of the operations of a Multinational Corporation on the worker is presented. The primary characteristic of the MNC is to operate in such a way as to increase profits. But at the same time, this in most cases is done by cost cutting (Johnson *et al.*, 2008).

The results of the research showed that 64% of the respondents thought that the operations of the MNCs has an impact that is positive on the worker. On the other hand, 9% of the respondents thought otherwise, i.e. conditions had changed for the worst. 18% of the respondents thought that nothing had changed. Thus, it can be concluded that operations of the MNCs have had a positive impact on the Worker.

**Fig. 12: Effects of the operations of the MNC on the Worker**

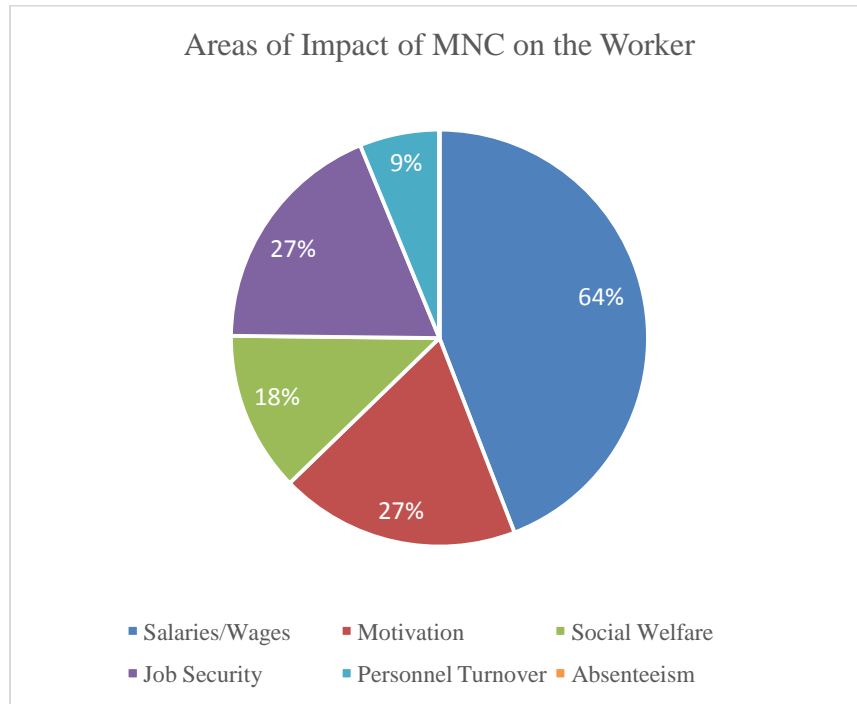


The empirical evidence from other researches also agrees that the effect on workers changed for better (see Dufaux, 2010; Cheng *et al.*, 2011; Ibrahim, 2013; Balaneasa, 2013).



#### 4.4.3 Areas of Impact of MNCs on a Worker

**Fig. 13: Areas of the impact of MNCs on a worker**



According to the respondents, the area with the biggest impact (64%) was on salaries and wages. This agrees with the theory of cost cutting in a company where the first item to be cut are manpower costs, especially wages. The second area of impact are two: motivation and job security (both scored 27%). This is followed by social welfare (18%). Absenteeism scored zero percent in spite of the fact that other research have shown that this is one of the major problems with Zambian employees.

According to researchers (see Morris, 2002; Chen *et al.*, 2011; Ibrahim, 2013; Balaneasa, 2013; Williams *et al.*, 2017; ), a major threat to workers was their job security. This was reduced because they have to fight worldwide for these jobs. There is also a danger of salaries and wages being driven down.

#### 4.5 Challenges faced by Mine workers Union of Zambia under MNCs

RO2: *To evaluate the challenges faced by mineworkers union of Zambia (MUZ) operating in a multinational corporation environment*

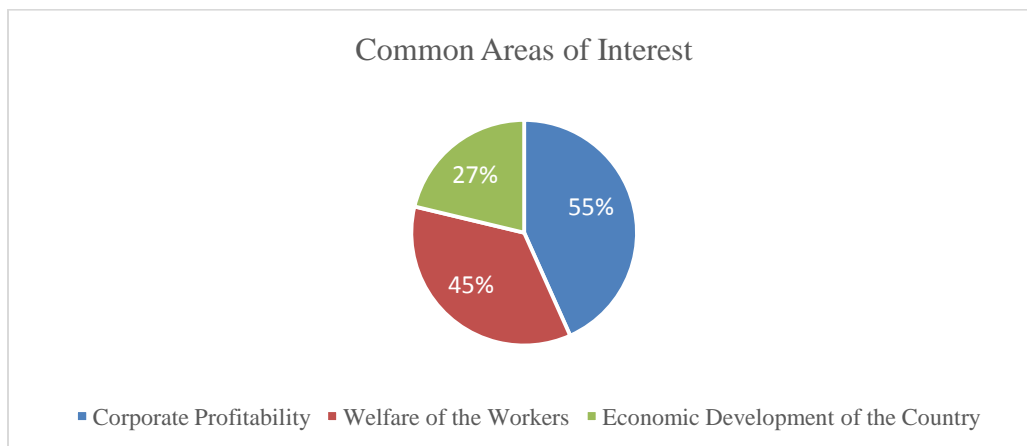
The following are challenges that trade unions face when dealing with multinational corporations: Failure to express own views as a result of trade union activism, Becomes biased, cannot be impartial, Change of work culture, Lack of strong labor laws that fail to protect the worker, Lack of information, Lack of negotiations and communication skills, Lack of long term objectives, Fear of retaliation from management, Trade unionism compromised by managerial influence, Apathy in trade union activities by workers and negative impact of globalization on trade union activities.

Other empirical evidence does suggest the above challenges (See Raman, 2008; Cheng *et al.*, 2011; Abhishek and Neetu, 2013; Balaneasa, 2013; Ibrahim, 2013; Ndiritu, 2015; Williams *et al.*, 2017).

#### 4.6 Relationship between Multinational Corporations and Trade Unions

RO3: *To recommend how multinational corporations and mineworkers union of Zambia (MUZ) can work together amicably.*

**Fig. 14: Common areas of interest between MNCs and TU**



From the respondents' opinion, it can be seen that the common area of agreement between the trade unions and the multinational corporations are corporate profitability (54%). This is closely followed by the "welfare of workers" with a 45% opinion rate. Economic development of the country is equally important with a rating of 27%. Note that the percentages do not add up to 100 because respondents were allowed to provide more than one opinion.

Based on the respondents' answers, these are the major areas of interest between trade unions and multinational corporations. Areas in which trade unions and multinational corporations should work together to improve productivity include: Trade union independence, Trade union education, Increased interaction in the decision-making process between management and trade union leaders and improved wages/better working conditions are a prerequisite for increased corporate profitability.

#### **4.6.1 What does it take for MNCs and TUs work together?**

The respondents expressed the following factors that would make the trade unions and multinational corporations to work together: MNCs to recognize trade unions and their activities, Incorporating trade unions in the managerial decision-making process, Implementing collective agreements, Negotiating as equal partners, Finding areas of common ground and interest, Transparency and involving all stakeholders, Trade unions to appreciate that the goal of MNCs is to make profit for all and transparent wage negotiation process.

The respondents proposed the following ways of cooperation for mutual benefit between the trade unions and the multinational corporations: Improved wages, Better working conditions, Trade union education, Discourage management interference in the policies and procedures of the union, Trade unions should be more proactive and independent and increased interaction between management and the trade union leaders.

#### **4.6.2 Role of Trade Unions in fostering Corporate Profitability**

The respondents were asked to identify what roles the trade unions would play in making the company achieve its primary goal and workers

- Trade to encourage higher productivity amongst its members
- Improved understanding of MNCs' goals by trade unions
- Trade unions should appreciate and understand the prevailing business conditions
- Autonomy of MNCs in dealing with local problems

#### **4.7 Chapter Summary**

The intention of this chapter was to present the research findings and analyze the results attained thereof. This has been done using graphic presentations and based on that interpret the opinions of the respondents. The results have been separated in demographics, union membership, globalization and its impact on MNC-TU relationship, the relationship between MNCs-TUs, themselves and the role of the TU in this new business environment.

## **“CHAPTER 5: CONCLUSIONS, RECOMMENDATIONS, LIMITATIONS AND FUTURE RESEARCH IMPLICATIONS”**

### **5.1 “Introduction”**

The research seeks to measure and identify the impact of MNCs on the operations of trade unions in a globalised world but a case study will be undertaken at the Mineworkers union of Zambia in particular. The study will identify areas for improving the relationship between multinationals and trade unions. There is literature on impact of MNCs and trade unions generally but not for Zambia. Therefore, this research study is important for Zambia and also adds to the literature.

The study aimed at answering the research question: *How can the Mineworkers Union of Zambia (MUZ) work with locally operating multinationals (MNCs) in the process of improving worker rights and welfare at their work places?* The study had 4 research objectives in trying to answer this question. RO1, RO2 and RO3 formed the main contribution basis of this research and RO4 forms the operations and managerial implications of the study.

This chapter will be devoted to providing conclusions (Section 5.2) arising from the research. Based on that, the research gives managerial implications of findings (Section 5.3) arising from this research, presentation on the recommendations (Section 5.4) for future research, Section 5.5 limitation of study and direction for future research and finally the chapter summary is in Section 5.6.

### **5.2 Study Conclusions**

5.2.1 RO1: *To show the impact of the operations of multinational corporations and globalisation on trade unions.*

This segment summarizes the outcome of this research to the literature on impact of MNCs on the operations of trade unions in a globalised world. The above research objective tackled the issue. The points below have been tackled in detail from Section 4.4 of chapter 4.

### **Effect of MNCs on TU**

This section has been dealt with in section 4.4.1 of chapter 4. This research found that the three effects of MNCs on operations of trade unions in Zambia, are improves the workplace conditions, strengthens the position of MNCs and weakens the position of trade unions.

The research found that the factor that affects the operations of trade unions includes Matching worker expectations and corporate profitability, Worker productivity in line with wage increase, On-job training regarding worker efficiency and productivity and worker empowerment and wages.

The factors above where also the same from other researchers (Dufaux, 2010; Ibrahim, 2013; Onodugo, 2012; Genty *et al.*, 2013; Williams *et al.*, 2017).

Although the research found that MNCs improves the working conditions, many researchers view MNCs as enemies of trade unions as they are seen to deter capital utilization freely and control management rights to establish unilateral work practices (Morris, 2002; Balaneasa, 2013; Cheng *et al.*, 2011).

### **Effect of MNCs operations on the worker**

This section has been dealt with in section 4.4.2 of chapter 4. The research found that MNCs effect on workers that it changed for better, others thought it changed for the worst and lastly it did not change.

The empirical evidence from other researches also agrees that the effect on workers changed for better (see Dufaux, 2010; Cheng *et al.*, 2011; Ibrahim, 2013; Balaneasa, 2013).

## **Areas of impact of MNCs on the worker**

This section is dealt with in section 4.4.3 of chapter 4. The study found the following salaries/wages, motivation, social welfare, job security, personnel turnover and absenteeism on the worker. The area with the highest impact was salaries/wages as some of the impact of MNCs. This was followed by motivation and job security. The other impact was from social welfare.

Empirical evidence in other research found (see Morris, 2002; Williams *et al.*, 2017), a major threat to workers was their job security. This was reduced because they have to fight worldwide for these jobs. There is also a danger of salaries and wages being driven down.

*5.2.2 RO2: To evaluate the challenges faced by mineworkers union of Zambia (MUZ) operating in a multinational corporation environment.*

### **Challenges faced**

Section 4.5 of chapter 4 dealt with this. The following are challenges that trade unions face when dealing with multinational corporations: Failure to express own views as a result of trade union activism, Becomes biased, cannot be impartial, Change of work culture, Lack of strong labor laws that fail to protect the worker, Lack of information, Lack of negotiations and communication skills, Lack of long term objectives, Fear of retaliation from management, Trade unionism compromised by managerial influence, Apathy in trade union activities by workers and negative impact of globalization on trade union activities.

Empirical evidence has show that (see Abhishek and Neetu, 2013; Ndiritu, 2015; Katz *et al.*, 2015;)

*5.2.3 RO3: To recommend how multinational corporations and mineworkers union of Zambia (MUZ) can work together amicably.*

Section 4.6 of chapter 4 dealt with this.

## **Common areas of interest**

This has been explained in detail from section 4.6 of chapter 4. The research found that the common area of interest include corporate profitability, welfare of workers and economic development of the country. The research found that corporate profitability was highest followed by welfare of workers and economic development of the country.

Based on the respondents' answers, these are the major areas of interest between trade unions and multinational corporations. Areas in which trade unions and multinational corporations should work together to improve productivity include: Trade union independence, Trade union education, Increased interaction in the decision-making process between management and trade union leaders and improved wages/better working conditions are a prerequisite for increased corporate profitability.

Nepgen (2008) argues that the trade unions should find common areas of interest and emphasizes on trade union education on matters of multinational companies and globalisation.

## **What does it take to work together amicably?**

This is explained in section 4.6.1 of chapter 4. The research found that the following are some factors that are important for MNCs and trade union. They include MNCs must recognize trade unions and their activities, Incorporating trade unions in the managerial decision-making process, Implementing collective agreements, Negotiating as equal partners, Finding areas of common ground and interest, Transparency and involving all stakeholders, Trade unions to appreciate that the goal of MNCs is to make profit for all and transparent wage negotiation process.

Based on the respondents' opinions, the following are the potential areas of co-operation between the trade unions and multinational corporations: Improve social welfare of the workers, Improve productivity of the workers so as to increase corporate profitability, in corporate trade unionists in the decision-making process of the company and MNC managers to take into consideration the interests of the locals.



The researchers in their jurisdictions have alluded to the fact that cooperation between trade unions and multinational corporation is of vital importance (Balaneasa, 2013; nepgen, 2008; Onodugo, 2012).

From the above analysis, it can be seen that trade unions in Zambia are weak and are not prepared to work in a globalized World. This has been ruthlessly exploited by multinational corporations, especially those operating in the mining industry, multinational corporations are too rigid in their approach and operations and do not take into consideration the local conditions and expectations of the trade unions and trade unions need to undergo more training in negotiations, financial management, good governance for them to be proactive and well prepared to represent the interest of the workers.

### **5.3 Managerial Implications of Findings**

The essence of undertaking this research was to find out the impact of the operations of multinational corporations on trade unions activities in a globalized World. The Mineworkers Union of Zambia (MUZ) was used as the case study example. We now present the implications of this research for managers. These are coming from the research objectives above:

#### **5.3.1 Partnership with trade unions**

Managers should learn to treat the trade unionists as partners in the business. In spite of them having conflicting and opposite interests, it is important for them to find common ground in making sure that the company is profitable. This requires management to be conscious of the workers'; social welfare and improved standards of living. On the other hand, the workers should improve on their productivity so as to increase corporate profitability which is the primary goal of the multinational corporation.

### **5.3.2 Tolerant to local cultures and norms**

By default, multinational corporations operate on an international scale in various business and cultural settings. It is important for these international managers to appreciate and understand the prevailing local conditions. The alternative is a disgruntled and de-motivated workforce. This has been the case in the mining industry of Zambia, especially in those mines operated by the two non-traditional investors in the mining industry of Zambia, namely the Chinese and the Indians.

### **5.3.3 Providing of a forum for the exchange ideas and decision-making**

Multinational corporations should create a forum of the exchange of ideas and the dissemination of information. At this forum, managers would interact with the trade union leaders in discussing and agreeing future company strategy and discuss any idea or introduce a new undertaking that would have a negative impact on the workers.

## **5.4 Recommendations**

First, Trade unions should play a key role in bridging the relationship between Multinational Corporation at the top and the workers / sub-contractors at the bottom by acting as a go-between for the two parties. This requires union leaders who have the knowledge and experience to negotiate and mediate between the two parties. The union leaders should gain full knowledge and understanding of the multinational corporations needs as well as the needs of the workers / sub-contractors and then work with both parties to achieve an optimal (win win) outcome for both. Every 6 months, the union leaders should organize meetings with multinationals and with the workers / subcontractors to understand any needs and then have a joint meeting to discuss how to address the prioritized needs of both parties and reach agreed-upon outcomes by both parties.

Secondly, trade unions should undertake the creation of cross-border relations with trade unions within the same multinational corporation as well as other trade unions in the same industry. This

is because the decisions made by the MNC affect all workers throughout the corporation worldwide and therefore trade unions can learn from the experience of how other trade unions deal with the challenges. Trade unionists require improved knowledge capabilities (including skills such as research, analysis and collaboration) in order for them to understand the impact and implications of such issues as cross-border acquisitions, outsourcing, downsizing or benchmarking.

This continued internationalisation of production by MNCs will remain the dynamic force pushing trade unions towards cross-border cooperation (Marginson, 2016). Each year, trade unions should proactively identify a few trade unions within the multinational that they can collaborate with as well as gather the appropriate information around issues on cross-border acquisitions, outsourcing, downsizing or benchmarking. This information can then be leveraged to achieve better outcomes when addressing the needs of both for the multinational and for the workers / sub-contractors.

Thirdly, other formidable challenges that trade unions are facing are the maintenance of labour standards throughout the globe as a result of increased flow of trade and labour migration (Mosley, 2011). These are even more difficult for trade unions to respond to. In particular to the Zambian situation, the trade unions need to be depoliticised for them to have autonomy in decision-making, making collective bargains or taking strike action. It's important that the trade unions build their power base by showing quick-wins in addressing the needs of MNC and workers / sub-contracts. The key to hear would be to prioritize the needs of the two parties and identify opportunities where they can have quick-wins and then ensure that the quick-wins get implemented for them to show their impact. This can be done as part of the 6 month meetings that were discussed in the first recommendations.

## **5.5 “Limitations of the study and directions for future research”**

The most important limitation of this study was the apathy by the trade unionists in providing the necessary data or information that could have made this research to be more exact. There were a number of reasons for such behavior:

- Scanty knowledge on issues raised in the research.
- The trade unions are underfunded due to economic reasons

- Data does not exist and if it is there, it is very old.

There were other limitations like MNCs refusing to provide some information citing “company secret” or “information could be used by competition” as some of the reasons for not participating in the research.

## **5.6 Chapter summary**

The primary role of this chapter was to present the conclusions of the research and undertake to make recommendations for the future. This has been achieved by dividing the chapter into two parts. This first part discusses the conclusions arising from the research and the managerial implications thereof. The second part deals with recommendations for further actions that would be undertaken to improve MNC-TU relations.

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## Appendix 1

### Introductory Letter (Questionnaire)



**Dear Sir/Madam,**

I am a postgraduate student at ZCAS, studying for my MBA with the University of Greenwich (United Kingdom). As part of my MBA research, I am investigating the impact of Multinational corporations on the operations of Trade Union in a globalised world. I would be grateful if you would complete questionnaire attached.

The questionnaire only takes 15 minutes to complete. The data provided will be confidential and only used for academic purposes.

Your input will be appreciated and will provide valuable information for my research. Any questions to do with this study are most welcome.

Thank you.

Lynn Mpundu Musonda.

ZCAS – Zambia Centre for Accountancy

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## Appendix 2

### MBA RESEARCH QUESTIONNAIRE –

#### **TOPIC: THE IMPACT OF MULTINATIONAL CORPORATIONS ON THE OPERATIONS OF TRADE UNIONS. THE CASE STUDY OF MINEWORKERS UNION OF ZAMBIA (MUZ)**

**Q1: Gender (Sex):** Female  Male

**Q2: Age Group:** up to 18  19 – 35  36 – 55  Over 55

**Q3: Which of the following best describes the business activity you are involved in?**

Mining  Mining Support Services  Mining Contractor  Other

**Q4: What is your position?**

Junior  Supervisor  Middle/Senior Management  Trade Unionist  Other

**Q5: How long have you been with the company?**

Up to 5 years  5 – 10 years  10 – 15 years  over 15 years

**Q6: Are you a union leader?**

Yes  No

**Q7: Level of Education:** Basic Education  Tertiary Education

Graduate  Postgraduate

**Q8: Are you a union member:** Yes  No

**Q9: Union Membership:** How long have you been a union member?

Up to 5  5 – 10  10 – 20  Over 20

**Q12: Reasons for Union Membership:** what are the main reasons for your belonging to the trade union?

- a) Protecting my job
- b) Protecting Worker Rights
- c) Personal Benefits
- d) Better Wages
- e) Strength in Numbers
- f) Other

**Q13: How does globalization affect the relationship between the trade unions and the multinational corporations?**

- a) Improves workplace conditions
- b) Strengthens the position of the MNC
- c) Weakness the position of the Union
- d) I don't know

**Q14: In your opinion, how has the operations of multinational corporations affected the Worker?**

- a) Changed for better
- b) Changed for the Worst
- c) Not Changed

**Q15: Which of the areas mentioned below, have you seen the changes you chose in Q14?**

**(You can choose many answers)**

- a) Salaries
- b) Motivation
- c) Social Welfare
- d) Job Security
- e) Personnel Turnover
- f) Absenteeism

**Q16: In your opinion what are the common areas of interest between the Union and the multinational corporation?**

- a) Corporate profitability
- b) Welfare of the Workers
- c) Economic development of the country

**Q17. In what ways do you think the trade union can contribute to the primary multinational corporation's goal of corporate profitability?**

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**Q18. What challenges do trade unions face while operating in a multinational corporation's environment?**

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**Q19. What does it take for trade unions and multinational corporations to work together amicably?**

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**Q20. What recommendations would you make for trade unions to improve their position on the working place in relations to multinational corporations?**

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### Appendix 3: Coding

Variable	Coding Instruction
Sex	Female=1, Male = 2
Age group	up to18=1, 19-35 = 2, 36-55=3, over 55=4
Business Activity	mining=1, support service=2, contractor=3, other=4
Position	Jnr=1, supervisor=2, snr mgmt=3, trade unionist=4, other =5
Duration	up-to 5yrs=1, 5-10 yrs=2, 10-15 yrs=3, over 15 yrs=4
Union leader	yes=1, no=2
Education	basic=1, tertiary=2, graduate=3, post graduate=4
Union member	yes=1, no=2
Union membership	up to 5yrs=1, 5-10=2, 10-20 yrs=3, over 2 yrs=4
Reason for membership	protection=1, protecting workers rights=2, personal Benefits=3, better wages=4, strength in numbers=5
Effects of MNCs on Trade union	improves conditions=1, strengthens MNCs=2, weakens TU=3
Impact of MNCs on worker	better=1, worst=2, not changed=3
Impact of MNCs on worker	salaries=1, motivation=2, social welfare=3, job security=4, Personnel turnover=5, absenteeism=6
Common area of interest (MNCs and TU)	corporate profitability=1, welfare of workers=2, dev=3



## **Appendix 4**

### **Semi-structures interview**