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Improve the Efficiency of Trade Union Finance Management to Better Care for Employees at Vinh Plastic and Bags Joint Stock Company

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Abstract

A trade union is an organization that represents the collective interests of workers. Whatever form a trade union may take, it has three main functions: (i) Representing workers and negotiating collective labor agreements; (ii) Influence laws and policies that affect workers and trade union members by proactively participating in social dialogue at the national, sectoral and regional levels; (iii) Providing services and some benefits to trade union members. Effective use of union finance to better care for

workers is of interest to many businesses. The article uses secondary and primary data with 285 employee survey questionnaires at Vinh Plastic and Bags Joint Stock Company to study the current state of union financial management at the company. The research results are the basis for the author to propose solutions to improve the efficiency of trade union finance management to better care for workers.

Keywords: Trade Union Finance, Trade Union Finance Management, Care for Workers

1. Introduction

Vietnam Trade Union is a socio-political organization of the working class and workers established on a voluntary basis, representing workers, taking care of and protecting legal rights and interests, workers' rights; Participate in state management and socio-economic management; Participate in checking, inspecting, and supervising activities of state agencies, organizations, units, and enterprises on issues related to the rights and obligations of workers; propagate and mobilize workers to study, improve their qualifications and professional skills, comply with the law, build and protect the Fatherland. To ensure the lives of workers also requires unions to effectively manage union finance.

According to the Trade Union Law, trade union finances are a requirement to guarantee the exercise of trade union rights and obligations and to sustain the trade union system's operation. Both trade union finance revenues and union finance expenditures are included in union finance. Trade union finance management has a major impact on how well trade union finance can carry out its duties.

Vinh Plastic and Bags Joint Stock Company is an enterprise that produces all kinds of packaging and plastic beads in Vinh city, Nghe An. For many years, the Company's leaders have always considered the responsibility of taking care of employees at the enterprise to be a regular, long-term political task. Ensuring the responsibility to take good care of employees will not only improve the lives of employees but also actively contribute to promoting the sustainable development of the Company itself. In addition to fulfilling the mandatory responsibilities of Social Insurance, Health Insurance, and Unemployment Insurance, the Company always pays trade union fees properly and fully according to regulations. Therefore, the author studies the current situation of union finance management at Vinh Plastic and Bags Joint Stock Company.

2. Theoretical Background

Trade union finance is a part of State finance, created by economic relations arising in the process of distributing total social product in the form of value, through which monetary funds are formed and used to build, consolidate and develop a strong trade union organization.

Trade union finance is the basic material condition to ensure the exercise of trade union rights and responsibilities and maintain the operation of the trade union system according to the Trade Union Law. Trade union finance aims to well perform the functions and tasks of building and developing trade union organizations and an increasingly strong team of workers,

contributing to building and protecting the fatherland.

Trade union finance has 4 sources of revenue: (1) Trade union fees contributed by trade union members, (2) Trade union funds contributed by business units, (3) State budget support subsidies and (4) Other revenues. (Article 26- Law on Collaboration - 2012).

Trade union finance as well as state finance, corporate finance... all have two functions: the Distribution function and the Director function.

Distribution of Trade Union Finance is the allocation of finance resources based on specific ratios and patterns to meet the demands of trade union spending. It is linked to political efficacy, social efficiency, and economic efficiency, and it resolves balance relationships between union budget levels, aspects of union work activities, and income and expenditure.

The Director of Trade Union Finance is a director in money through value indicators, but not all value indicators have the director of Trade Union Finance. The Director of Trade Union Finance approves monetary relations associated with the formation and use of monetary funds in the trade union organization. The Director of Trade Union Finance is comprehensive, objective, regular and continuous. Through the director function of Trade Union Finance, to check and control the movement of revenue sources, revenue distribution to promote advantages, overcome shortcomings to promote good implementation of satisfaction requirements the interests of the parties participating in the distribution in the organization implementing the distribution of Trade Union Finance.

There is a cause-and-effect and dialectical link between these two functions. When the distribution function is carried out effectively, it promotes equity across rights and incentivizes proactive utilization of all available revenue streams in order to satisfy spending requirements. On the other hand, doing the director's job successfully will closely, economically, and effectively manage and monitor financial resources during the process of employing trade union finance resources, encouraging the union system's units to take on more management responsibilities.

The Vietnam General Confederation of Labor's rules and legislative provisions are followed by trade union organizations when managing union funds. The ideals of democratic centralism, openness, and transparency, along with a management structure that attaches powers, guide the management of union funds.

(1) *Principle of democratic centralism*: The trade union organization system has from the central level to the grassroots level, so it is necessary to follow the centralized direction of the Vietnam General Confederation of Labor to ensure unity best. However, it is still necessary to ensure democracy according to the principles of State budget management. Democracy is shown in the fact that every year, the grassroots level prepares estimates and sends them to the higher levels, this will ensure the reality of the situation at the grassroots levels. But the estimates submitted by the grassroots level still must be approved by the superiors. That is the principle of concentration.

(2) *Principle of openness and transparency*: In the trade union system, there is an Inspection Committee. Each board has a peer inspection committee. All settlement statements are checked by the Inspection Committee at the same level to ensure openness and transparency.

(3) *Principle of management decentralization*: Each level of management in the union system is assigned responsibilities and powers at each level.

3. Current status of union financial management at Vinh Plastic and Bags Joint Stock Company

Overview of the company

Vinh Plastic and Bags Joint Stock Company was established in November 1996 with the name Vinh Plastic and Bags Enterprise under the Economic Cooperation Corporation - Military Region 4 - Ministry of National Defense. In 2002, the enterprise changed ownership and equitized into Vinh Plastic and Bags Joint Stock Company. In order to meet market demand, the Company has expanded its production scale from an initial factory, and has now put into operation two new bags factories with modern technology imported from countries with Advanced bags production technology, specializing in manufacturing and supplying PP, OPP packaging, jumbo bags, cement bags, agricultural packaging and other types of plastic packaging. Main products: PP, OPP packaging: Packaging in bags of 10kg - 100kg, containing products: Sugar, rice, animal feed, chemicals, fertilizers, etc., Jumbo bags: Jumbo bags with handles, round bottom jumbo bags, flat bottom jumbo bags, cement jumbo bags, for ore, for rice, for containers, for agricultural products, for fertilizer, etc., Cement packaging: 2-layer KP bags, 3-layer bags KPK, PP flat bottom bags,..., Plastic pellets: Primary plastic pellets, recycled plastic pellets PP, PE, HDPE, LDPE, LLDPE,...

The Company's products not only meet domestic demand but are also exported to a number of major markets such as New Zealand, Japan, Korea, USA, Fiji, Singapore, Thailand, Philippines, etc.

With a constantly growing staff (about 1,100 people), of which the company's employees are 920 people with the structure as shown in Table 1.

Table 1: Labor structure of Vinh Plastic and Bags Joint Stock Company

S. No	Criteria	2023	
		Quantity (individuals)	Density (%)
I	According to labor level	920	100
1	Postgraduate and university level	70	8
2	College level, professional secondary school	175	19
3	Elementary and Technical Workers	640	70
4	General labor	35	4
II	According to the type of labor	920	100
1	Direct labor	745	81
2	Indirect labor	175	19
III	Gender	920	100
1	Male	322	35
2	Female	598	65
IV	According to the term of the labor contract	920	100
1	Short-term contract less than 1 year	0	0
2	The contract has a term of 1 to 3 years	498	54
3	The contract does not specify a term	422	46
V	Age	920	100
1	From 18 to 25 years old	170	18
2	From 26 to 35 years old	405	44
3	From 36 to 45 years old	210	23
4	Up 45 years old	135	15

Source: Annual Report for 2023

Using trade union finances to take care of employees at the Company

With the use of union finance to ensure care for employees at the Company, the Company's policies towards employees have been greatly improved, specifically as follows:

Salary and bonus: employees in the Company receive salary according to a coefficient. The salary system is calculated based on qualifications, capacity and efficiency of assigned work. The company regularly checks the implementation of policies on wages, health insurance, unemployment insurance and time-based salary upgrades for employees. In addition to the benefits stipulated in the Labor Law, employees in the Company also enjoy amenities in the form of travel, vacations, support for labor and pain in Thailand, and support for difficult times... Salary regimes, bonuses, allowance regimes, holiday gifts, insurance regimes, health care, treatment regimes, sightseeing regimes, travel regimes, upgrading salary levels, worker grades, etc. ... resolved properly and publicly. The diet is maintained regularly throughout, ensuring quality, standards and food safety and hygiene. Hazardous allowances, social insurance, health insurance, and labor protection equipment are fully implemented in accordance with current law.

Policies pertaining to safety and labor protection: standard labor protection gear is provided to employees, and they undergo yearly physicals to reduce hazards and ensure prompt discovery and treatment, duration of occupational disease; Workers at the Company are entitled to all three insurance plans, which include health, unemployment, and social insurance. They are also given consideration for support policies and toxic compensation under the fringe benefits package, not-for-profit allowance. In order to react quickly to emergencies, office buildings and manufacturing facilities are outfitted with fire protection systems, fire alarms, fire extinguishers, faucets, etc.

Subsidies: Fully implement subsidy regimes for employees according to the provisions of law and provide subsidies when employees encounter unexpected difficulties. On the basis of labor classification and the Company's funds, quarterly, six-monthly, and annually, employees are allocated bonus funds by the Company to complete the plan

based on the results of labor classification in that period. Salaries, bonuses and benefits are paid in full and promptly by the Company on the 15th-20th of every month.

Employee training and development policy: Every year the Company organizes on-the-job training for employees who are due to take the exam to upgrade their salary level, skills, and worker level. In addition, we also organize skills training for workers before moving to new job positions. During the training period, employees do not have to pay any fees, but still enjoy Social Insurance, Health Insurance, salaries, and allowances according to prescribed norms.

Assess the existing trade union finance management system in order to provide for the Company's employees.

A survey of 300 firm employees was carried out by the author using Yamane Taro's sampling technique (1967). Following receipt of the survey questionnaires, the author sifted through the responses to gather 285 valid questionnaires, which she then entered into the SPSS26 program to assess the degree of worker satisfaction with the trade union finance management of employee care.

Descriptive statistics of the sample

The author conducted data processing and data analysis on 285 valid survey questionnaires obtained. The initial descriptive results are obtained:

Table 2: Describe general information of the research sample

		Frequency	Rate (%)
Gender	Male	156	54.74%
	Female	129	45.26%
Age	Under 40 years old	168	58.95%
	From 41 to 59 years old	86	30.18%
	Up 60 years old	31	10.88%
Degree of academia	Graduated from high school	115	40.35%
	University	122	42.81%
	Master's degree/PhD	48	16.84%

Source: Author's calculations

Results measuring the level of satisfaction with care activities for employees

Table 3: Descriptive Statistics

	N	Mean	Std. Deviation
MD.HD1. Organize emulation movements	285	3.825	.6329
MD.HD2. Take care of workers' health	285	4.262	.6843
MD.HD3. Organize cultural, sports and movement activities	285	4.613	.5975
MD.HD4. Support workers to stabilize housing	285	3.072	.5852
MD.HD5. Organize timely visits and encouragement for employees	285	3.972	.6142
MD.HD6. Organize activities to improve knowledge and qualifications for workers	285	3.752	.6043
Valid N (listwise)	285		

Source: Author's calculations

Through the survey results, it can be seen that workers are quite satisfied with union activities at the company. However, currently many poor workers still have difficulty finding stable housing. Many families have to rent cheap accommodation far away but have difficulty finding a stable place to study for their children. Although the union has also

provided monthly housing support to workers, it has not yet met all the needs of the company's workers.

Results measuring the level of satisfaction with the union's financial management and care for employees

Table 4: Descriptive Statistics

	N	Mean	Std. Deviation
MD.TC1. Public and transparent trade union finance management	285	4.825	.6734
MD.TC2. Trade union finance management ensures the principles of centralization and democracy	285	4.862	.6713
MD.TC3. Trade union finance collection ensures correct and complete collection	285	4.610	.6525
MD.TC4. Trade union finance spending guarantees appropriate spending	285	3.962	.6848
MD.TC5. Establish a sensible system for managing labor union finances.	285	3.512	.5142
MD.TC6. Every year there are inspection and inspection activities	285	3.271	.5613
Valid N (listwise)	285		

Source: Author's calculations

Employee satisfaction with the union financial management at the company is evident from the poll findings, particularly with regard to the constant enforcement of financial management rules.

4. Conclusion and suggestions

The requirements of the Trade Union Law and the Charter of Vietnam Trade Unions govern the creation and use of trade union finances for the accomplishment of designated roles and responsibilities. The leadership of the company has also given special attention to the administration of trade union funds to care for employees at the company and constantly ensures compliance with trade union finance management standards. Strict union financial management is required, nonetheless, in order to support union financial management in providing greater care for employees. By researching the state of trade union finance management today, the article proposes a number of solutions:

1. Trade unions at all levels must continue to innovate methods of collection, payment, and finance management.
2. Continue to study and amend and propose amendments and supplements to regulations on trade union finance decentralization in the spirit of grassroots orientation, in accordance with the new situation, ensuring minimization of procedures, administrative, overcome the "ask - give" mechanism, create favorable conditions for the establishment.
3. Trade unions at all levels need to proactively balance annual funding sources and allocate expenditure items according to regulations; Organize spending to ensure compliance with regimes, standards, and norms, with special priority given to spending on grassroots-oriented activities, taking care of, and protecting union members and workers.
4. Inspection and supervision of trade union finance revenues and expenditures need to continue to be seriously implemented.

5. References

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