



Governance of Employers' Organisations Practical Guidelines

by

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First published 2004

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Governance of Employers' Organisations
Practical Guidelines
Budapest, International Labour Office, 2004

ISBN 92-2-115399-1
ISBN 92-2-115400-9 (web pdf version)

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Printed in Hungary

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FOREWORD

About Governance of an Employers' Organisation

Running an employers' organisation is different from running a company or one's own business.

An employers' organisation is not a holding or a shareholding company in which the majority of shareholders make decisions about activities, investments, expenditure, and so on.

An employers' organisation is also different from a political party in which, again, the majority makes decisions over against the minority. Furthermore, an employer's organisation should not belong to a political party or a trade union.

The aim of an employers' organisations is the **promotion of the common interests of the members** towards the Government, Trade Unions, Consumer Organisations and other interest groups.

An employers' organisation is a members' organisation: the **members are its heart and strength**. It is the members who make decisions about the activities, positions and development of the organisation, not the general managers or the president alone, even when the latter have a firm mandate from the members. **Members must be regularly informed and consulted, and involved in the activities** of the organisation.

Indeed, an employers' organisation is made by and for the members: they decide! At the same time, **decisions** should be taken rather **by consensus** than by a majority against a minority.

Given that running an employers' organisation is different from running a company, it requires special skills on the part of its leaders, who must always be aware of the specific needs and interests of the members and act and think pro-actively.

The present brochure is intended to provide some basic rules of successful development for those who want to set up or develop an employers' organisation. It does not pretend to lay down rules for employers' organisations: it only seeks to offer some practical hints on how an organisation might be improved, based on observation and experience.

The Bureau for Employers' Activities of the ILO in Geneva (ACT/EMP) and our Office in Budapest are always ready to assist those who would like further information or clarification.

We hope that the reader will find this brochure useful.

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March 2004

PRELIMINARY REMARKS

“Freedom of Association”

One of the Four Fundamental Principles of the ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up (1998) is **freedom of association**.

This is a basic condition for building prosperity and growth in a modern society. Every person or organisation has the right to join or to refuse to join an organisation of his own free will, and no one can declare joining an organisation to be compulsory.

Thus, membership of an Employers' Organisation can only be **voluntary**: Organisations who claim to represent the interests of employers and which are based on compulsory membership, cannot be considered as Employers' Organisations.

Freedom of association means that an organisation may freely decide how it will operate, what its objectives are and how it will attain them.

Freedom of association also refers to pluralism of organisations: more than one organisation can claim to represent the interests of employers. However, an organisation's level of representativeness will determine its authority and bargaining power, but also its responsibilities.

* *

“Basics of an Organisation”

The three main components of an organisation are: (i) the **Members**, who come together in the General Assembly, (ii) the **Board** and (iii) the **Staff**.

The General Assembly elects the members of the board and determines the Mission and Objectives, as well as making financial decisions.

The Board appoints the staff, determines Strategy and Policy (the best way of achieving the objectives decided by the General Assembly), controls the finances and reports regularly to the General Assembly.

The staff is in charge of implementing strategy: however, it cannot make decisions in its own right, but must report to the board on all its activities.

No constituent can survive on its own: good cooperation and synergy are the key to the organisation's success.

Members expect support from the board and the staff, but they in turn must support the latter by paying membership fees and actively participating in the activities of the organisation.

* *

“Who is an Employer?”

The Employer is the **legal entity** with which the worker signs a labour contract and with which the Trade Unions conclude collective agreements.

The notion of “employer” is fictive, only for the purpose to regulate the industrial relations via the labour code, in order to define who is recruiting or employing the workers.

In all occasions where the employer is concerned, he/she is **represented by a duly appointed member of the management**. In larger companies, the representation is done by the manager in charge of the Human Resources (HRM). But this can also be one of the tasks of the general manager.

In small companies and in case of handicraft, the employer is usually the owner of the company in case he/she is also in charge of the management.

A shareholder without any management activities in the company, cannot be considered as an employer, nor as a representative of the employer. Shareholders are only owners of a part of the capital, and the capital is one of the stakeholders of a company.

An entrepreneur can represent the employer, if he/she is the manager in charge of the HRM, i.e. with the task to recruit employees, to sign the labour contracts and/or to sign the collective agreements.

1. MISSION STATEMENT AND STRATEGY OF AN EMPLOYERS' ORGANISATION

The aim of an employers' organisation is to promote and defend the **common interests** of its members. It is not the aim of an employers' organisation to promote and defend the particular interests of individual members, unless this can serve as an example or precedent for future, similar cases.

The basic value on which an employers' organisation is built is **solidarity** among its members¹.

For this reason, it is important that an employers' organisation tries constantly to improve its representativeness: the larger the membership, the better its representativeness, and the greater its authority as spokesman for the employers of its branch or territory.

However, in order to attract more members, an employers' organisation must clearly define what its "common interests" are, and on that basis define and explain its objectives and goals.

For this purpose it must work out a **mission statement, supported by a programme of objectives** and a **strategy** for achieving them.

The mission of an employers' organisation is very specific and differs from that of a business association or Chamber of Commerce, whose objectives are more to stimulate business relations among the members (see Table in Attachment).

In countries in transition in particular, employers' organisations have a responsibility to work out proposals for economic and social reform which will promote the development of enterprises and entrepreneurs.

It must therefore develop **position papers** which detail the reforms they would like implemented: for example, concerning privatisation, energy policy, collective bargaining, ways of boosting employment, and so on.

¹ See also the speech of Rolf Thüsing, Executive Vice-president of the International Organisation of Employers, at the inauguration of the International Symposium on « The Future of Employers' Organisations », organised by ILO/ACT/EMP in April 1999 (doc. ACT/EMP 20, page 52)

An employers' organisation's main strategy for implementing a reform programme is the lobbying of decision makers: government, parliament, media, public services, and all kinds of interest groups, including trade unions, consumer organisations, environmental groups, and so on. Social dialogue is one of the most important tools used by employers' organisations for lobbying.

The General Assembly must regularly reflect on the mission statement and objectives, and update them from time to time.

A mission statement should be no longer than two pages and, after the members have approved it, should be communicated to the main "stakeholders": staff, customers, the authorities, and local and national news media.

2. MEMBERS

The members are the **most important** and **most valuable assets** of an employers' organisation.

Principles

The members are employers in a particular branch or sector, or a certain region: the members are grouped in branch organisations **and/or in** local or territorial organisations.

All **employers** of the same branch, sector or industry or the same region have the right (to be invited) to join an employers' organisation: multinational companies or joint ventures with international partners cannot be refused entry to such an organisation, and as members they have the same rights as domestic employers.

State-owned companies can also be invited to join an employers' organisation, as long as the management is independent of the government and the objectives of the company are really focused on the stakeholders' interests and in conformity with the goals of the employers' organisation. Otherwise, those companies will be the spokesmen of the policy of the Government, and not of their proper interests and thus endanger the independence of the Organisation.

Employers may as well be individuals, persons who recruit employees as **legal entities** (companies, enterprises, institutions, and so on). In case of individuals, membership of employers of both sexes and of all ages should be encouraged.

Although its members are both colleagues and competitors, it cannot be the aim of an employers' organisation to regulate "market" issues with the aim of limiting or distorting competition between members or with non-members (unless in conformity with the law on competition).

Several branch and/or territorial organisations can form a **Confederation**: usually, individual companies cannot be members of a Confederation, but exceptions can be made for important companies if their branch organisation is not a member of the Confederation.

A Confederation can decide to admit only one branch organisation, if there are several organisations in the same branch, or one territorial organisation: in that case, the Confederation should choose the one which is most representative and which agrees with its objectives.

Membership is always **free and voluntary**: it cannot be compulsory. As a consequence, the organisation, via its staff and activities, must strive constantly to gain the confidence of its members by providing the services they expect and for which they pay the membership fee. Members are entitled to a return on their contribution to the organisation.

Needless to say, if the organisation is expected to provide excellent services and take the positions demanded by the members, the latter must pay their **membership fees** on time.

The meeting of all the members is called the **General Assembly**. This usually takes place at least **once a year** on the date fixed by the statute or the board. All members must be invited and they have to approve or reject the activity report, the annual accounts of the previous year and the budget for the coming year, as well as elect new members of the board, controllers of the accounts, and so on. An extraordinary General Assembly can also be requested, to make changes in the statutes.

Forms of Membership:

In order to increase representativeness, **different categories** of members can be envisaged: for example, **full members or ordinary members** with voting rights at the General Assembly, and **associate and/or honorary members**, without such voting rights. Associate or honorary members are usually individuals or organisations and institutions with strong links with the sector and whose advice is valued by the members (for example, research centres or university faculties).

Rights of Members:

Usually, each member has one vote; however, in some cases the statutes may weight voting rights in proportion to the size of a company, taking account of turnover, added value, and so on. The statutes must provide clear rules in order to avoid misunderstandings and conflicts. It is also important to avoid a situation in which such weighted voting rights enable a small group of large companies to control the whole organisation.

In addition to the annual meeting of the General Assembly, the members have the right to be regularly informed and consulted throughout the year, not only by means of meetings, but also through newsletters and other regular information. Another way of increasing member participation is to involve them in specific activities: workgroups, committees, and so on.

Even if all decisions have to be passed by a majority, the board and the staff cannot ignore the positions of minorities, especially if they represent a large number of members: a minority might at any time become a new majority in the organisation. For this reason it is better to try to reach decisions by consensus.

Duties of Members:

Members have to bear the costs of participation (in addition to membership fees). However, they benefit directly from this, obtaining first-hand access to information important to their activities: those who do not participate have to wait until the relevant information or activity reports are issued.

Termination of Membership:

The main reasons for exclusion are non-payment of membership fees, disagreement with the objectives of the organisation and involvement in or condemnation for illegal activities.

3. STATUTES AND BYLAWS

The statutes are the basic regulations of an organisation.

Every member – and every subsequent new member – must sign up to them, and changes can be decided only by an absolute majority vote (more than 51%) of a specially convoked General Assembly.

They contain the following basic provisions:

- the name – both full name and abbreviation or acronym – and address of the organisation (which should be different from the address of one of the founders!);
- the logo, if there is one;
- the aims of the organisation;
- concerning the members:
 - definition of who can become a member and how;
 - rights and duties of members;
- concerning the “General Assembly”:
 - how and when it may be convoked and who may participate;
 - rights and duties;
 - decision-making process: how to vote;
- concerning the board;
 - who may become a member of the board and how;
 - tasks and duties;
 - special functions of the president, vice-president and treasurer;
- finances:
 - tasks of the treasurer and controllers of the accounts;
 - budget;
 - annual accounts;
 - control and reporting of the accounts;
- representation and liabilities of the organisation as regards “third parties”;
- the staff and its competencies;
- the merger or dissolution of the organisation.

Of course, the statutes must be in conformity with the local law on the Employers' Organisations, if such law exists, or the law on Associations which should allow also the membership of legal entities.

Statutes are usually registered at the Court of Justice or the Ministry of Justice, together with the application for legal personality, and are made public through either the register or publication in the Official Journal. The public institution at which the statutes are registered must do so without delay and without examining the statutes (see Article 7 of ILO Convention 87 on Freedom of Association and Protection of the Right to Organise).

The board usually makes decisions concerning bylaws: these concern internal organisational matters and are not registered, though they may sometimes be communicated to all members.

4. THE BOARD, THE PRESIDENT AND VICE-PRESIDENT(S)

Role/function and composition of the Board

The **board** is the governing body of an employers' organisation. Its task is to implement the decisions of the General Assembly and to take care of members' interests on a permanent basis.

For this reason it is important that the board members **reflect** the membership of the organisation:

- in the case of an employers' confederation, each branch and territorial organisation should be represented on the board;
- for branch organisations, there must be a balance of representation in terms of:
 - level of employment: large companies and SMEs;
 - territory;
 - nationality: national and multinational companies;
- for territorial organisations the criteria must be similar.

The board should also take a special attention for a balanced representation of men and women and all ages.

Unless they are elected by the General Assembly, the board chooses from among its members a **president, one or more vice-presidents and a treasurer**.

The president is "*primus inter pares*" among the board members: he is the "first" in terms of representing the board of the organisation in relation to external partners. He is obliged to inform and consult his colleagues on the board concerning his activities.

Preconditions for board membership:

Membership of the board is usually limited in time (to 3 or 4 years), but it can be renewed. The mandates of the president, vice-presidents and treasurer must also be limited in time, and should be renewed only once, at most twice. On expiry of their mandate, the board can nominate them honorary president, vice-president or treasurer.

Board members and members of a committee or workgroup always act **free of charge**: although such activities may represent a cost to the company or organisation which the member represents, they benefit greatly from the information which such participation gives them.

However, as the office of president can involve incurring extra costs without any material return for his company, some expenses can be reimbursed. As this is always a sensitive issue it is advisable for the board to produce a written agreement before the election of a new president.

Furthermore, in some circumstances – for example, if a delegate has to travel a long distance to participate in a meeting at which he has to represent his company and organisation – reimbursement, even partial, of his travel costs can be envisaged.

Rules for board members:

Board-members must be active, not retired managers of the company and thus be able to engage the company or, in case of membership of the board of a Confederation, the branch or territorial organisation they represent. In order to avoid lifelong memberships, it may be useful to establish an **age limit** for membership of the board and for some appointments.

The president, vice-president and treasurer should be real leaders who agree with the objectives of the organisation, and their business activities should be beyond reproach.

As the president and board members, as well as the staff, are supposed to make regular media appearances (radio, TV, newspapers) in order to explain and promote the objectives and positions of the organisation, **they have to be “whiter than white”**, i.e. of impeccable reputation, both in public and in private: these days, the more a person is in the public eye, the more eager the media is to look for gossip about them.

All representatives of the organisation, president, vice-presidents, and board members, should be **independent of all political parties or movements**, since they must represent the organisation in relation to both government and opposition.

Transparent decision making:

Usually, the board takes decisions unanimously – preferably – or by consensus: it is not good for the organisation if the same board members are always in opposition. The board must strike a balance between the different positions of the members. If this cannot be attained, a vote is organised, either by secret ballot (for example, for an election) or by a show of hands.

In order to allow board members to take decisions in full awareness of the matter in hand, a written agenda should be sent out well in advance, with the reports of the committees and the workgroups. Before a decision is taken, each board member will have the opportunity to express his opinion freely (or the opinion of the organisation he represents).

Board decisions should be put in writing and be incorporated in the minutes, at the latest within two weeks, and must be approved at the next meeting. This is in order to avoid further discussion and modification of decisions taken at the previous meeting, which can be detrimental for the future of the organisation.

For important decisions, however, it is advisable to proceed in two stages: at the first meeting there should be an open discussion of the issue, and a decision is then taken at the following meeting.

Meetings should take place every month, on a date announced well in advance, and the minutes should contain all important decisions, as well as minority positions and the outcome of votes.

The board must also issue concrete and precise instructions to the staff concerning its duties, after engaging in open discussion with them.

Only the board can commit the organisation to an official position. Committees and workgroups are not independent and autonomous institutions: their conclusions, in the form of draft working documents or position papers, must always be approved by the board, unless the board has decided otherwise, for example in an emergency.

For this reason, two board members, usually the president and one of the vice-presidents or the general manager of the organisation, should sign all agreements. Two board members should always sign a press statement or a position paper sent out to the government, ministers or parliament in the name of the organisation.

Committees and ad-hoc working groups:

The board can set up **committees** for specific purposes, or **workgroups** to address ad-hoc issues. Committees or commissions have a more permanent character.

The aim of committees and workgroups is to advise the board on specific issues: for this reason it is recommended that they are chaired by a member of the board; if not, the chairman has the right to attend board meetings when the report of the committee or workgroup is being discussed.

Members of committees and workgroups are usually assistants of board members and experts of member companies or organisations.

5. FINANCE

“L’argent, c’est le nerf de la guerre” [money is the sinews of war], said Napoleon.

No organisation can survive without money, and if an employers’ organisation wishes to maintain its independence, the money must come from the members.

Role of the Treasurer

Given the vital importance of financial affairs a member of the board should be delegated to take responsibility for them and to report on them regularly.

The tasks of the **Treasurer** are as follows:

- to present the **budget** to the board and the General Assembly;
- to present the tariffs for the **membership fees**;
- to report regularly to the board about income and expenditure, and once a year to the General Assembly;
- to send out and sign the invitation letters with invoices for membership fees (and also to sign the reminders);
- to advise the board about investments.

In addition, the General Assembly has to appoint independent and external **auditors** (or controllers) who will report to the General Assembly on the draft annual accounts (which they have to approve).

The Treasurer will have at his disposal the services of an accountant, who shall be a member of staff.

The income of an employers’ organisation should largely consist of membership fees. Other incomes include subscriptions from members and non-members to seminars, conferences, publications, and so on, as well as from the sponsoring of specific activities. In recent years the trend in Europe has been to become less dependent on membership fees and the share of other income is growing.

Rules for membership fees and other incomes

The membership fee should be calculated on the basis of **clearly defined and objective criteria**, for example based on the number of full-time employees, a percentage of the added value generated by the company or turnover. It is important that the criteria are easily available and verifiable in order to avoid endless and fraught discussions.

The membership fee should be paid once a year or quarterly: shorter periods mean more administration and more costs.

Members should be asked to pay the membership fee within 30 days into the organisation's bank account: after 30 days, a special procedure decided by the board and the treasurer should be instigated in order to remind non-payers. If after two written reminders payment is still not made, all services should be withheld. It is an important principle: **no payment, no service!** A further step is the expulsion of the non-payer, on the decision of the board

Subscriptions to **publications** or **entrance fees for seminars and congresses** organised by the employers' organisation have to be **paid in advance**, and a higher price, usually 15% to 30%, can be charged to non-members (or there can be a discount for members).

In case of use of publicity, resp. sponsoring for covering the cost of periodic publications or for special events, the board should at first fix specific, transparent rules for inserts, contributions from non-members in order to avoid negative reactions from members!

Never accept payment in kind, always in money, and preferably through an account at a reliable bank.

Rules for expenditure:

Only expenses envisaged in the **budget** are permissible.

For equipment and supplies, it is recommended that an organisation always ask for **three offers** based on a schedule of conditions specified by the organisation (a tender system with proper terms of reference). By means of competition among suppliers an organisation can significantly reduce its costs.

Payment orders to the bank, even for small amounts, should always be signed by two board members, one of whom should be the treasurer.

A budget at the beginning of the year is an essential instrument of

good management. It should be part of a financial plan that covers several years (3 to 5 years).

The budget should give an overview of expected income and expenditure: projected income must be realistic, while expenditure must be clearly justified. There should be a balance between income and expenditure: if there is a deficit, it must be made clear how it will be covered.

Should income exceed expenditure in a given year, the surplus should be put in a special reserve fund, to be used when income falls short. The **reserves** should never be allowed to fall below the costs of closing down the organisation (severance payments, terminated contracts, and so on).

6. THE STAFF

The strength of an organisation, its “strike force”, consists of the **capacities and competences of the staff (or secretariat)**.

Every organisation needs highly qualified staff, including lawyers, economists, experts in social affairs and international issues, and so on. They should be full-time, not part-time on detachment from member companies, as they have to work for all the members.

For this reason, it is important to spend time looking for the right people: it is not wise to restrict one’s search to the friends or family members of the president or other board members.

The general manager and higher ranking staff members should be appointed by the board, although the board can delegate this task to a special committee of board members which will define the staff organisation (organigram), job descriptions, the required skills, intended wage levels, and the recruitment process.

Remuneration of the Staff-members

The board should pay particular attention to staff remuneration in order to make sure that they are properly motivated and are not tempted to seek a better paid position elsewhere. Otherwise they are likely to leave the organisation, which will both lose their particular skills and be compelled to begin the difficult process of replacing them.

Functions in the staff:

An employers’ organisation should have one or more professionals to deal with each of the following:

- labour law and international labour standards;
- collective bargaining and conflict prevention;
- occupational health and safety;
- social security (pensions, health care, unemployment insurance, and so on);
- vocational training;
- tax;

- economics and logistics;
- international affairs (ILO, EU, and so on).
- support services, as:
 - press and PR;
 - accounting;
 - publications (newsletter, website, handbooks, and so on);
 - training.

Required competences/qualifications of the staff:

Recruitment should commence with a thorough discussion by the board of the organigram, job descriptions, and the required skills. In addition, working for an employers' organisation requires special social skills and competences:

- knowledge of at least **one or two international languages**;
- high – preferably university – level qualifications in law, economics, social affairs, international relations, and so on;
- **practical experience**: for example, a lawyer should have worked for at least one or two years as a barrister or as a company lawyer;
- **social skills**: flexibility, readiness to serve the members (service-mindedness);
- ability to write reports;
- **communication skills** (for interviews, and so on);
- pro-active thinking;
- stress resistance.

Interaction of the secretariat with the board:

The staff professionals are at the disposal of the members: **important decisions and positions are taken by the board, not by the staff**, unless they have received an explicit mandate from the board.

In practice, staff members represent the organisation in daily meetings with ministerial civil servants, in collective bargaining and in daily contacts with other interest groups.

Whenever they represent the organisation, staff members, as executives, require a mandate and must report to the board.

However, for important meetings – for example with a minister or top-level civil servant – the organisation should be represented by a

board member, for example the president, a vice-president or the chairman of a committee, depending on availability: after all, the board members are primarily businessmen and must give priority to their business! Nevertheless, board members should always be joined by staff members.

Role of the General Manager:

The general manager, who heads the staff, is the “go-between” between the board and the staff: for this reason he should at least be present at all board meetings. In some circumstances, it may be advisable for him to be considered as a member of the board.

The general manager – or secretary general or director general – should be appointed (and dismissed) by the board, to which he must report regularly. As an executive, he cannot make decisions alone or against or instead of the board.

Finally, working for an employers’ organisation can be very stressful. It is hard work, involving a lot of meetings, and requires considerable flexibility: board members are not always unanimous and often representatives have to deliver a negative answer to proposals from trade unions, government and other interest groups. In addition, increasingly the organisation’s viewpoint must be presented in the media, which exposes the spokesman to a certain amount of negative treatment.

7. SERVICES

Members expect their organisation to provide services in return for their membership fees.

There are two kinds of services: collective services and tailor-made services.

Collective services include lobbying, collective bargaining, information and consultation activities, publications, websites, and so on. Those services should be included in the membership fee.

Tailor-made services are services developed to address the **specific needs of a member or group of members**: for example, arbitration, assistance in solving a social conflict in a company, and training. They are not covered by the membership fee, but are charged for separately. Each Organisation will have to decide which kind of such service they will provide: such decision should be taken in close consultation with the members. Given the “risk of conflicts of interest” between members, it is recommended that such tailor-made services be provided by a **separate legal entity**, although it must of course belong to the organisation. These tailor-made services should be “self supporting”, that is, their cost should be wholly covered by appropriate charges.

The most important service provided by employers’ organisations is **regular information and consultation of members** concerning its activities, achievements, results, and so on. In fact, since no representative of an employers’ organisation, whether he is a staff professional or a board member, can ever represent the organisation without a mandate; he must inform and consult the members both before and after, through either internal meetings or written information and consultation.

Even in case of emergency, when there is no opportunity to inform and consult the members, a representative is obliged either not to take a position or to make it on condition of subsequent approval.

In comparison with competing institutions, information and consultation of members in order to develop a representative position is essential for an employers’ organisation. This is the “**added value**” of being a member of an employers’ organisation, which must be consulted by the government or mandated to negotiate with the trade unions. Other institutions cannot offer such services at the same level.

In order to provide such services and involve the members in the activity of the Organisation, the following must be organised:

Documentation and information centre or library

Employers' organisations must set up an efficient documentation and information centre for the use of both the staff and the members. The following information must be made available:

- statistics, national, regional and international;
- regulations: laws, decrees, main court decisions, technical regulations related to branch activities;
- studies, reports, principal handbooks;
- press-clips, relevant journals

The better the quality of the information, the better the service the organisation can deliver to the members and the more confidence the latter will have.

“Information is power”: this is only the case when the information is used and distributed, not if it is kept secret!

Regular meetings with the members

Members expect to be informed and consulted by their organisation: they become very reluctant to maintain their support when they learn important news through the media.

For this reason, it is important to involve the members in the activities of the organisation via committees and workgroups, not to mention the **annual General Assembly** and the **board**.

For important issues, such as social affairs, economic affairs, and so on, **committees** with members' delegates or experts should be set up to advise the board on important strategic decisions. Committee meetings should be scheduled at regular intervals, for example on a monthly basis.

Workgroups should be organised to deal with specific ad hoc matters, with the participation of members' experts. External experts, for example from universities, can also be invited, if needed.

EU affairs

As more and more decisions affecting the interests of employers are taken at European level, a special team should follow European affairs, including all activities and decisions taken in Brussels, Luxembourg and Strasbourg.

It may be wise to have a special representative office in Brussels in order to be well informed about what is going on in European Commission and related institutions. Of course, this represents an extra cost for the organisation and the benefits will depend on the quality of the network that such an office builds up.

External Relations

The relations with the media are becoming extremely important for Employers' Organisations, and require thus specific competences in the Organisation.

The Employers' Organisation have to be prepared also for daily contacts and providing of information to each kind of media: newspapers, periodicals, radio, TV, internet, etc. The information has to be provided in such a way that it can be useful for the media: for example, the representatives of the Employers' Organisation have to be trained in writing a good press-statement, or give a adequate interview for radio, for TV, etc.

Relations with the media are nowadays part of the lobby-strategy of each important Employers' Organisation.

Examples of tailor-made services:

Before starting such service, the Organisation has to check if there is a real need from the members for such service, and should then prepare a business-plan or feasibility-study.

- pay-roll administration service, specially for SME's,
- accounting service
- other HRM-services
- external Occupational Safety and Health service
- Management-Training
- Vocational Training for the workers of the branch
- IT-service, internet services, etc.
- arbitrage
- others.

8. COMMUNICATION WITH THE MEMBERS

Regular, virtually constant **communication with the members is a basic task** of an employers' organisation.

In order to improve communications and to strengthen the organisation's message, the following tools are recommended:

Logo

Employers' organisations nowadays, in communications both with members and externally, require a strong logo, one which is easy to recognise and clearly identifies the organisation.

The logo must be put on all printed documents: business cards, envelopes and letters, invitations and brochures, books issued by the organisation, reports, the website, and so on.

Database of members

For efficient communications, the organisation must develop a database of all practical information, including names, addresses, phone numbers, fax numbers, e-mail addresses, websites, and the names and titles of the principal managers who are in regular contact with the organisation.

The database must be regularly, even constantly, updated: this should be the task of the staff member in charge of member relations. Letters with incorrect or wrongly spelled names, or with the wrong title, will give members the impression that the organisation either is not interested or does not respect them.

Circulars

Important news for the members should be sent in an individually signed letter.

Leaflets and/or brochures about the organisation

For the recruitment of new members, but also for raising awareness and interest in the organisation externally, a presentation folder should be produced with a special application form for new members. This document must make a detailed presentation of services and activities,

together with the benefits members can expect from the employers' organisation.

Activity report

The activity report presented at the annual General Assembly can also be used as a means of convincing potential members to join the organisation.

Newsletter and bulletins

Employers' organisations should issue (at least monthly) members with a newsletter or a bulletin with the following content:

- activities: meetings, workshops, seminars, and so on, both internal and external (for example, international), at which the organisation was represented.
- informing the members about what the organisation has done for them (together with the members' contributions);
- new regulations which will affect the members: laws, decrees, court decisions, and so on.
- new publications and other useful information for the members.

The newsletter should be illustrated with pictures related to past activities and events and should be in colour.

As editing a newsletter can represent a heavy cost for the organisation, advertisements can help to cover the costs of printing and mailing. However, advertising must not influence the content of the newsletter, and adverts from non-members who are competitors of member companies must be avoided!

Non-members, under certain conditions, should be allowed to subscribe to the newsletter, but at a higher price (+ 15% to 20%).

Handbooks and special publications

Important regulations likely to significantly affect members, especially when the organisation has been involved in their preparation, should be presented in handbook form, with comments specifically related to members' concerns: for example, the text of a collective agreement with specific instructions for its implementation by the employers, a new labour code or tax code, and so on.

Naturally, such handbooks cannot be provided free of charge, although members should receive a discount.

Website

A website can be an efficient communication tool with the members (with password-only access).

However, websites require regular updating - otherwise, members will eventually forget to consult it.

ANNEX

1. Relations between Chambers of Commerce and Employers' Organisations

Who does what?

Characteristics	Chambers of commerce	Employers' organisations
Core activity:	improve commerce and trade between members	work for <i>social peace</i> via collective agreements with <i>trade unions</i> (social dialogue)
Set up:	by a <i>specific law</i>	<i>voluntary decision</i> to set up an association of employers (legal entities)
Specific interests of:	<i>commercial managers</i>	<i>HR managers</i>
Membership:	<i>compulsory</i> (in most countries)	<i>free</i> , voluntary
Organisation:	<i>local</i> , territorial	<i>branch</i> (industry, service) associations
Activity:	international trade, fairs exclusive obligations imposed by law (such as issuing a visa from some countries, compulsory registration of acts, annual accounts, etc.)	information, consultation on common issues related to social affairs, employment, representation on boards of social institutions
Specific services:	certificates of origin ATA-carnets (international transport)	social services
Specific issues:	trade regulations, customs, transport, logistics, arbitration	labour law (working conditions), wages, social conflicts, social security, social protection (health and safety), public health, investment policy, enterprise development (SMEs, start-ups)
Common issues:	competitiveness, fiscal matters (taxation, VAT, etc.), price policy (inflation), interest rates, technical regulations (standardisation, quality, R&D)	

Characteristics	Chambers of commerce	Employers' organisations
Relations with:	Ministry of (Foreign) Trade Ministry of Finance	Ministry of Labour (and/or Social Affairs) Ministry of Industry (or the Economy, if the trade unions are involved) Ministry of Health Ministry of Finance (taxation of revenues)
New issues:	consumer interests, environment	
International links:	<i>ICC</i> , Eurochambre	<i>IOE</i> , UNICE
International organisations:	<i>WTO</i>	<i>ILO</i>

2. Rights of Employers' Organisations

By virtue of the ILO Constitution and the ILO Conventions employers and their organisations have a number of basic rights, including:

Equal status with government and trade unions:

Declaration concerning the aims and purposes of the International Labour Organisation (in Annex of the ILO Constitution):

art. 1: “by continuous and concerted international effort in which the representatives of workers and employers, **enjoying equal status** with those of governments ...”

Freedom of expression

Declaration concerning the aims and purposes of the International Labour Organisation (in Annex of the ILO Constitution):

art. 1: “**freedom of expression** and of association are essential to sustained progress”

Freedom of association

Convention 87 on freedom of association and protection of the right to organise (1948):

art. 2: “Workers and **Employers**, without distinction whatsoever, **shall have the right to establish and**, subject only to the rules of the organisation concerned, **to join organisations of their own choosing without previous authorisation**”

art. 3: “1. Workers’ and Employers’ Organisations shall have the right **to draw up their constitutions and rules, to elect their representatives in full freedom, to organise their administration and activities and to formulate their programmes.**

2. The **public authorities shall refrain from any interference which would restrict** this right or impede the lawful exercise thereof.”

art. 4: “Workers’ and Employers Organisations shall not be liable to be dissolved or suspended by administrative authority.”

- art. 5: “Workers and Employers’ Organisations shall have the right to establish and join federations and confederations and any such organisation, federation or confederation shall have the **right to affiliate with international organisations of workers and employers.**”
- art. 7: “The **acquisition of legal personality** by Workers’ and Employers’ Organisations, federations and confederations **shall not be made subject to conditions of such character as to restrict** the application of the provisions of articles 2, 3 and 4 hereof.”
- art. 8: “2. The law of the land shall not be such as to impair, nor shall it be so applied as to impair, the guarantees provided for in this Convention”
- art. 10: “In this Convention, the term ‘Organisation’ means any organisation of workers and employers for furthering and defending the interests of workers or of employers.”

Right of consultation

Convention 144 on tripartite consultations to promote the implementation of the International Labour Standards (1976)

- art. 2 “1. Each Member of the ILO which ratifies this Convention undertakes to operate procedures which **ensure effective consultations**, with respect to matters concerning the activities of the ILO ... **between representatives of the government, of employers and of workers.**”

Freedom of representation

Convention 144 on tripartite consultations to promote the implementation of the International Labour Standards (1976)

- art. 3: “1. The representatives of employers and workers for the purposes of the procedures provided for in this Convention shall be **freely chosen by their representative organisations**, where such organisations exist.”

Free and voluntary collective bargaining

Convention 98 on the right to organize and the Collective bargaining convention (1949)

art. 4: “Measures appropriate to national conditions shall be taken, where necessary, to encourage and promote the full development and utilisation of machinery **for voluntary negotiation between employers or employers’ organisations and workers’ organisations**, with a view to the regulation of terms and conditions of employment by means of collective agreements.”

Tax deductibility of membership fees

Resolution aiming at ensuring the independence and facilitating the financing of employers’ and workers’ organisations

“The 5th European Regional Conference of the ILO, Warsaw, 20–27 September 1995

Invites the governments of European countries:

[...]

c. to consider appropriate measures that would enable their laws, regulations and practice, including tax regulations, to allow enterprises and workers to account for their subscriptions to their respective organisations as cost items.”

3. Selected Publications for Employers

by ILO – Subregional Office of Budapest

Van Voooren, E. Director of Direct Marketing Institute, Gent, Belgium
(2001) *“Making and Keeping Members: Direct Communication for Employers’ Organizations”*, ILO Central and Eastern European Team, Budapest

Danev, B., B. Tzonev and a working team of Bulgarian Industrialists’ Association (2001)
“Internet Guide for Employers’ Organizations: The Case of BIA NET”, ILO Central and Eastern European Team, Budapest

by the Bureau for Employers’ Activities (ACT/EMP) of the ILO

“Guidelines for Employers on Equality at Work” (1996), Geneva

IBEC, Irish Business and Employers’ Confederation (1994) *“Negotiations and Collective Bargaining – Training Package”*, Geneva

“Developing and Establishing an Occupational Safety and Health Service in an Employers’ Organization” (1998), Geneva

“Report of the ILO International Symposium on the Future of Employers’ Organizations” (1999), Geneva

Wisskirchen, A., Hess C. (2001) *“Employers’ Handbook on ILO Standards-related Activities”*, Geneva