



An empirical study of union free plants in select organizations in Bangalore

¹ Mallikarjun Chanmal, ² Dr. Venkataramana V

¹ Research Scholar & Vice-Principal and HOD, Department of Commerce, HKES Sree Veerendra Patil Degree College, Sadashiva Nagar Bengaluru, Karnataka, India

² Research Guide & Principal, Vivekananda Degree College, Rajajinagar, Bengaluru, Karnataka, India

Abstract

Trade Unions are one of the important institutions in the sphere of Industrial Relations Management. Trade unions are basically the organizations of employees/ workers are those formed with the purpose to settle/ negotiate with the management or employers on an assortment of employment-related concerns. The Present Study is an Empirical study considering the select organisations in the city of Bengaluru considering the operational aspects of the Trade Unions and opinion of the reference groups consisting of 350 respondents comprising executives and employees is taken up for the study.

Keywords: collective bargaining, reference groups, industrial relations

1. Introduction

With the changed social, political and educational environment in terms of awareness of right, trade unions are considered a major component of industrial relations system. Workers union plays a crucial role to protect the interest of its members. Therefore, this chapter focuses on the need of labour unions, significance and role of union, and welfare activities in sugar industries in the study region. Trade unions are those organisations of employees/workers who work for the maintenance and enhancement of their economic status by insisting on a rise in money wages and improvement in working conditions and benefits. Besides this economic objective, there are other dimensions of trade unions which have gained importance in the context of the changing sociopolitical environment. The workers is not only a factor of production but an individual whose total life situation is a matter of concern for the trade unions. Gandhiji viewed trade unions as moral institutions aiming at making the workers better individuals and responsible citizens. Trade unions are considered to be institutions experimenting with industrial democracy which would strengthen democracy ^[1].

2. Collective Bargaining ^[2]

Labor unions developed to grant employees equal bargaining power with their employers, who traditionally had the ability to exclusively set the terms and conditions of work and pay. Unions represent workers within a given industry in negotiations with their employers. Since the union comprises a group of workers, it has a greater voice than if employees were dealing with employers individually. For example, unions are credited with abolishing sweatshops and child labor

in the United States because they pushed for these practices to end. The National Labor Relations Act guarantees employees' right to bargain collectively through their chosen labor union representatives. Unions can organize strikes, boycotts, go-slows and sit-ins to get employers to consider their proposals

3. Collective bargaining and trade unions

Industrial harmony is essential for economic progress and the concept of Industrial harmony wants the existence of undertaking, co-operation and sense of partnership between employers and employees. There may be conflicting interests between employer and workmen but this attitude leads to an understanding for achieving common goals, such as production and prosperity.

The phrase "collective bargaining was first coined by Sidney and Beatrice Webb. This was widely accepted, particularly in the developed countries.

Generally by collective bargaining we mean, an essential element of economic democracy, is a 'two party' procedure for arriving at a commonly agreed solution. The term is thus used to describe the procedure, whereby employers must attempt to reach agreement about wage-rates and basic conditions of labour with trade unions, instead of with individual workers. In other words, it is the process of discussion and negotiation between an employer and a union culminating in a written agreement or contract and the adjustment of problems arising under the agreement ^[3].

"Collective bargaining" writes Harbison ^[4] "is a process of accommodation between two institutions which have both common and conflicting interests". Its aim is not to seek industrial peace at any price.

¹ Chapter-II Role Of Trade Unions & Management Associations And Their Present Trend In India

² The Role Of Trade Unions In Industrial Relations By James Williams

³ Chapter – 5 Collective Bargaining and Trade Unions

⁴ Goals and Strategy in Collective Bargaining by F.H. Harbison, Harper & Bros. USA.1951

4. The current and future scenario of industrial relations in India

The future of industrial relations is going to be totally different from what it has been due to various factors such as the increasing number of knowledge workers, the higher education level of the workers, and so on. These developments indicate the growing maturity level of the workers, which increases their capability to resolve their individual grievances and reduces their dependence on union leaders.

Another factor that would have a significant impact is that political parties, over time, will no longer play a significant role in trade unions in the country. The experience of the last five decades has led to attitudinal changes among employees, since it is obvious to them that they have been exploited for the selfish ends of politicians. Another thing they have learnt is that prolonged industrial disputes jeopardize the existence of organizations.

Another important factor is that many people in our country are employed in the services sector, followed by the IT sector. Both these sectors mainly employ knowledge workers. By virtue of their job profiles the employees in these sectors have little time for union activities. The reduced importance of public sector enterprises and manufacturing sectors in the economy would lead to a changed and reduced role of trade unions. Also, in the future trade unions would adopt a cooperative attitude towards the employers or management in contrast to the previous, confrontationist attitude.

5. Review of literature

S. Rajesh and Dr. Manoj P.K (2014) ^[5] contend that a strong and stable union in each industrial enterprise is essential for good industrial relations. The employers can easily ignore a weak union as it hardly represents the workers. The agreement with such a union will hardly be honored by a large section of workforce. Therefore, there must be strong and stable unions in every enterprise to represent the majority of workers and negotiate with the management about the terms and conditions of service. Trade unions play an important role and are helpful in effective communication between the workers and the management. They provide the advice and support to ensure that the differences of opinion do not turn into major conflicts. The central function of a trade union is to represent people at work. But they also have a wider role in protecting their interests. Most popular trade unions in India are affiliated to certain political parties.

Piyali Ghosh, Shefali Nandan and Ashish Gupta (2009) ^[6] propagates that trade unions are a major component of the system of modern industrial relations in any nation, each having their own set of objectives or goals to achieve according to their constitution and each having its own

strategy to reach those goals. A trade union is an organization formed by workers to protect their interests and improve their working conditions, among other goals. It is a continuous association of wage earners for the purpose of maintaining and improving working conditions (Dankert, 1948). In developing countries, the right to form a union and bargain collectively protects workers from exploitative and abusive conditions at work and puts pressure on employers to share productivity gains with their employees. Protection of basic worker and human rights in Piyali Ghosh, Shefali Nandan and Ashish Gupta

Rajni Pathania (2012) ^[7] propound that Industrial relations has become one of the most delicate and complex problems of modern industrial society. Industrial progress is not possible without collaboration of labors and harmonious relationships. The term industrial relations has a broad as well as a narrow outlook. Originally, industrial relations were broadly defined to include the relationships and interactions between employers and employees. From this perspective, industrial relations covers all aspects of the employment relationship, including human resource management, employee relations, and union-management relations. Now its meaning has become more specific and restricted. Accordingly, industrial relations pertains to the study and practice of collective bargaining, trade unionism, and labour-management relations, while human resource management is a separate, largely distinct field that deals with non-union employment relationships and the personnel practices and policies of employers.

Brajesh Kumar Parashar (2016) ^[8] opines that Industrialization is the only key to economic development because it is the fundamental process to utilize the enormous available human assets and other physical & natural resources for the consistent advancement of a developing country, like India. Trade unions are nothing but a —Pressure Group (also known as Advocacy groups, interest groups, campaign groups, lobby groups, a protest group, or special interest groups), which exert a pressure and use various forms of advocacy on the management/ employers, or even on Govt. in order to influence policy, legislation, opinion, strategy, decisions etc. in favor of the workers/ employees. The aim of all pressure groups is to influence the people who actually have the Decision-making power (management, employer or Govt.). Trade Unionism is a by-product of rapid industrialization right from the colonial era. A trade union is nothing but a well-organized group of working class employees for protecting, sustain, and enhanced the group members' interests and benefits on the basis of unity of strength.

Dr. Pradip Kumar Das (2015) ^[9] finds that Industrial relations

⁵ Politicization Of Trade Unions And Challenges To Industrial Relations In India: A Study With A Focus On Northern Kerala; *International Journal of Business And Administration Research Review*. Vol.1, Issue No.2, Nov-Jan2014.

⁶ The Changing Roles Of Trade Unions In India: A Case Study Of National Thermal Power Corporation (Ntpc), Unchahar Piyali Ghosh^{1*}, Shefali Nandan¹ and Ashish Gupta² School of Management Studies, Motilal Nehru National Institute of echnology (Deemed University), Allahabad, India ² Probationary Officer, State Bank of India, Kanpur, India *e-mail: piyali2602@gmail.com *Asian Academy of Management Journal*, Vol. 14, No. 1, 37–57, January 2009

⁷ Industrial Relations in India in the Era of Liberalization *IOSR Journal of Humanities and Social Science (JHSS)* ISSN: 2279-0837, ISBN: 2279-0845. Volume 2, Issue 6 (Sep-Oct. 2012), PP 22-26 www.iosrjournals.org Research Scholar Department of Business Economics The M.S. University Of Baroda Vadodara, 390002 Gujarat, India.

⁸ Workers' Perspective: Basis Of Seleccion And Joining A Trade Union Brajesh Kumar Parashar M-Phil (Chemistry), MBA, MSW, M.Sc.(IT). Presently enrolled for PhD (Management) from CRIM Barkatullah University Bhopal (M-P.) *International Journal of Business and Management Invention* ISSN (Online): 2319 – 8028, ISSN (Print): 2319 – 801X www.ijbmi.org || Volume 5 Issue 5 || May. 2016 || PP—33-41

⁹ Industrial Relations An Indian Perspective Kunal Books New Delhi

constitute one of the most delicate and complex problems of the modern industrial society. This phenomenon of a new complex industrial set-up is directly attributable to the emergence of ‘Industrial Revolution’. The pre-industrial revolution period was characterized by a simple process of manufacture, small scale investment, local markets and small number of persons employed. All this led to close proximity between the manager and the manager. Due to personal and direct relationships between the employer and the employee it was easier to secure cooperation of the latter. Any grievance or misunderstanding on the part of either party could be promptly removed. Also, there was no interference by the state in the economic activities of the people.

D.K. Roy (1972) ^[10] opines that Industrial relations generally mean the relationship between the management and the organised labour in an industrial organisation or within an industry. Among the various important factors which determine and regulate this relationship are the industrial relations policy of the organisation, attitudes of both the management and the labour legislation.

6. Analysis and Interpretation of data

The data is collected from 350 respondents comprising Executives and Employees drawn from the sample organizations. The responses are arrayed in the following tables and figures.

Table 1: Trade Union Relevant in Promoting Organization and Employees’ Interest

Response Group	Strongly Agree	Agree	Disagree	Strongly Disagree	Neutral	Total
Executives	10	25	10	5	-	50
Employees	42	162	48	6	42	300
Total	52	187	58	11	42	350
Average	15%	53%	17%	3%	12%	100

Source: Primary data

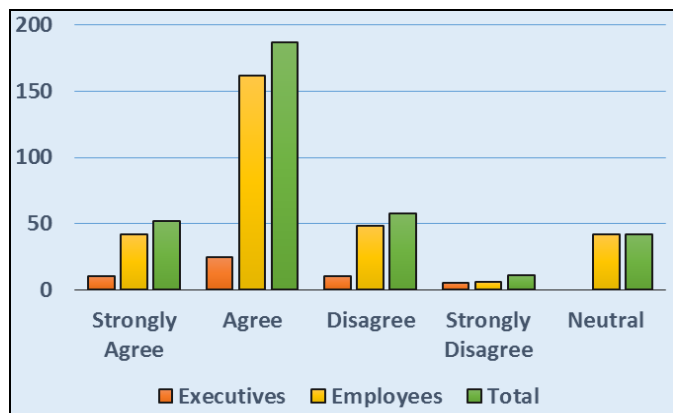


Fig 1

In today's, changed environment the trade unions are losing their base. Further, in IT sector trade union presence is nil. However, a question was posed to the respondents as to whether, they require trade union in promoting organisation as well as their interest. The responses have been tabulated analysed and exhibited in table 5.3 and figure 5.3.

¹⁰ Industrial Relations National Productivity Council New Delhi

The respondents have an opinion that the Trade Unions are relevant in promoting employee interest. A total of 68% of the total sample agree to the posed question, out of which 15% of the respondents strongly agree to it. 17% of the respondents disagree and 3% of the respondents strongly disagree and are of an opinion that Trade Unions are not relevant in promoting organisational and employee interest. 12% of the respondents are neutral.

An interpretation can be drawn from the respondents, response that the trade unions are relevant in promoting organisation and employee interest.

Table 2: Trade Unions try to Secure Better Terms for the Employees by co-Operating With the Management

Response Group	Strongly Agree	Agree	Disagree	Strongly Disagree	Neutral	Total
Executives	5	25	10	5	5	50
Employees	36	210	30	6	18	300
Total	41	235	40	11	23	350
Average	12%	67%	11%	3%	7%	100

Source: Primary data

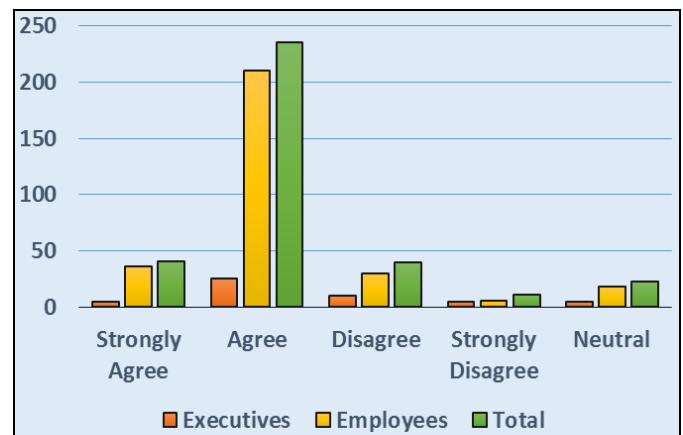


Fig 2

About 79% show positive opinion towards the statement. The respondents conceded that trade unions if present, will bound to or try to secure better terms for employees in the IT firms by co-operating with the management. A total of 14% of the respondents disagree to the statement and are of an opinion that trade unions do not try to secure better terms for the employees by co-operating with the management, of which 3% strongly disagree to the statement. 7% of the respondents are neutral in their response.

The responses can be interpreted as; trade unions try to secure better treatment for the employees by co-operating with the management.

Table 3: In the Changed Circumstances Trade Unions play more of a role of Facilitator, Motivator, Educator and Counsellor to Employee

Response Group	Strongly Agree	Agree	Disagree	Strongly Disagree	Neutral	Total
Executives	15	30	5	-	-	50
Employees	60	168	48	-	24	300
Total	75	198	53	-	24	350
Average	21%	57%	15%	-	7%	100

Source: Primary data

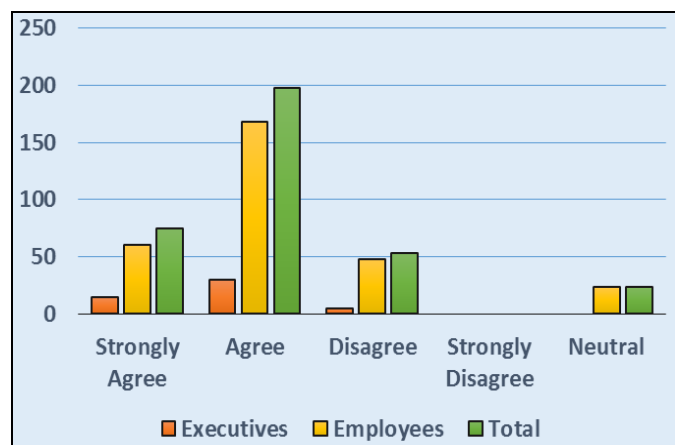


Fig 3

Data analysis and Interpretation

The above table reveals that 78% agree for the statement with employees topping the table. 15 % disagree, among them employees being 48, and 5% remains neutral. Employees and executives are of the same opinion about the role of trade union as facilitator, motivator and counsellor to employees in changed circumstances. The trade unions plays all these roles effectively is the opinion of both the classes of respondents.

An interpretation can be drawn that in changed circumstances trade unions plays the role more of a facilitator, motivator, educator and counsellor to the employees.

7. Conclusion

It has been observed that the IT firms which experienced the sustained growth over a long period of time in India, has succumbed to US recession. Further, in the aftermath of 9/11 WTC event, slowly the IT firms in our country and elsewhere have blossomed, but slowly it is withering away. This is one dimension of IT scenario in India. Coming to the union-free plants which are mostly clustered in the IT sector has their own benefits and limitations. With the emergence of knowledge workers in the sector, they are endowed with the capabilities, potentialities and the skills to negotiate with management people as easily as possible. Today what is more pronounced is the availability of right kind of skills, knowledge and abilities. Therefore, the persons with all virtues and talents commands hefty pay scales in the IT firms. The union-free plant is the right spot for the individuals who are raring to achieve the extraordinary. The middleclass income is on the rise and it is going northward owing to direct negotiations of pay scales with the management in the absence of trade unions.

The dark side of the story is that union-free plants are not free from the problems. The union-free plants have their own difficulties both for management as well as the employees. The job security, life security, growth model are not applicable to all kinds of employees. The over exploitation, early burnout, lack of security to women workers and job related stress is a toll on the health of the employees in the union-free plants. It can be concluded that the union-free plants are a mixture of both benefits as well as detriments.

8. Suggestions

The rigorous analysis of the topic of research consisting union-free plants at IT sector in Bangalore revealed their own intricacies. The research program results induced the researcher to offer constructive suggestions to the stakeholders of the topic namely, managements, employees, centrally affiliated trade unions and the law-makers of our country.

- It is suggested to the sample IT firms to maintain the quality of working life (QWL), which addresses not only the physical requirements of the employees but also the spiritual, moral, emotional and psychological well-being.
- In order to avoid early burnout of the employees at union-free plants, the organisations should take steps to curb the undesirable stress prone activities leading way to healthy environment.
- No doubt, the union-free plants are offering very good monetary and non-monetary benefits, in majority of the circumstances, unexpectedly and all of a sudden pink slips are issued to the employees. The employees thereby suffer the untold misery and onslaught. The management should not victimize the employees in the name of cost cutting exercise and reduced profitability.
- The management of the union-free plants should evolve and implement the pay scales based on pay grades, wherein like in Japan the pay grade should not exceed four. In our country, there exists fourteen to sixteen pay grades. The too many pay grades brings about disparity in the distribution of income and wealth in the society.
- The increased pay to executives in the union-free plants dissuades the employees not to support the trade unions to enter the plants. The cost of keeping away unions out of plant is always high because the employees intimidate the management about bringing in the unions to the plant. This is arm-twisting practice, the employees should think holistically and comprehensively about to have or not to have the trade unions.
- In the union-free plants employees are offered shares thereby they are made as bonded labourers or cyber coolies. This tendency must be judged from the view point of employees, whose mobility to some other companies should not be hampered.
- The government should see that stringent labour legislations should be in place to regulate the management unfair labour practices in union-free plants.
- The night shifts in the union-free plants have their own story where employees' physical and psychological health is subject to misuse, thereby in the long run, the workforce capability will be under doldrums. The management and the government should take the appropriate steps to prevent these untoward anomalies.
- The presence of trade unions in the IT sector will prevent and resolve employee grievances, command, job protection, act as cushion in the event of any crisis faced by the employees. No doubt employees are knowledgeable, but their positions and tenures are not guaranteed, therefore, it is suggested to the employees of the union-free plants to support the presence of trade unions.

- In the open economy, all the firms in the industry are chasing the same target customers. In the name of performance management system, the matters in the union-free plants it is learnt, evaluation is biased and prejudiced. This could have been thwarted, if trade union were to be in place.
- Better industrial relations, increased co-operations, collaborations, productivity and profitability can be achieved, provided the organisation has the concept of industrial democracy. In union-free plants IT firms, industrial democracy is lacking. It is suggested to have full-fledged and enlightened trade unions.
- Employee participation in union-free IT firms is absent. The employee participation at all levels-plant, department and organizational level will strengthen better relations between management and employees. Therefore it is suggested to the management to take the employees into confidence.
- In the union-free plants, whether IT or otherwise the concepts, trust and confidence between management and labours is looked with at askance or skepticism, the stealing of vital information by employees and selling the same to the people interested is a breach of trust, the management could only dismiss and arrest the delinquent employees after all, but the loss of image in the marketplace is irreparable and ponderous. Hence it is suggested to have a full-fledged trade unions to prevent all these unpleasant activities happening in the union free plants.

9. References

1. Contemporary Industrial Relations –by Ian Beardwell, oxford university press publication. 1996.
2. Current Issues in Labour Relations: An International Perspective: -Russell D Lansbury, A publication of the International Industrial Relations Association.
3. Dynamics of Industrial Relations-C B Mamoria, Satish Mamoria, S V Gankar, Himalaya Publishing House.
4. Globalisation and Labour Management Relations- Venkata Ratnam C.S, Sage publications, New Delhi 2001 edition.
5. Globalisation and The paradigm shift in Japanese Industrial Relations- by Charles Weather, Oxford scholarship online monographs. Source: the politics of Labor in global age. 2001.
6. HRM Review,- coverstory, by Ravi Dasari editor, HRM Review.
7. HRM Review-by Eldos Mathew Punnoose, 2007, The Icfai University Press.
8. Human Resource Management by Jyothi and Venkatesh.
9. Human Resource Management Industrial Relations an achieving management objectives- by S R De Silva, ILO publications, Bangkok.
10. Impact of globalization on industrial relations in the EU and other major economies-Eurofound.