

UNION-MANAGEMENT RELATIONS IN THE EMERGING ERA : A CASE STUDY OF FERRO ALLOY AND JUTE INDUSTRIES IN VIZIANAGARAM DISTRICT, ANDHRA PRADESH, INDIA

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ABSTRACT-For the vast majority of unionized and non-unionized employees, it is the day-to-day interactions that determine whether the workplace is a productive, engaged environment, or one that preoccupies everyone with conflict, grievances and problems. Where each workplace falls on that spectrum will largely determine productivity, quality, absenteeism, as well as retention and recruitment. In other words, success often depends on what we do each and every day in the union-management relationship. To achieve this we need a healthy workplace that leads to commitment and engagement, there are some important best practices that can be implemented, jointly, by the union-management partnership. Labour relations are an ongoing process of change, more so now, it seems, than in the past. Major issues such as demographic change, changes in attitudes toward government, international trade, retirement, maternity benefits and types of pension & health plans are the new normal across India. By aligning management and union processes in the workplace in all areas where there is mutual benefit, we all help create healthy and more sustainable workplaces for the future. This study conducted with a view to know the positive impact of union-management relations on employee productivity, Turnover, Strikes, Lockouts, man-day lost in selected units in Vizianagaram District in Andhra Pradesh in India.

Key Words: Productivity, Industrial Disputes, Strikes, Lockout, Man-day Lost, Congenial relations, Absenteeism, Employee Turnover.

1. INTRODUCTION:

For the vast majority of unionized and non-unionized employees, it is the day-to-day interactions that determine whether the workplace is a productive, engaged environment, or one that preoccupies everyone with conflict, grievances and problems. Where each workplace falls on that spectrum will largely determine productivity, quality, absenteeism, as well as retention and recruitment. In other words, success often depends on what we do each and every day in the union-management relationship. To achieve this we need a healthy workplace that leads to commitment and engagement, there are some important best practices that can be implemented, jointly, by the union-management partnership. Consider some or all of the following five best practices for managing in a unionized workplace. There is still a common mindset among management that once an employee is elected to the union, they now work for somebody else. Nothing could be further from the truth. The reality is that companies train their employees year in and year out – skill building is one of the best investments in the workplace. Yet union stewards and members of the executive do not cease to be employees when they take on a union role. In fact, they are even more engaged in the success of the business than they were before, now being responsible for hundreds, if not thousands, of employees/members. So, why wouldn't the company consider their training just as important as any other workplace role?

Some of the most effective training that managements and stewards can receive is how to resolve issues at the front line. Skills-based training on joint problem-solving and conflict resolution can pay major dividends for both the company and the membership when employees and managements are skilled at identifying and working together to resolve issues. As part of the training, both parties should be then expected to address issues at the front line, and not simply pushing them into the grievance process that often results in delays, simply because the front-line interface is ineffective. Another area for joint training for managements, managers, stewards and the union executive is on the fair and appropriate application of discipline. Discipline is poorly understood and even more poorly applied in many workplaces, resulting in anger, frustration, disengagement and inappropriate behavior on both sides. A transparent, fair, and clear discipline process that is jointly understood and applied benefits everyone in the workplace, including individuals who may indeed receive it. Most importantly, discipline should be preceded by clear discussion and engagement with the employee wherever possible and appropriate, to minimize "surprises". After all, properly applied discipline has only one purpose to change and align behavior. Almost everyone, when treated fairly, will make the changes required. And when the union and management are both applying the process fairly and holding each other accountable – everyone benefits. By training all leaders in the workplace on the proper and effective use of discipline, and with all leaders knowing and understanding the process, formal discipline will be what it is supposed to be – a last resort, not the first action taken.

2. NEED AND SIGNIFICANCE:

Most workplaces have some version of a labour-management committee (LMC), or an employee relations committee. Regardless of the title, it is a forum for rising and addressing issues on a regular basis. If your LMC doesn't have operating principles or guidelines, it will not be as effective as it could be. Many LMC's become dysfunctional very quickly, simply because the two parties have different views on the purpose and running of the committee that quickly degenerates into conflict. One of the first steps an effective LMC should take is to establish joint operating guidelines that will help ensure the committee's success. The collective agreement often defines who attends, how many from each side, and how often the committee must meet. That is a start, but nowhere near enough structure for the committee to succeed. A better approach and framework is needed.

Communicating is simply not enough. In today's environment, over-communication is the order of the day. No one in labour relations likes to be surprised, on either side. When addressing issues, make a joint commitment to keep each other in the loop, discuss expectations of confidentiality. With clear and simple guidelines, both parties can stay in the loop without disadvantaging anyone, nor either party feeling like they have given up their autonomy. A healthy union-management relationship pays many more dividends to both parties than "tricking" or surprising the other party ever did. For any important workplace issue, management and their union(s) should look toward joint communications, wherever possible. For example, after finalizing a new collective agreement, the parties should jointly communicate the changes and the rationale behind them. Often, each party communicates to their own stakeholders – management to managements, the union to stewards and perhaps their membership. The problem, of course, is that they frequently communicate different messages, setting the workplace up for immediate conflict and grievances. The process of jointly crafting the information and messaging often helps the parties better apply the new language in a fair and direct way. Other areas include changes to legislation, significant workplace changes, policy changes, etc. Both parties will benefit far more from joint communication to employees/members than they ever will gain by putting significant "spin" on it in their favor. This study conducted with a view to know the positive impact of union-management relations on employee productivity, Turnover, Strikes, Lockouts, man-day lost in selected units.

3. METHODOLOGY

The Researchers have chosen 32 Ferro Alloy and 9 Jute Units for the sample in Vizianagaram District in Andhra Pradesh and a sample 500 employees, union members and managers have taken as a sample for the research.

4. RECENT TRENDS IN UNION MANAGEMENT RELATIONS

The followings statistics reflect the recent trends in union management relations. As a result no place for industrial conflicts and no consequences, it extends industrial democracy in all the industries, union management relations provide an opportunity to the worker to have a say in the management decision making. It also regulated the production by minimizing conflicts and provides forum to the employees to solve their problems through mutual negotiations and consultations with management.

Table 1: REPORT OF LABOUR BUREAU: NO.OF DISPUTES

YEAR	2015	2016	2017
Number of disputes	318	198	149
Number of man days lost	1,29,36,759	1,03,63,566	36,20,797

Source: Report of Labour Bureau, Ministry of Labour & Employment, Govt. of India,

Table 2: NUMBER OF STRIKES AND LOCKOUTS IN VIZIANAGARAM DIST

YEAR	2015	2016	2017
Number of strikes	13	9	12
Number of employees involved	6097	2472	12040
Man days lost	65083	90638	25184
Lockouts	9	5	2
Employee Turnover	24	21	16

Source: Press Information Bureau, Ministry of Labour & Employment, Govt. of India,

5. STUDY INVESTIGATION AND ANALYSIS:

Questionnaires are canvassed to employees, union members and managers. The information in the following tables are related to selected employees, union members and managers. In the following tables the information is collected collectively from employees, union members and managers. So in these tables the total samples comes to 500 (350 employees, union members and 150 managers)

Views of Employees and Management on reason for joining trade unions:

A trade union is a formal association of employees and managements that promotes and protects the interest of its members through collective action. The main objective of employees to join trade unions is to safeguard the economic interests and social security. The failure of an individual worker to seek solutions to problems, while discharging his duties, employees as well as organizational, led employees to form into a group which is identified at present as a trade union.

It is extracted from the above table 3 that 41.43 per cent of employees accepted that they are joining unions to get protection from management's disciplinary actions. They told me that the management is unnecessarily imposing fines as a part of indiscipline and opined that these fines should be removed. Similarly 34 per cent viewed that they want to apply pressure on the management to get wide-ranging benefits. They say that the employees bargaining capacity could make them get the benefits.

Moreover 17.14 per cent of employees expressed the view that they joined unions out of their personal interest. These are persisted by others in taking union membership.

Table 3: Views of Employees and Management on Reason for joining trade unions

Reasons	Employees	Percentage to total	Management	Percentage to total
Out of personal interest	60	17.14	73	48.67
To get protection from management's disciplinary action	145	41.43	39	26.00
To apply pressure on management for more benefits	119	34.00	25	16.67
To contest in union elections	26	07.43	13	8.66
Total	350	100.00	150	100.00

On the contrary, it is surprising that 48.67 per cent of the managements registered their membership in unions out of their personal interest. Various pressures from different corners make them join in the unions. Nearly 26 per cent of the managements joined the union to get protection from management's disciplinary actions and 16.67 per cent joined to apply pressure on the management to get reimbursements in different cases. They need a sort of supportive service in this context. And surprisingly eight per cent of the employees and 8.66 per cent of the managements joined the unions because they want to contest in elections. That is why these employees and managements have taken membership in trade unions.

It is concluded from the above table that the rationale behind joining the unions is safeguarding the health and interests of the employee in the steel industry. They viewed that the organization's health can be diagnosed by methods evolved for grievance redressal and techniques adopted to reduce the rate of absenteeism and labor turnover and to improve the employee relations. Trade unions by their effective working may achieve worker's satisfaction. Thus, trade unions help in reducing the rate of absenteeism, employee turnover, and developing systematic grievances settlement procedures leading to harmonious relations in the company. Trade unions can thus contribute to the improvements in the level of production and productivity, discipline and quality of work life. Whatever be the intention of the employees in taking membership, the government and management should encourage unionism for the betterment of the employees as well as the organization. Trade union legislation should be modified from time to time to make the process more convenient. It is also observed that the unionism particularly in the steel industry should be encouraged to maintain congenial relations.

Views of Employees and Management on the role of Trade Unions:

Over the years, the contractual relationship between the management and the employees has undergone several changes. Basically many unions in the steel industry are trying to provide intra-mural benefits like hike in salary, providing more varied benefits, job security etc., through collective bargaining and direct actions such as strikes and gheraos. Similarly some unions are providing financial and non-financial assistance to employees during slackness and causalities, recreation and provision of social and religious benefits.

From the above table 4 it may be stated that the unions are working for the betterment of the employees by pressurizing the management for providing all the basic facilities, social security benefits and other welfare measures. These unions not only conduct negotiations in respect of the items with which their working conditions may be improved but also protect the employees against any drastic action of the management.

Table 4: Views of Employees and Management on the role of Trade Unions

Reasons	Employees	Percentage to total	Management	Percentage to total
Guide employees to discharge responsibilities	29	8.29	12	8.00
Fight for the rights of the employees	98	28.00	31	20.67
Fight for higher benefits to employees	144	41.14	56	37.33
Union members do not work	45	12.86	29	19.33
Unions spoil work culture.	34	09.71	22	14.67
Total	350	100.00	150	100.00

It indicates that 41.14 per cent of the employees agree that the unions fight for higher benefits to employees and 28 per cent viewed that the trade unions fight for the rights of employees. On the other hand, 22.57 per cent of the employees are against trade unions because they feel that the unions are spoiling the work culture. These employees opined that the unions should work for the benefit of the organization and not for their own benefits. It is very interesting to note that 37.33 per cent of the managements expressed that the unions are negotiating and fighting with the management for higher benefits to employees. Similarly, 20.67 per cent of the employees supported that their unions are fighting for their rights. Very few hold the view that

their unions guide the employees in discharging their responsibilities. On the contrary, 34 per cent of the managements opposed the unions on the grounds that these unions are spoiling the work culture.

In fact, several unions are maintaining good relations with the management. Cordial industrial relations continued in the organization for achievement of targets and enhancement of its corporate image. The continuous interaction with the recognized unions and officers' associations helped a lot in the matters of production, productivity, and discipline and work culture. The overall industrial relations during the period of study have been peaceful and helped in sustaining the targeted levels of production. Trade unions helped a lot in the maintenance of harmonious relations. It is also observed that the normal and safe levels of production could be maintained due to proactive industrial relations maintained by the management with the trade unions.

As per the official sources in the year 2017-18, there are 20 registered trade unions are functioning. Out of these, three unions viz., INTUC, CITU and AITUC have the support of more than 90 per cent of the total employees. About 17 unions are operating for espousing the cause of contract labor. In addition, there are two unions separately registered. Till 2017-18 there are 90 Memorandum of Understandings (MOUs) and Memorandum of Settlements (MOS) were arrived at by duly following the collective bargaining process. The notable features of these are getting the unions' commitment for the realization of the mission and objectives, increase of production and productivity, improving discipline etc.

Views of Employees and Management on Relationship with Trade Union about work place matters:

Employee as an individual prefers to join trade unions to enhance his bargaining strength and to get varied benefits from the management like wages and salaries, working conditions, working hours and incentives. A harmonious relation between the management and employee is a sine qua non for industrial peace. A trade union always strives for achieving this objective.

Table 5 indicates relationship with trade union about work place. It is observed 'I am occasionally in contact with worker representative' occupied first place with 1702 points and it was ranked 1st by 133 employees and managements, ranked by 2nd by 98 employees and managements, ranked 3rd by 126 employees and managements, ranked 4th by 124 employees and managements and ranked 5th by 19 employees and managements.

It is found that 'I don't know any thing about worker representative.' occupied second place with 1566 points and it was ranked 1st by 109 employees and managements, ranked 2nd by 116 employees and managements, ranked 3rd by 110 employees and managements, ranked 4th by 62 employees and managements and ranked 5th by 103 employees and managements. It is observed 'I am frequently in contact with worker representative' ranked third place with 1556 points and it was ranked 1st by 98 employees and managements, ranked 2nd by 134 employees and managements, ranked 3rd by 83 employees and managements, ranked 4th by 96 employees and managements and ranked 5th by 192 employees and managements.

Table 5: Views of Employees and Management on Relationship with Trade Union about work place matters

Factor	1 st rank	Points	2 nd rank	Points	3 rd rank	Points	4 th rank	points	5 th rank	points	Total weightage points	Rank
I am frequently in contact with worker representative	98 (20)	490	134 (26)	536	83 (16)	249	96 (20)	192	89 (18)	89	1556	3
I am occasionally in contact with worker representative	133 (26)	665	98 (20)	392	126 (25)	378	124 (25)	248	19 (4)	19	1702	1
I am never in contact with worker representative	121 (24)	605	64 (13)	256	59 (12)	177	74 (15)	148	182 (36)	182	1368	4
I am a worker representative	39 (8)	195	88 (18)	352	122 (24)	366	144 (28)	288	107 (21)	107	1308	5
I don't know any thing about worker representative.	109 (22)	545	116 (23)	464	110 (22)	330	62 (12)	124	103 (21)	103	1566	2
Total	500		500		500		500		500			

Note: A scale of six ranks is used. For the reason chosen as first six points are given for the reason chosen as second five points are given and the same descending order is followed.

It is observed 'I am never in contact with worker representative' positioned fourth place with 1368 points and it was ranked 1st by 121 employees and managements, ranked 2nd by 64 employees and managements, ranked 3rd by 59 employees and managements, ranked 4th by 74 employees and managements and ranked 5th by 182 employees and managements. Finally it observed 'I am a worker representative' ranked fifth place with 1308 points and it was ranked 1st by 39 employees and

managements, ranked 2nd by 88 employees and managements, ranked 3rd by 122 employees and managements, ranked 4th by 144 employees and managements and ranked 5th by 107 employees and managements.

6. CONCLUSION:

This study examined the effects of union-management cooperative programs on productivity, Profitability, decline in industrial conflicts like strikes, lockouts, man-days lost and employee turnover over a period of time. The authors collected data for 32 Ferro Alloy manufacturing plants and 9 Jute Industries at monthly time intervals over a period of One year after the introduction of the cooperative program. Factor analysis with help ranking of these time-series data is supplemented by qualitative data from personal interviews and relevant records. The results show that after introduction of the Union-management programs, positive results observed in 27 of the 41 firms.

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