

# Industrial Relations in Transport Sector in Karnataka - An Economic Analysis

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## **Abstract**

Transport plays a pivotal role for the activity concerned with the movement of men and materials from one place to another. Transport is the nerve centre of economic system. It plays an important role in the development of economy and civilization. In a vast country like India transport occupies a very important place. Modes include air, rail, road, water, cable, pipeline, and space. Vehicles traveling include automobiles, bicycles, buses, trains, trucks, people, helicopters, and aircraft. Transport plays an important part in economic growth and globalization, but most types cause air pollution and use large amounts of land. Thus transport is regarded as civilization. The public bus transport in Karnataka is managed by the Karnataka State Road Transport Corporation (KSRTC). In this regard the present paper deals with the transport leads to economic development in Karnataka and analyses what are the problems faced by the transport sector, finally suggests that how to overcome from the problems.

*Key words:* Industrial Relations, State Transport Sector, An Economic analysis.

## **Introduction**

Transportation plays a pivotal role in India in bringing about greater mobility both within and between rural and urban areas. Through increased mobility it also contributes immensely to social and economic development of different regions of the country. In India, as in many other parts of the world, investment in road transport is treated as a part of public provision of services whereby one of the key objectives of this provision has been to meet the social obligations of an affordable, safe and reliable bus service to the people (Transport Research Wing, 2002). Accordingly, the Road Transport Act 1950 enabled States and Central Governments to take initiative to form the Road Transport Corporations. Similarly, the Motor Vehicles Act 1950 was subsequently amended to make special provision for State Transport Undertakings (STUs). This Act was further amended in 1969 for promoting State monopoly in passenger road transport services. Before independence Private Bus services were dominating in Karnataka State. But in 1948 the Mysore Government Road Transport Department (MGRTD) was performed with a fleet of 100 buses by the Royal Family,

Mysore state. Karnataka State Road Transport Corporation is a public undertaking in Karnataka under Public sector. KSRTC was set up under the “Road Transport Corporation Act 1950” in the year 1961, with the objective of providing “adequate, efficient, economic and properly coordinated road transport services”. The North Eastern Karnataka Road Transport Corporation (NEKRTC), is a state run bus service of Karnataka, India. It serves routes to towns and cities in the North-Eastern part of Karnataka and the states of Telangana, Andhra Pradesh, Maharashtra, Goa and Tamil Nadu. It offers online booking of tickets in association with KSRTC, its parent organisation. NEKRTC was established on 1.10.2000 having been separated from KSRTC for providing "adequate, efficient, economic and properly coordinated road transport services" in the North eastern part of the state of Karnataka. Availability of adequate, safe and comfortable passenger transport facility is a very important index of economic development of any country.

### **Industrial Relations**

The concept of industrial relations has become a critical component of management science after the emergence of factory system. Industrial relations mean relationship between employers and employees in industrial organisations. It is a “Whole field of relationship that exists because of the necessary collaboration of men and women in the employment process of an industry”. In other words, “industrial relations is the composite result of the attitudes and approaches of employers and employees towards each other with regard to planning, supervision, direction and co-ordination with a minimum of human efforts and frictions with an animating spirit of co-operation and with proper regard for the genuine well-being of all members of the organization”.

Industrial relation is that part of management, which is concerned with the manpower of the enterprise. It is closely linked with the personnel management which mainly deals executive policies and activities regarding the personnel aspects of an enterprise. Effective personnel policies facilitate healthy labour management relations, which ultimately result in the effective and economic use of manpower employed in the industry. It is in this context that the concept of industrial relations receives widespread attention in the modern industrial age. As a matter of fact the process of industrial relation aims at ensuring the maximum involvement of workers for the achievement of the corporate objectives with a view to yielding maximum results.

“The concept of Industrial Relations has been extended to denote the Relations of the state with employers, workers and their organizations. The subject therefore, includes individual relations and joint consultation between employers and their organizations and trade unions and the part played by the state in regulating their relations.

Industrial relations are not something which is studied for knowledge for its own sake but is one of the large families of applied subjects, which is directed towards the achievement of a practical purpose. The nature and scope of the study of industrial relations consists of an analysis of how people work together at their work place, an evaluation of differences as well as relations arising among them and how they regulate organizational arrangements for the reconciliation of different interests.

According to International Labour Organisation, the term industrial relations' refers to a "set of relations arising out of the employer-employee relationship in the modern industrial society". Such relationship is however, complex and multidimensional, resting on economic, social, psychological, ethical, occupational, political and legal levels.

Industrial harmony is indispensable for a country's economic progress which in turn leads to greater co-operation between workers and management, better production and productivity and contributes to the overall prosperity of the country.

### **Industrial Relations in India**

In the industrial relations scenario of the country, industrial unrest is rather too much for the low level of development that the country experiences. The number of strikes, lockouts and gheraos has remained quite large. It varies from 1100 to 2700 in between the years 1961 to 1992. The number of workers involved has also been massive running into lakhs, varying from 5 lakhs to over 16 lakhs in the years between 1961 to 1992. As a consequence of the work stoppages which these disputes caused, the number of man-days lost run into millions, varying from 5 millions to over 13 millions in between the years 1961 to 1992.

The reasons contributed to industrial unrest are many and varied. These can, however, be grouped under two broad categories namely economic causes and non-economic causes. Among the economic causes, the most important cause is the demand for more wages. In fact, this has been the single most important factor sometimes giving rise to as many as over one-fourth to two-fourth of the disputes. Another cause has been the strained relations in matters connected with personnel and retrenchment. Together with disputes relating to leave and hours of work, this factor accounts for a quarter to one-third of the industrial disputes.

Besides, there are factors not directly related to the economic matters, although some of these may be indirectly connected with them. One such factor is "indiscipline and violence" prevalent largely in the work places. Its importance as a cause of disputes has varied from time to time because such occurrences are unpredictable and are not inherent in the on-going activities of industrial units. In the

last few years these have accounted for around ten percent of the disputes. Underlying many of the disputes, including economic disputes, are influenced by political factors. Often an internal economic issue is externalized into a political issue at a state / national level. At other times an external political development seeks the participation of labour through high lighting /linking the internal issues with outside forces.

The prevailing atmosphere of labour unrest could be attributed to an utter disregard of certain norms of discipline by a section of trade unions and also by some employers. Such an industrial environment generates a climate of distrust, indiscipline and militancy affecting industrial production and employer – employee relations.

In the recent industrial relations scene bonus also plays a very important role. This would be one of the reasons why the payment of Bonus (Amendment) Act, 1977 receives much attention now days. Many trade unions have expressed their contentment on Government decision of 8.33 per cent statutory bonus. Public services like Railways, Posts and Telegraphs and even Government departments have already started negotiations to emphasize their demand for statutory bonus. They are not satisfied with the statutory provision of bonus at 8.33 per cent or Rs.100/- for each worker whichever is higher.

### **Significance of the Study**

This is a case study of Industrial Relations in Public Passenger Road Transport Industry in the State Transport Undertakings of Karnataka. Of all the factors of production labour is the most important sophisticated and the most difficult to manage and yet it contributes the most to the success of an enterprise. The interactions between the labour and the management make or mar the organizational climate. Sustained peace of the industrial setting goes a long way in the growth of industry as well as the stable development of the economy of the country. A high morale, maximum level of motivation, active involvement in organization activities, a high level of satisfaction, a team spirit with the organization are all reliable symptoms of a content labour force.

An understanding benevolent imaginative and result-oriented management should always aim at creation of such a labour force for industrial peace and prosperity. A high level of absenteeism and turnover of labour, strikes, lockouts resulting in loss of man-day and production are the negative symptoms. An understanding of what factors cause the distress and disputes and of what best can be done to promote a hygienic industrial relations is of no less significance. Such a study of industrial relations, especially in the context of public sector undertakings, has a high-applied value in evolving model industrial relations policies by consensus.

Majority of the Public Road Transport Industry have incurred losses due to poor performance, usage of old vehicles and special concessions given by the Government. The poor financial position also acted as a stumbling block in providing better wages and fringe benefits to the employees. But the employees are more concerned with their salary and wage revision and higher bonus, irrespective of the fact whether the transport corporations earned profit or not.

Good industrial relations are indispensable for increasing the productivity and the profitability of any organizations. In Transport Industry of Karnataka conflicts between labour and management arise due to delay in pay revision, and bonus. There is no proper grievance redressal machinery in each corporation to settle the genuine and legitimate grievances of the workers.

### **Scope of the Study**

Public Passenger Road Transport Undertakings has been chosen as the study unit. The study covers only the Seven Public Passenger Road Transport Corporations in Karnataka. The study does not cover the Private Transport Undertakings mainly because it would be difficult to get an authentic data, also there is no union, and no permanent workers in the private transport industry.

### **Statement of the Problem**

The present study makes an attempt to analyse the nature and composition of industrial relations in the Public Passenger Road Transport Industry of Karnataka and also the factors influencing the industrial relations in the Transport Industry in the study area.

### **Review of Literature**

In order to analyze the industrial relations in STUs of Karnataka, related literature has been reviewed to get an insight into the problem.

R.N.Bose in his book, “Gandhian Technique and Tradition in Industrial Relations”, has highlighted the ways and means of peacefully securing co-operation between the labour and the management. He has suggested educating both the labour and the management to promote the relations.

V.V.Giri in his book, “Industrial Relations”, has stated that where the state intervention is the minimum, the co-operation between the employer and the employees would be the maximum.

M.Gangathara Rao in his book, “Industrial Relations in Indian Railways”, has examined the personnel and union management relations with special reference to the independence period. This study has analysed in detail the problems of railway employees. The study has revealed that the operational efficiency of the railways has increased over the period and the labour productivity has gone up on account of the introduction of the incentive plans. He has also emphasized the necessity for harmonious relations between the workers and the management.

V.P.Michael in his book, “Industrial Relations in India and Workers’ involvement in Management (Analysis and Cases), has discussed the industrial relations against the historical background. He has traced the history of industrial relations in four periods namely.

1. Ancient period (Pre-medieval)
2. Medieval period
3. British period
4. Modern period.

He has analysed industrial relations through various approaches such as psychological, sociological, human relations, ethical and redemptive. According to him political factors, grievance procedure, labour welfare, trade unionism, multi-unionism and collective bargaining are the factors that affect the industrial relations. He has concluded that effective management of human resources is possible only if there is cordial industrial relation in an organization.

B.S.Murthy in his book, “Profiles of Indian Trade Unions (A study in Orissa)”, has pointed out that the growth of labour strength has led to the growth of trade unions to protect the employees and to get better wages, bonus, working conditions and the like. According to him the growth of trade unions has led to marked changes in industrial relations in the State of Orissa and has resulted in intervention by the State Government to regulate the labour -management relations.

Hence, the researcher has made an attempt to analyse the industrial relations in the Public Passenger Road Transport Industry of Karnataka. The study will throw light on the causes for the poor performance of the workers and steps to be taken to promote cordial relationship between labour and management, which in turn will improve the morale of the workers and productivity.

### **Objectives of the Study**

The study has the following specific objectives:

1. To study the history and growth of the State Public Passenger Road Transport Industry in Karnataka;
2. To assess the extent of job satisfaction of the workers in the study unit;
3. To evaluate the factors influencing industrial relations in the study unit;

### **Methodology**

The present research work is a descriptive and analytical study based on empirical observations and comprehensive survey. In order to study the industrial relations in the Public Passenger Road

Transport Undertakings of Karnataka, the researcher has used both primary and secondary data. The Secondary data were collected from both the published and the unpublished sources. Such data were collected from the offices of the Public Passenger Road Transport Industry in Karnataka, journals, newspapers, reports and unpublished Ph.D theses on the subject.

### **JOB SATISFACTION AND WORK BEHAVIOR:**

As per the C.B. Gupta (2008) P.305 The Job Satisfaction is an important for organizational point of view, it is an important element in industrial relations. The level of job satisfaction related to various aspects of work behavior such as accidents, absenteeism, turnover and productivity. There are several studies on relationship between job satisfaction and work behavior. But whether work behavior is the cause or effect of job satisfaction is not clear. It is generally assumed that satisfied employees are more productive. But research reveals no relationship between job satisfaction and productivity. Research on the relationship between job satisfaction and accidents generally shows that satisfied employees cause fewer accidents and most of these studies showed that low absentee employees were more satisfied with their jobs. The less satisfied employees are more likely to quit their jobs than more satisfied employees. After reviewing several studies Bray field and Crockett concluded that job satisfaction did not necessarily imply high performance. Indian studies show the relationship between job satisfaction and productivity showed high productive mill workers were more satisfied with their job.

### **DEFINITION OF THE JOB SATISFACTION**

According to Webster's Dictionary (1986) Job satisfaction is defined as "how well a job provides fulfillment of a need or want, or how well it serves as a source or means of enjoyment".

Importance of Employee Satisfaction for the Organization:

- ✓ Enhance employee retention.
- ✓ Increase productivity.
- ✓ Increase customer satisfaction
- ✓ Reduce turnover, recruiting, and training costs.
- ✓ Enhance customer satisfaction and loyalty.
- ✓ More energetic employees.
- ✓ Improve teamwork.
- ✓ Higher quality products and/or services due to more competent, energized employees.

According to L. M. Prasad (2007) Maslow's Theory proposed that all human beings have a series of needs.[ A. H. Maslow a famous social scientist, has given a framework that helps to explain the strength of certain needs ] The behavior of an individual determined his strongest need. As the more

basic needs are satisfied and individual seeks to satisfy the higher needs. Maslow separates physiological and safety needs as “lower order needs” which are satisfied by external input. “Higher order needs” are the remaining three which are satisfied, predominantly by internal inputs. According to Maslow’s need hierarchy arranged as –

1) **Physiological Needs:** Human beings first try to acquire necessities for their survival. The physiological needs are at the top of the hierarchy because they tend to have the highest strength until they are reasonably satisfied.

2) **Safety Needs / Security Needs:** In the Industrial Society, safety needs may take considerable importance in the context of the dependent relationship of employees to employers. Once the physiological needs are satisfied to a reasonable level it is not necessary that they are fully satisfied and degree of reasonableness is subjective. Other levels of needs become important.

[Peter F. Drucker has suggested that one’s attitude towards security is an important consideration in choosing a job].

3) **Social Needs:** After the first two needs are satisfied, social needs become important in the need hierarchy. When social need become dominant a person will strive for meaningful relations with others. Social needs like belongingness and acceptance and appreciation may be mainly satisfied at work by harmonious teams.

4) **Esteem Needs:** The esteem needs are concerned with self respect. Esteem needs is not obtained through mature or adaptive behavior.

5) **Self-actualization Needs:** Self actualization need for self fulfillment. This is related with the development of intrinsic capabilities which lead people to seek situations that can utilize their potential. Maslow suggests that the various need levels are interdependent and overlapping, each higher level need emerging before the lower level need has been completely satisfied.

## Factors affecting Employee Relations

### Internal Factors

1. Attitudes of management to employees and unions
2. Attitudes of employees to management and unions
3. Attitudes of unions to unions to management and employees
4. Present and likely future strength of unions Effective and agreed procedures for discussing and resolving grievances or handling disputes within the company
5. Inter union rivalries in case of more than one union

### External Factors

1. Militancy of unions- nationally or locally



2. Authority and effectiveness of the employer's family
3. The extent to which bargaining is carried out at national, local or plant level
4. The effectiveness of any national or local procedure agreements that may exist
5. Employment situation nationally or locally Legal framework within which IR exists

### Conclusion:

Public Transport Industry is the major determinant of economic growth of the country. Globalisation coupled with consumer and producer differences, growth in different sectors of economy, change in demography and technology had a terrible impact on our public transport system. Karnataka State Road Transport Industry had a tough time and phasing a crisis. Functioning of the corporation is merely satisfactory the State Transport Undertakings are in a good condition.

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