

# Trade Unions in the Changing Scenario of Industrial Relations - A study

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## Abstract

*Trade Unions are vital institutions in an Industrial Relations System. Since 1991, the IR scenario of the country has been changing. The State Government's industrial policy is mostly favouring to the employers. Decisions are coming for the industries. Their interest is given priority. Unionism representing the ethos of collectivism appears to be getting marginalized. These institutions are still being afflicted by age long maladies like politicization, rivalries. In this context, quest for the future of unions as an industrial as well as socio-political institution is of great importance. And this study addresses to the role of the unions in the changing scenario of IR. It suggests some measures for the consolidation of trade unionism. The views of the union members with regard to Government's role, management's strategy, members' activities and federations' role have been interpreted and analysed. For this, the members of trade unions affiliated to six major federations namely AITUC, INTUC, HMS, BMS, CITU & UTUC have been taken equally. All the unions are functioning in a plant located in Orissa.*

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## Introduction

Industrial Relations System is an integrated system. Its nature and importance is dependant on the changes in the socio, economic, cultural and political system of a country. It is evident from different studies that the post-liberalized period has brought a lot of changes in soft and technical skills of the human resources.<sup>1</sup> The entry of the foreign players to the country, introducing pro-employer industrial policy all has portrayed a different picture of industrial relations.<sup>2</sup> In the tripod of IR, trade union is an important institution. As per the changes in the different aspects of IRS, as a vital body unions have also to undergo certain

changes. This paper addresses to the functional role of trade unions in the changing scenario of IRS and explores measures for their betterment.

Various theories on trade unionism interpret and analyze the importance of unions in an Industrial Relations System (IRS).<sup>3</sup> Bailey (1934) in his study emphasized that the emergence of unions as institutions have to undergo changes in different phases of time.<sup>4</sup> Studies by Harold Crouch (1966) focused the politicization of union activities. He has also pointed out that the unions play a key role in encouraging increased production, maintaining discipline and acting as agents of social welfare.<sup>5</sup>

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Pankert (1992) in reviewing the situation of unions in eleven countries commented that unions in different economic and political circumstances have to pay their attention to national, industry and workplace levels. The role of unions confining only for the betterment of their members shall invite a blink future for unions.<sup>6</sup>

Hyman (2000) has studied that trade union revitalization may need to be embedded in an ideology that defines union purpose in broad and ambitious terms, so that unions can position themselves as more than a narrow interest group. To some extent, the rhetoric of 'social justice' associated with union organization may satisfy its requirement.<sup>7</sup>

Virmani (2000) has highlighted the active role of the State in maintaining the harmony of the industrial relations by taking care of employees through suitable legislations. In this world, it is Government that plays an active role by enacting highly protective legislation for the employees and at the same time puts restrictions on any direct action. He also opines that in the changing scenario, the role of the involved parties in IR has to undergo a drastic change through alternative approaches. Perhaps there will be lesser chances of multiplicity of unions and lesser role of militancy. But the need for trade unions will not be done away with. The role of trade unions may be restricted to social matter than economic and security matter.<sup>8</sup>

Venkat Ratnam (2004) in his study viewed the different aspects covered in industrial relations. He suggested for a new role of trade unions for the betterment of trade unionism in the country. In the

changing profiles and characteristics of employees and paradigm shift in managing work; IR scenario of the industries has undergone a change.<sup>1</sup>

Panda (2006) focused about the challenges being faced by the trade unions. The effects of globalization, new HRM strategies and the changing approaches of State on unionism have been reflected in his study. The study precisely deals with the relationship of unions with different social institutions and the challenges faced by them at such a critical juncture.<sup>9</sup>

In this context, this paper makes an attempt to focus on the role of trade unions in the changing scenario of industrial relations.

## **Objectives of the Study**

### **The objectives are:**

- To study the role of trade unions in the current scenario of industrial relations in an industry.
- To study the opinion of the trade union members on the different aspects of industrial relations
- To provide suggestive measures for the betterment of unions.

## **Methodology**

The study is confined to the trade unions functioning in a Steel manufacturing industry in the State of Orissa. Out of 16 unions functioning in the industry (List of unions given in Annexure-II), 6 unions being affiliated to different

central trade union federations namely; AITUC, INTUC, HMS, BMS, CITU & UTUC have been selected. Ten members of each union have been administered both the close ended & open ended questionnaire. Questionnaire, convenient random sampling and descriptive statistical methods have been applied in this study. The questionnaire is based on four aspects of industrial relations as: Government Policy, Management policy, Trade union functioning of trade unions & federations. On the response sheets age, occupational

experience and union experience have been given. The average (Mode) opinion for every category has been obtained. Cross tabulations of their opinions with respect to the factors age, job experience and union experience have been taken.

### Date Analysis and Interpretation

The response of the trade union members is given in different tables followed by its interpretation. The questionnaire is given in the Annexure-I.

**Table 1 : Opinion on Govt. Policy based on Age**  
**Age \* Opinion on Govt. Policy Cross-tabulation**

Count	Opinion On Govt.Policy					Total
	1.00	2.00	3.00	4.00	5.00	
Age 1.00	1	15	0	0	1	17
2.00	0	18	1	3	1	23
3.00	1	17	1	0	1	20
<b>Total</b>	<b>2</b>	<b>50</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>60</b>

**Table 2 : Opinion on Govt. Policy based on occupational Experience**  
**exper \* Opinion on Govt. Policy Cross-tabulation**

Count	Opinion On Govt.Policy					Total
	1.00	2.00	3.00	4.00	5.00	
exper 1.00	0	4	0	0	0	4
2.00	1	12	0	1	2	16
3.00	1	34	2	2	1	40
<b>Total</b>	<b>2</b>	<b>50</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>60</b>

**Table 3 : Opinion on Govt. Policy based on Union Experience**  
**Union Experience \* Opinion on Govt. Policy Cross-tabulation**

Count		Opinion on Govt.Policy					Total
		1.00	2.00	3.00	4.00	5.00	
Union	1.00	0	11	0	0	2	13
Experience	2.00	1	17	1	1	0	20
	3.00	1	22	1	2	1	27
<b>Total</b>		<b>2</b>	<b>50</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>60</b>

The above tables (Tab-1,2 & 3), reveal that most of the employees are not satisfied with the Govt. policy with respect to labour. A major chunk of them opined that such policy is favourable more to the employers than the labour/unions. The decisions by the tripartite bodies are not implemented for the betterment of labor. The respondents of all age group mostly viewed that Government's role in the changing scenario of international business is not justified.

**Table 4 : Opinion on Management Policy based on Age**  
**Age \* Opinion on Management Policy Cross-tabulation**

Count		Opinion On Management.Policy			Total
		1.00	2.00	4.00	
Age	1.00	0	17	0	17
	2.00	1	21	1	23
	3.00	0	20	0	20
<b>Total</b>		<b>1</b>	<b>58</b>	<b>1</b>	<b>60</b>

**Table 5 : Opinion on Management Policy based on Occupational Experience**

**Exper \* Opinion on Management Policy Cross-tabulation**

Count		Opinion On Management.Policy			Total
		1.00	2.00	4.00	
Age	1.00	0	4	0	4
	2.00	0	16	0	16
	3.00	1	38	1	40
<b>Total</b>		<b>1</b>	<b>58</b>	<b>1</b>	<b>60</b>

**Table 6 : Opinion on Management Policy based on Union Experience  
Union Experience \* Opinion on Management Policy Cross-tabulation**

Count		Opinion On Management.Policy			Total
		1.00	2.00	4.00	
Union	1.00	0	13	0	13
Experience	2.00	1	18	1	20
	3.00	0	27	0	27
<b>Total</b>		<b>1</b>	<b>58</b>	<b>1</b>	<b>60</b>

The above tables (Tab-4, 5 & 6) reveal that members are not satisfied with the management's strategy towards union. It is not favorable for the smooth functioning of unions. Management does not encourage workers participation in management to the fuller extent. Majority of the respondents are of the view that

Management neither gives special status to the recognized unions nor neutral role is maintained during the process of determining recognition status of unions.

Some of the members having less than 5 years of union experience favoured management policy.

**Table 7 : Opinion on Functioning of Trade Unions based on Age  
Age \* Opinion on Functioning of Trade Union Cross-tabulation**

Count		Opinion on Functioning of Trade Unions					Total
		1.00	2.00	3.00	4.00	5.00	
Age	1.00	1	9	0	7	0	17
	2.00	1	8	3	11	0	23
	3.00	1	6	0	12	1	20
<b>Total</b>		<b>3</b>	<b>23</b>	<b>3</b>	<b>30</b>	<b>1</b>	<b>60</b>

**Table 8 : Opinion on Functioning of Trade Unions based on Occupational Experience**

**Exper \* Opinion on Functioning of Trade Unions Cross-tabulation**

Count		Opinion on Functioning of Trade Unions					Total
		1.00	2.00	3.00	4.00	5.00	
Experience	1.00	0	1	0	3	0	4
	2.00	0	9	0	7	0	16
	3.00	3	13	3	20	1	40
<b>Total</b>		<b>3</b>	<b>23</b>	<b>3</b>	<b>30</b>	<b>1</b>	<b>60</b>

**Table 9 : Opinion on Functioning of Trade Unions based on Union Experience  
Union Exper \* Opinion on Functioning of Trade Unions Cross-tabulation**

Count	Opinion on Functioning of Trade Unions					Total
	1.00	2.00	3.00	4.00	5.00	
Union 1.00	0	7	0	6	0	13
Experience 2.00	1	6	3	10	0	20
3.00	2	10	0	14	1	27
<b>Total</b>	<b>3</b>	<b>23</b>	<b>3</b>	<b>30</b>	<b>1</b>	<b>60</b>

The union members having 0-5 years & 5-10 years experience viewed that majority of the decisions are being taken by leaders. Whereas the members having more than 10 years experience have given contrast view point to the other two groups. But almost all of them agree that unions are facing many problems in the post

liberalized period. Members are being supported by the leaders are being focused by around fifty percent of the respondents. Comparatively better skilled and qualified members takes decisions in union meetings is being agreed by around fifty percent of the total respondents.

**Table 10 : Opinion on Functioning of Federations base on Age  
Age \* Opinion on Functioning of Federations Cross-tabulation**

Count	Opinion On Functioning of Federations			Total
	2.00	3.00	4.00	
Age 1.00	11	3	4	18
2.00	12	0	10	22
3.00	5	0	15	20
<b>Total</b>	<b>28</b>	<b>3</b>	<b>29</b>	<b>60</b>

**Table 11 : Opinion on Functioning of Federations base on Occupational Experience  
Exper \* Opinion on Functioning of Federations Cross-tabulation**

Count	Opinion On Functioning of Federations			Total
	2.00	3.00	4.00	
Experience 1.00	3	2	0	5
2.00	10	1	4	15
3.00	15	0	25	40
<b>Total</b>	<b>28</b>	<b>3</b>	<b>29</b>	<b>60</b>

**Table 12 : Opinion on Functioning of Federations base on Union Experience  
Exper \* Opinion on Functioning of Federations Cross-tabulation**

Count	Opinion On Functioning of Federations			Total
	2.00	3.00	4.00	
Unon 1.00	8	3	2	13
Experience 2.00	12	0	8	20
3.00	8	0	19	27
<b>Total</b>	<b>28</b>	<b>3</b>	<b>29</b>	<b>60</b>

The above tables (10,11 &12) show that the employees having union experience of 0-5 & 5-10 years are not having positive opinion regarding better functioning of federations. The other group is having positive opinion regarding role and functioning of federations in a better way. Some of the respondents having less than five years union experience have favoured the functioning of the federations and role of the federations is for the betterment of the unions. Some of the members having more than 10 years occupational experience opined negatively about the role and functioning of different trade union federations.

## Findings

On the basis of the opinion of the respondents the findings of the study are as follows.

- a. More than half (55%) of the respondents have stated that Govt. policy is favouring more to the employers than labour.
- b. Around one-fourth of the respondents have highly agreed about the Govt.'s pro-employer industrial policy. The policy is considering the interest of the covered industrialists.
- c. Eighty one per cent (appx.) of the respondents are not satisfied with the implementation of various decisions of the tripartite bodies.
- d. Most of the respondents excepting few young union members (respondents) have agreed that the Govt. policy is discouraging trade unionism. The rights of the workers, union for right of association all are not given importance by the Govt. Rather attempts are being taken by the appropriate Govt. for curtailing the rights of the labour. And it is reflected in the proposed labour law reforms.
- e. Almost all the respondents viewed that labour unions are not getting encouragement from the labour machineries. For the protection of labour rights, early disposal of disputes, taking remedial measures for the betterment of labour; the concerned machinery of the State has to take more responsibility. But their activities are to be accelerated.
- f. Most of the members have viewed that the Govt. policy is not considering the interest of the labour so much; rather the policy favours the interests of the industrialists. And they are also of the view that management is not providing better environment for the smooth and democratic functioning of the unions in the plant.
- g. Around ninety per cent of the respondents have viewed that cordial relationship between labour and management in the plant is lacking. They have pointed out that leaders take a major role in decision taking process in union.
- h. Three-fifth of the members are critic about the functioning of federations. They have viewed that the policy, role and methods adopted by the federations are for their vested interest than for the labour. But rest members especially the members having more than ten years experience have favoured the functioning of the federations. According to them, these central and state union federations have been doing orientation, leadership development programmes for the industrial unions. They are also working for the betterment of the unorganized labour.

In the post-globalized phase, the plant has resorted to innovative management practices. The State Government's policy towards labour has been changing and is looking for the interests of the industrial houses more than the interests of the labour. Management is considering the economic condition of the industry more than other issues. It is in order to have a better market leadership. Some federations are functioning with new agenda.

### **Suggestions**

Many of the respondents have suggested for the change in activities of unions and their federations. The union leaders have to function for the betterment of the members which is possible by involving them in the decision making process. The democratic style of leadership has to be felt in as well as to be spelt out. The Government policy though seems to be economically vital but in no way the problems of the labour should be compromised. The human face of globalization should be reiterated. Giving rights to the recognized union, management tolerance to unions, encouraging workers' participation in management schemes, imparting training for the employees on leadership, innovative IR practices, challenges before the industries would bring a harmonious relationship in the industry. The union has to work as per the dynamics of the different actors and their activities in the concerned industry.

### **Conclusion**

In this dynamic and competitive environment, there is no unique strategy which can yield better results for an industry throughout its life cycle. All organizations including trade unions have to incorporate changes which are endemic in nature. Trade Unionism is a composite representation of the workers' associations in the industry having an interactive relationship with other socio, economic and political institutions of the country. Industrial Relations System is a relationship among Govt., Management and unions. As an integrated one, any change in of the policies, activities either of Govt., management or federation has equal impact on the functioning of the trade unions. And accordingly unions have to work. They have to alter their strategies, reframe their agenda and redefine their role as an institution of HRD. By developing skill of the members, creating competitive spirit among the employees and functioning as an economic institution, there would be a better future for the unions. They have to work for strengthening the economic status of the industries on priority basis. Their efforts to come out from the problematic political and rivalry issues are welcome. As a strategic business partner in the industry, their changing role in the changing scenario of industrial relations is essential for their better future. Similar studies could explore the avenues for strengthening trade unionism not only as a vital institution of the industry but also as a development organization of the society.



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## Annexure-I

### Questionnaire on Trade Unions in the changing scenario of Industrial Relations

#### I. Age of the Respondent

\_\_\_\_\_

Occupational Experience in years

\_\_\_\_\_

Union Experience in years

\_\_\_\_\_

Kindly mark one of the five responses by circling the number that corresponds to the response that fits to your opinion. Your identity shall be kept confidential and the response shall be used for academic purpose only.

**1—Highly Disagree**

**2—Disagree**

**3—Neutral**

**4—Agree**

**5—Highly Agree**

<b>Sl.No.</b>	<b>Statement</b>	<b>Response</b>
1.	The Government policy is favouring to employers more than the employees	1/2/3/4/5
2.	The decisions by the tripartite bodies are implemented for the betterment of labour.	1/2/3/4/5
3.	Government's steps in IR are encouraging trade unionism.	1/2/3/4/5
4.	Labour machineries are strengthening the moral power of the workers.	1/2/3/4/5
5.	Government's role in the changing scenario of international business is justified.	1/2/3/4/5
6.	Management's strategy towards unions is favourable for the smooth running of union functions.	1/2/3/4/5
7.	Management encourages workers' participation in management.	1/2/3/4/5
8.	Management gives special status to the recognized unions as per the statute.	1/2/3/4/5
9.	Management plays a neutral role in the process of determining recognition status of unions.	1/2/3/4/5
10.	Union-management relationship in the plant is cordial.	1/2/3/4/5
11.	Members are heartily supporting the leaders.	1/2/3/4/5
12.	Union is functioning as per the democratic norms.	1/2/3/4/5
13.	Comparatively, better skilled and qualified members take decisions in union meetings.	1/2/3/4/5
14.	Majority of the decisions are being taken by leaders.	1/2/3/4/5
15.	Unions are facing many problems in the post-liberalized period.	1/2/3/4/5
16.	Federations are functioning more for their own interest than for the union members.	1/2/3/4/5
17.	Federations are bringing changes in the approaches of unions to meet the changes of globalization.	1/2/3/4/5
18.	Federations' roles for the qualitative development of the unions are encouraging.	1/2/3/4/5
19.	Federations are considering the social interests in framing their agenda.	1/2/3/4/5
20.	Federations are more concerned about the political issues than industrial issues.	1/2/3/4/5

## II. Suggestions for better unionism

### Annexure-II

#### Unions in Rourkela Steel Plant , Rourkela

Sl. No.	Unions Functioning in the industry	Registration no.	Date of Registration	Affiliation Status	Claimed Membership Strength	Total Workforce in the Industry
1.	Rourkela Mazdoor	169-RKL	16.12.1955	HMS	9876	
2.	Rourkela Workers Union	203-RKL	20.05.1957	UTUC	12762	
3.	Hindustan Steel Workers Association	253-RKL	10.09.1959	Independent	632	
4.	Rourkela Ispat Karakhana Karmachari Sangha	674-RKL	06.01.1971	BMS	6335	
5.	Steel Employees Trade Union	789-RKL	01.09.1971	CITU	2267	
6.	Rourkela Steel Plant Thikadar Mazdoor Union	866-RKL	24.07.1974	AITUC	235	
7.	Hindustan Steel Works Construction Employees Union	948-RKL	31.07.1975	HMS	37	
8.	Association of SAIL Employees	1024-RKL	27.09.1976	Independent	35	
9.	Rourkela Shramik Sangha ®	1-RKL	01.10.1988	INTUC	16497	
10.	Ispat Labour Union	83-RKL	24.02.1997	Independent	2575	
11.	Rourkela Contractors Workers Union	95-RKL	03.09.1997	CITU	611	
12.	Rourkela Shramik Panchayat	97-RKL	28.10.1997	Independent	1335	
13.	Ispat Contractors Association	99-RKL	12.12.1997	Independent	141	
14.	Steel Employees Association	128-RKL	20.11.2001	Independent	63	
15.	Employees Progressive Association	131-RKL	13.02.2002	Independent	63	
16.	Kalinga Ispat Shramik Sangha	149-RKL	08.07.2004	Independent	129	
<b>Total Number of Unions : 16</b>			<b>Total Claimed Membership Strength</b>		<b>53657</b>	<b>27991</b>

® indicates the recognised union. Source: Data collected from unions