

**UNION-FREE PLANT PARADIGM IN 21ST CENTURY OF INDIA – AN
ANALYTICAL STUDY**

Dr. D. Govindappa,

Assistant Professor,

Govt. Maharani's Arts, Commerce and Management College for Women, Seshadri Road,
Bangalore, India.

Mrs. V. Manjula,

Asst. Professor (Research scholar, Bharathiar University).

Seshadripuram Academy of Business Studies, Kengeri Satellite Town, Bangalore, India.

Dr. S. Nagabhushana,

Post Doctoral Fellow,

Department of Commerce, Bangalore University, Bangalore ,India.

ABSTRACT

The first decade of the 21st century witnessed a series of conflicts in renowned transnational's as well as their ancillaries in India. Although nearly all these corporations have been characterized by excellent technical capabilities, reached great heights in efficiency, and attained excellence in several areas, they are facing serious problems in their relations with their employees and unions (where present), especially as worldwide recession tightened its grip on the businesses. There is also a demonstrated inability on the part of the multinationals (except MCPI) to handle conflicts bilaterally and they are taking recourse to the state Industrial Relations machinery or government ministers. The MNCs are taking advantage of states' support for industrialization and suppression of unions, as in Haryana. But such recourse is also inviting politicization. MCPI's union avoidance strategy has been fine-tuned for the location it is in and till now appears to have been reasonably successful. However, there appear to be chinks in its armor, and the fact that this has not been replicated in other MNCs across India, indicates the

delicacy of the strategy. This paper highlights how non-union companies maintain a harmonious industrial relations and how the knowledge workers communicate with these companies to solve the disputes.

Key words: harmonious industrial relations, professionals, specialists, collective bargaining, retention, empowerment etc.

Introduction

Many businesses are far from proficient when it comes to deploying and engaging with knowledge- and skilled workers around the world. Further, demographic issues vary by country, suggesting that it really is no longer sufficient to implement one talent strategy – or one product strategy – globally.

The interplay between talent and work in the 21st century is evolving rapidly, and so should our views on how we lead and how we think about talent challenges. Generational changes and a global workplace transformed by technology are putting stresses on the traditional models. But, in almost any way I can think of, this new, flat and hyper-connected, work-anywhere world is shaping up to be a fascinating and creative place. It is different. And it demands more of us as creators, collaborators, professionals, specialists, producers, managers and leaders. It is an exciting time for those comfortable with new ideas. I believe the articles we have collected in this volume offer a taste of the opportunities awaiting those who see the chance to change how we think about talent and work in new, different, and hopefully increasingly impactful ways. Talent management and retention need to be viewed as a *global* art and science. Part of successfully managing the talent paradox is making sure that organizations that want to compete around the world have a global portfolio of employees, e.g., employees with the right skills in the right countries.

A targeted retention strategy can help companies navigate the talent paradox through an increasingly sophisticated view of what employees are looking for, what they value and why they are leaving. If a company can better understand why employees are leaving, it can take the requisite actions to get them to stay— in effect, creating a retention firewall to keep employees in and competitors out. Software engineers are one area where companies' inability to keep and find the engineering talent they need is impacting their ability to create new products. The role of

trade unions has changed significantly over the past 30 years. Global competition, a growing trend in outsourcing, legal constraints, and employer sponsored forms of employee participation have combined in precipitating a significant fall in union membership and the coverage of collective bargaining. The coming decade promises to be equally challenging for the trade union movement. How they respond to the challenges and opportunities over the next few years will be crucial in determining their level of influence at work and beyond in the future. The rise in employer-sponsored forms of employee participation and representation is also symptomatic of this trend. Over the past quarter century there has been a large increase in the proportion of workplaces using non-union worker voice mechanisms (from 16 per cent in 1984 to 46 per cent in 2004).

It is not mandatory for managements to have union/recognize the unions (except in some states/engage in collective bargaining in Indian law. But management should not follow anti-union policies. Union avoidance is legal, but union evasion is not legal. Almost all software companies in India do not have unions. A large number of Greenfield manufacturing units and many service industries also do not have unions. The non-union firms emphasize parallel production, outsourcing etc. They reengineer skill-age-mix such that there are fewer blue-collar and more white-collar, professional workers. Knowledge workers and professionals compete amongst themselves and therefore, the lateral trust among them tends to be usually low for the purpose of seeking uniformity in remuneration and benefits. Non-union firms treat their employees better than the unionized companies in the industry. They usually believe in direct communication with workers rather than through unions, direct participation, involvement and empowerment of employees.

The practice of employment relations varies considerably between smaller and larger workplaces. It also varies between different sectors of industry, and between the private and the public sectors in particular. The industrial relations at workplace level can also be determined by the policies and procedures established at a higher level in the organization. The employees of BPO, ITBT, ITES etc., think that unions as unnecessary as their work schedules and the highly modernized self-contained work islands they inhabit. The employees employed in IT/BPO-ITES are a class apart since they regard themselves white collar workers. They left to their own devices to meet the challenges imposed by the group in the west. The emergence of Officers'

Associations in the public sector is relatively a new happening, whereas these associations have existed in the banking industry and insurance companies for fairly long time. In Western Europe, officers are organized in almost all countries, and also it predominates in the public sector.

At present, there is hardly any public sector undertaking or establishment where officers are not organized and have their association. Even the secretariat staffs are not averse to adopt trade union methods to ventilate their grievances. Officers of the Central Government have formed confederation of their Officers' Associations. The National Federation of Officers' Association is reported to be striving for statutory recognition of Managers Association. Sometimes back, more than a thousand engineers, doctors, scientists, economists and educationists in the Central Government service marched to the Prime Minister's office and submitted a memorandum containing their grievances and demands.

Statement of the Problem

Since workers come to the factory with varying backgrounds, it is difficult for them to present a joint front in case of trouble. Employers exploit the situation, under the circumstances, by dividing the workers on the basis of race, religion, language, caste etc. But in case of non-union firms, the management truly believes that human beings are not mere resources but are the source and true asset of the company. The management has full trust and confidence on its workforce, and there is complete transparency in all process. To build a long-run relationship with the employees the management is giving them the much needed growth as the company grows.

Scope of the Study

The study will be emphasized on how union-free plants increase the performance or productivity of the employees in Bharath Earth Movers Limited in Bangalore city. Organizational commitment is a force that binds an individual to a course of action of relevance to one or more targets. Knowledge workers and professionals compete amongst themselves; negotiate with the organization to solve the problems. The study can further be extended to other geographical areas in Indian scenario and in other sectors as well.

Objectives of the Study

- ☛ To study the industrial relations in the company.
- ☛ To study the satisfaction level of the employees with pay and perks/pay packet.
- ☛ To study the decision-making process in the company.
- ☛ To know the productivity level in the organization.
- ☛ To study the remedial measures implementing by the organization to solve the problems.

Hypothesis

- ✚ The employees will be treated as real assets of the company.
- ✚ There is a direct positive relationship between management and employees
- ✚ The company treats their employees better than the unionized companies.
- ✚ Top management holds communication meeting with the employees once in 6 months to increase the productivity/efficiency.
- ✚ Lack of good working facility leads to strained relationship between employer and employees.

Research Methodology

The present study mainly depends on primary data and it is empirical in nature adopting simple random sampling technique. Data was also collected from secondary sources like articles and papers published in journals and other publications in order to support the primary data analysis.

Sampling Method

The method of sampling used in this study is simple random sampling technique. The sampling size of 50 respondents has been selected using simple random sampling technique.

Tools for Analysis

Appropriate statistical tools like graphs, diagrams, percentage, tabulated sheet etc. would be employed for the analysis of the collected data and conclusions arrived thereby.

Literature Review

Public sector has been the main focus of attention in most of the general and historic studies. Karim and Mathur have given a good analysis of the issues of industrial relations in public sector and have recommended various direct and indirect measures to bring about harmonious relations between the labor and the managements. De, analyzed whether such state of industrial relations do exist in enterprises as will facilitate the continued fulfillment of its stated objectives and concrete goals. He suggested the basis for determination of and the role of the bargaining agent, establishment of integrative collective bargaining relationship, development of performance-based reward system as part of action plan for effective industrial relations in the public sector. Gardner& Pierce, and Mathieu, Hofman &Farr (1993) found that although a variety of factors might contribute to job satisfaction for most workers, the connection between such factors and job satisfaction may not be a direct link. Job satisfaction may be mediated by the perception of the individual workers. This is because different employees may perceive the same job differently, and it is those individual perceptions that determine whether or not an employee is satisfied with the job.

Sodhi, examined the response of the three main actors in I R, highlights the challenges and opportunities which have come up with the new economic policies. The analysis showed that the response of the management is positive and the trade unions have reacted against the policies. The State is announcing policies, but is showing a weak commitment to their implementation. He warns that with the introduction of various economic policies, the trade unions may not survive in their traditional role. Das argued that trade unions are not really industrial organizations in the Indian situation. They are loosely –knit protest committees, with weak structure and finding themselves in very difficult situations relating to positive decision-making and needing to be bailed out either by the management, political parties or the Government. They enjoyed the vested interests in the “fruits of backwardness” which has dominated the stances of almost all the political parties in the country.

Data Analysis and Interpretation

Table – I: Demographic Profile of the Respondents

Criterion	Demographics	Frequency	Total %
------------------	---------------------	------------------	----------------

Criterion	Demographics	Frequency	Total %
Age	25-35 years	4	8
	35-45 years	4	8
	45-55 years	34	68
	55-65 years	8	16
	Total	50	100
Sex	Male	46	92
	Female	4	8
	Total	50	100
Educational Qualification	Undergraduate	7	14
	Postgraduate	30	60
	Chartered accountant	6	12
	Associate company Secretary	3	6
	ICWA	4	8
	Total	50	100
Designation	Company Secretary	4	8
	Asst. Manager	4	8
	Personal Assistant	6	12
	Senior Manager	4	8
	General Manager	2	4
	Asst. Gen. Manager	6	12
	Manager	10	20
	Officers	14	28
	Total	50	100
Department	Finance Dept.	16	32
	Accounts Dept.	10	20
	Legal Dept.	2	4
	Public Rel. Dept.	2	4
	Metro rail Dept.	2	4
	Taxation Dept.	2	4
	Aerospace Dept.	4	8
	Export Dept.	2	4
	Audit Dept.	10	20
	Total	50	100
Tenure	1-10 years	6	12
	10-20 years	36	72
	20-30 years	8	16
	Total	50	100

Source: Field Survey

The above table presents the demographic data of the respondents. The age of the respondents identified from 4 different categories. Out of 50 respondents, 8% of the respondents are in the age group of 25-35 years, 8% of the respondents are in the age group of 35-45 years, 68% of the respondents are in the age group of 45-55 years and 16% of the respondents are in the age group of 55-65 years. It shows that 68% of the respondents are in the age group between 45-55 years who are well experienced personnel. The above table shows the gender of the respondents. Out of 50 respondents 92% of the respondents are male and only 8% of respondents are female employees. It shows that there are more number of male employees as it requires hard work. Coming to the educational qualification out of 50 respondents, 60% of the respondents are post graduates followed by that 14% of the respondents are undergraduates, 12% of the respondents are Chartered Accountants, 8% of the respondents are Cost and Works Accountants, followed by this 6% of the respondents are Company Secretaries.

As shown in the above table the various departments where the employees are working are 32% of the respondents are from Finance department. Followed by that 20% of the respondents are from both Accounts department and Audit department, 8% of the respondents are from Aerospace department, followed by that 4% are from Legal department, Public relations department, Metro rail department, Taxation department and Export department respectively.

As shown in the table 1, the occupation/designation of the respondents consisted of 8% Company Secretaries, 8% Assistant Managers, 12% Personal Assistants, 8% Senior Managers, 4% General Managers, 12% Assistant General Managers, 20% Managers and 28% Officers.

The above table also shows the number of years of service/tenure in a particular company i.e. 72% of the respondents have the service tenure between 10-20 years, followed by that 16% of the respondents are between 20-30 years and 12% of the respondents are between 1-10 years.

Table II: Tabulation Sheet (in percentages)

Particulars	1	2	3	4
Does your company identify the problem of workers and implement remedial measures?	100	0	-	-
Do you have a cordial relationship with the management?	96	4	-	-
Do you have grievance redress cell to approach if you have any conflicts?	84	16	-	-

Particulars	1	2	3	4
Do you think efficiency and effort should be identified by the management?	84	0	16	-
Do you think an accurate and reliable performance evaluation process should be there in the organization?	96	0	4	-
What do rate the working conditions of your company?	0	96	4	0
Do you agree there is a positive relationship between pay and performance?	84	8	8	-
Does your company solve employee disputes in minimum period?	68	20	12	0
Lack of good working facility lead to strained relationship between employer and employees. Do you agree?	88	4	8	-
Is your company provided safety measures to you?	100	0	-	-
What is the management attitude towards the employee safety?	0	92	8	0
What type or administration do you prefer in your organization?	64	36	-	-
How do you rate your job?	32	16	32	20
What is your opinion about whether your company requires trade union or not?	60	36	4	-
Does your company have Reward and Recognition for employee value?	52	48	0	-
Whether the leadership practices in your company are enhancing your satisfaction in your job?	64	36	0	-
Whether the working life balances with your family life?	92	8	0	-
Does your company provide an opportunity to take part in decision-making?	60	40	0	-
Does your company provide job security?	52	48	0	-
Does your company is implementing steps for improvement in productivity with group meetings?	72	28	0	-
Are you satisfied with the pay packet you are getting?	96	4	0	-
How often you will interact with the management?	60	40	0	-
In case of strike/lockout and layoff who will represent the management to solve the dispute?	56	24	20	-

Particulars	1	2	3	4
Do you have shift system in your organization?	40	60	-	-
Do you have AMC packages for your equipment?	30	70	-	-
Are you satisfied with the present conditions of perquisites you are getting?	88	4	8	-

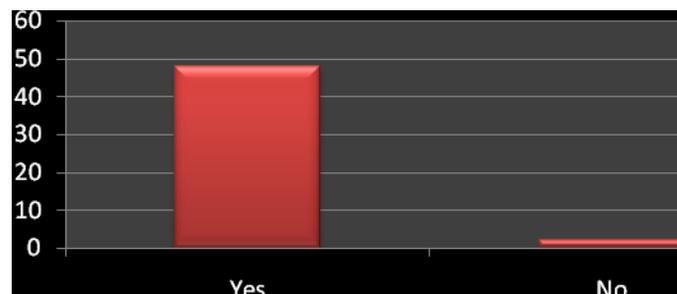
Table III: Table showing the cordial relationship between employer and employees

Sl. No.	Answer	Frequency	Percentage
1	Yes	48	96%
2	No	02	4%
	Total	50	100

Source: Field Survey

The above table depicts that out of 100% respondents, 96% of the respondents said there is a cordial relationship between employer and employees' and 4% of the respondents said that there is no cordial relationship between employer and employees. It shows that the company is maintaining a good relationship with its employees to increase the performance/productivity of the company.

Graph 1: Graph showing the cordial relationship between employer and employees



The above graph shows that the majority i.e. 48 respondents said that there is a cordial relationship between employer and employees in the company.

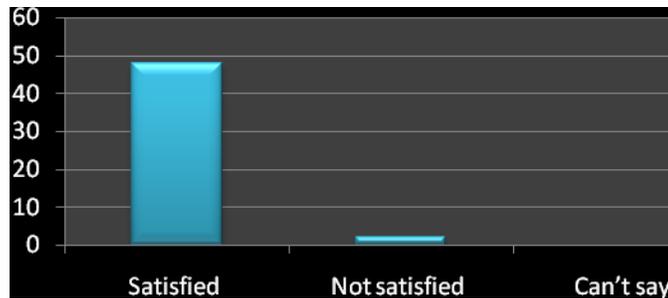
Table IV: Table showing the satisfaction level of employees with pay packet

Sl. No.	Answer	Frequency	Percentage
1	Satisfied	48	96%
2	Not satisfied	02	4%
3	Can't say	00	0%
	Total	50	100

Source: Field Survey

The above table shows that out of 100% of the respondents, 96% of the respondents satisfied with the pay and perks/ pay packet of the company and 4% of the respondents are not satisfied with the pay and perks/pay packet providing by the company. It shows that the maximum number of employees is satisfied with the pay packet giving by the company.

Graph 2: Graph showing the satisfaction level of employees with pay packet



From the above graph we can identify that majority i.e. 48 respondents are satisfied with the pay packet.

Table V: Table showing the decision-making process of the company

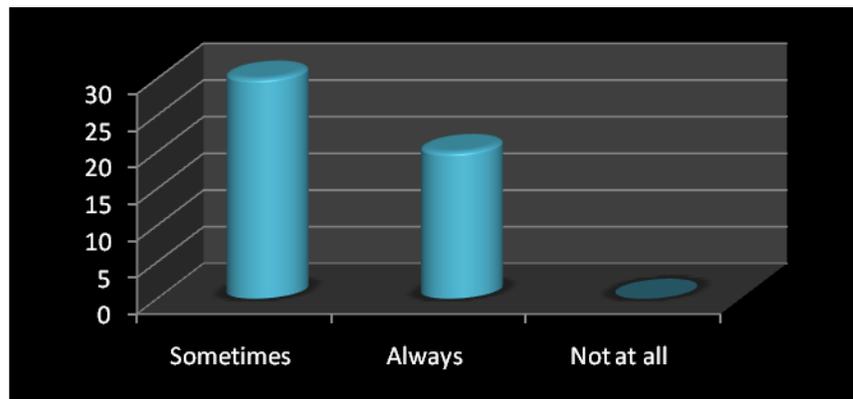
Sl. No.	Answer	Frequency	Percentage
1	Sometimes	30	60%
2	Always	20	40%
3	Not at all	00	0

Sl. No.	Answer	Frequency	Percentage
	Total	50	100

Source: Field Survey

From the above table we can identify that 60% respondents out of 100% respondents agree that sometimes they are participating in the decision-making process and 40% respondents said that they are always participating in decision-making process and none said that they not at all participating in the decision-making process. It shows that the company is providing an opportunity to participate in the decision-making process for the purpose of maintaining good relationship or to improve the performance of the company.

Graph 3: Graph showing the decision-making process of the company



The above graph shows that majority of the respondents 30 out of 50 respondents said sometimes they are participating in decision-making process.

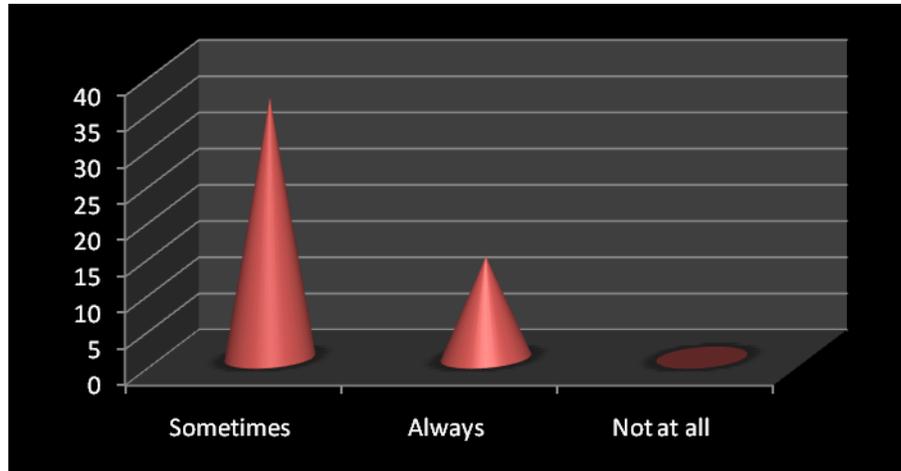
Table VI: Table showing improvement in the productivity level of the company

Sl. No.	Answer	Frequency	Percentage
1	Sometimes	36	72%
2	Always	14	28%
3	Not at all	00	0
	Total	50	100

Source: Field Survey

The above table shows that 72% of the respondents out of 100% of respondents agreed that sometimes they are finding an improvement in the productivity level and 28% of the respondents said that always there is an improvement in the productivity level in the company and none said that there is not at all an improvement in the productivity level in the company.

Graph 4: Graph showing improvement in the productivity level of the company



We can identify from the above graph that out of 50 respondents, majority i.e.36 respondents said that sometimes there is an improvement in the productivity level of the company.

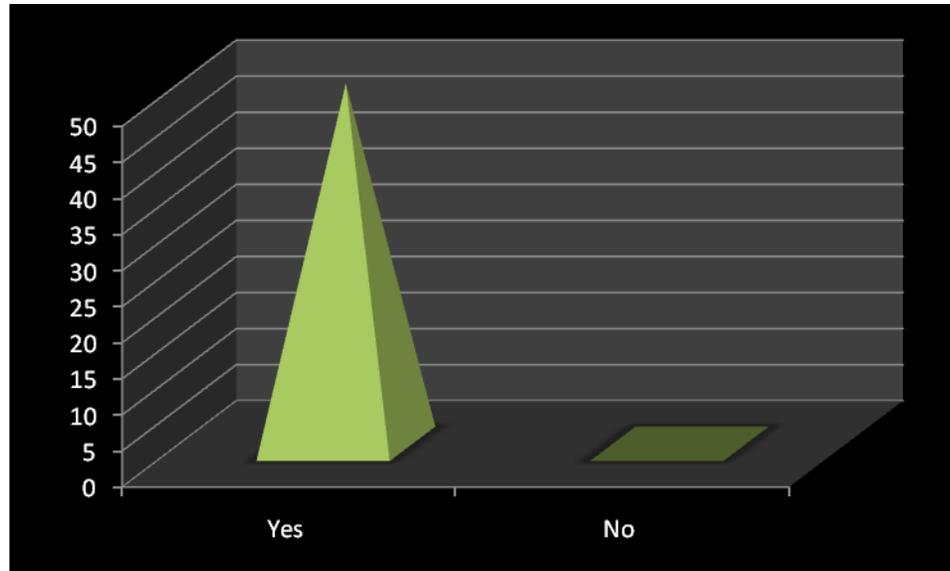
Table VII: Table showing whether the company has taken the remedial measures to solve the disputes

Sl. No.	Answer	Frequency	Percentage
1	Yes	50	100%
2	No	00	0%
	Total	50	100

Source: Field Survey

From the above table we can identify that 100% respondents said that the company will apply the remedial measures to solve the disputes or problems arise in the company and none of the respondents said that the company will not apply the remedial measures to solve the problems or disputes between them.

Graph 5: Graph showing whether the company has taken the remedial measures to solve the disputes



We can identify from the above graph that all 50 respondents said that the company will take the remedial measures to solve the disputes in the company.

Findings

- ✚ It is found that majority of employees are in the age group of 45-55 years.
- ✚ It is found that 60% of the respondents are post graduates.
- ✚ Majority of the employees are in the category of officers in their designation.
- ✚ It is found that out of 50 respondents, 16 respondents are from finance department.
- ✚ We have identified that majority of the respondents are in the service category of 10-20 years.
- ✚ It is found that 96% of the employees are saying there is a cordial relationship between the employer and employees.
- ✚ It is also found that 96% of the employees are satisfied with the pay packet given by the company.
- ✚ It is found that majority of employees are participating in decision-making process of the company.
- ✚ It is found that all the respondents saying that the company is applying remedial measures to solve the disputes.

- ✚ It is also found that majority of the respondents said that sometimes there is an improvement in the productivity level of the company.

Suggestions

- ✓ Strained relationship can be reduced by creating conducive working environment.
- ✓ The company must try to solve the disputes of employees within a short period.
- ✓ The company should identify efficiency and efforts of the employees and they should be rewarded.
- ✓ The company's grievance redress cell should be utilized to the maximum extent to solve the disputes.
- ✓ The workers should be given an opportunity to participate in decision-making opportunity to a maximum extent.
- ✓ The workers should be given a job security.
- ✓ The company should arrange the interaction with the employees often.
- ✓ The company should implement further steps for improvement in productivity with group meetings.

Conclusion

To conclude, the workplace, around which trade unions seek to organize, is where people's values meet the market. The employment contract is not just an exchange of work for pay but a human relationship which should incorporate basic principles of respect and dignity. Furthermore treating people decently is not a cost for business but an investment. Mutual respect by both parties to the employment contract helps to create an environment of trust which is infinitely more productive than one of conflict and suspicion. This applies to both formal employment relationships and the way work is organized in the informal sector, although by definition the latter is more difficult to deal with because contracts are not always recognized and respected. One finds several indications of convergence in MNC operations in India. However, although technical excellence is demonstrated in these companies, there cannot be conclusions about 'best practices' since many of the managerial actions have led to poor employee relations.

References:

- i. Karim, Bazla-Industrial Relations in public undertakings in J&K, *Indian Journal of Industrial Relations* 7(2), 1972. p. 269-274. Reetha Mathur, Industrial Relations in public enterprises, Pratheeksha publications, Jaipur, 1986.
- ii. De, Nithish, R., An action plan for effective Industrial Relations in the public sector, *Indian Journal of Industrial Relations*, 8(3), 1973.
- iii. Gardner, D. G, & Pierce. J. L., Self Esteem and Self Efficiency within the Organizational Context: *Group & Organization Management*. 23, 1998, p. 48-70.
- iv. Sodhi, J. S., New economic policies and their impact on Industrial Relations, *Indian Journal of Industrial Relations*, 29(1), 1993.
- v. Das, S. R. Mohan, Industrial Relations, The coming decades, *Indian Journal of Industrial Relations*, 26(1), 1990
- vi. Sharma, R. Baldev, Managerial Unionism –Implications for Industrial Relations, *Indian Journal of Industrial Relations*, 25(4), 1990.
- vii. Rao, E. M and Patwardhan, Vikrant, Indian Trade Unions-on the brink of extinction?, *Personnel Today*, July-September 1998. p. 17-25.