Block-II

Trade Unionism

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UNIT 6 DEVELOPMENT AND FUNCTIONS OF TRADE UNIONS

Objectives

After completion of this unit, you should be able to:

- understand the historical development of trade unions;
- explain present scenorio of trade unions; and
- enlist the functions of trade unions.

Structure

6.1 INTRODUCTION

The process of modern industrialization paved the path for emergence of trade unions and gradually the trade unions have become an integral and powerful force in the contemporary system of production and distribution of goods and services. As a result of which universally their role has been widely debated. So far India is concerned; the role and policies of the trade unions have special significance since their inception. Hence, it is pertinent to look into the process of the evolution of trade unions to understand the factors which have contributed for their origin and growth to attain the current position. Trade unions imply to some extent a community of outlook. Based on the sense of common status and need of mutual help it could be understood as an organisation rather than many forms of organisation. It aims at developing a spirit of class consciousness and solidarity for self respect, rights and duties. It creates an organisation to safeguard their common interest, self protection and strengthening their social and economic position. It is the trade unions which serve as the base for the trade union movement. Hence, without the trade unions a trade union does not exist. The trade unions also serve as the principal institutions where workers learn the lessons of solidarity and self reliance.

Very often we come across two terms like 'labour movement' and 'trade union movement' and these are sometimes used interchangeably. However, a few differences exist in between these two terms. The labour movement is for the worker while the trade union movement is by the worker. Hence, every such effort put forth by social reformers, labour leaders for the protection and welfare of the workers is a part of labour movement. Trade union movement is an effort by the worker with the formation of trade unions or their associations. Hence, the origin of labour movement can be traced back to 1875 when a number of measures to improve the condition of workers

were taken by the Government, social reformers and enlightened employers. However, trade union movement can be said to have begun in 1918 when workers started to form their own association to strengthen their existing conditions.

In many of the developed nations the trade union movement resulted with the process of industrialisation. Similarly, development of trade union movement in India can also be linked with the emergence and expansion of the large scale industries. With the development of large scale industries many changes occurred in the working and living environment of workers and created a number of new and complex problems. Many of the factors like Introduction of machinery, new lines of production, concentration of industries in certain big cities gave birth to a new class of wage earners and divided the industrial society into capitalist and labourers or haves and have-nots

In the absence of any organization of workers and any form of protection from the government, they were ruthlessly exploited and had to work and live in unbelievably miserable conditions. Individual protests could have no effect on employers. As a result of which, they realised the necessity to consolidate and unite themselves to protect from the inhuman acts of the employers. They join hands to form trade unions and started making protests on an organised scale. Thus, modern industrialization which separated capital and labour, and resulted the loss of bargaining power on the part of individual workers; prevalence of laissez-*faire*; and realization on the part of workers of their collective indispensability *inter alia* were the factors which resulted the trade union movement.

6.2 DEVELOPMENT OF TRADE UNIONS IN INDIA

In comparison to Great Britain and USA trade union movement is relatively recent in its origin. It started hardly around hundred years back. By 1850s when trade unions were emerging in Great Britain, industrialization was just beginning in India. However, the industrial growth was slow and so also the trade union movement. Irrespective of the number of modern industrial organizations in existence, one thing that was common was the existence of deplorable and pathetic working and living conditions for the workers during the last quarter of the nineteenth century.

There were some sporadic protests by the industrial workers mostly in the textile mills against the inhuman working and living conditions even in the absence of any formal workers organization. There were some associations which emerged during the period of 1890 to 1910. But these were mostly philanthropic or humanitarian organizations working for welfare work for the industrial workers. However, with the growth of the number of industries and so also the number of workers, gradually the awareness among the workers started growing against the exploitation of the workers. This was further strengthened by the spirit of nationalism. Thus, by the time of the First World War, the stage in India was ready for the emergence of the trade union movement. Subsequently the prevailing conditions during the war period, formation of the International Labour Organisation (ILO) etc. paved the path for the formation of the trade unions.

The Development of Trade Unions in India can be studied under the following stages:

I. Period up to First World War (from 1875 to 1918)

II. Between the Two Great Wars (1918-1938)

III. During and After the Second World War (1939-1947)

IV. Post Independence Period (1947 to date)

I. Period up to First World War (from 1875 to 1918):

Consequent to the development of large scale industries, many social evils like exploitation of labour including woman and child labour erupted in India. At the initial stage the workers were not organised themselves. Hence, in general they had left themselves at the mercy of the employers. The first concerted action was taken in 1875 under the leadership of Sorabji Shaparji who along with some social workers started an agitation to draw the attention of the Government to the deplorable conditions of woman and child labour in Indian industries. Though there were no trade unions, one can find instances of strikes even in the last quarter of the 19th century. For example in 1877, workers of The Empress Mills at Nagpur observed a strike over wage rates.

Organising the Labour Conference in 1884 in Bombay under the leadership of N.M. Lokhande was an important incident during 1880s. A Memorandum was prepared and submitted to the Second Factory Commission highlighting the poor conditions of the workers. However, there was no improvement on the prevailing condition of labour. As a result, a mass meeting was organised in Bombay in April, 1890 which was estimated to have been attended by about 10,000 workers. A resolution was passed in the meeting raising the following demands.

(i) Weekly off

(ii) Half an hour rest at noon

(iii) Reducing working hours

(iv) Payment of wages not later than 15th day of each month and

(v) Compensation to injuries sustained by a worker on duty.

The owners of the Textile Mills agreed to grant weekly holiday to the workers. Being encouraged this achievement the Bombay Mill Hands Association was formed in 1890 by N.M. Lokhande. This was in no sense a trade union, but this can be considered to be the starting point of the Indian labour movement. A newspaper under the name "*Dinabandhu"* was started by N.M. Lokhande. The very purpose of starting the newspaper was to place the legitimate grievances of the workers before the authorities and to educate the workers about their rights and privileges. It was a memorable achievement in the late 19th century having an impact throughout the country. During the period from 1882 to 1890, two provinces namely, Bombay and Madras had witnessed 24 strikes. Following the formation of the Bombay Mill Hands Association, a number of unions were formed in different parts of the country as given below.

(a) The Amalgamated Society of Railway Servants of India and Burma (for European and Anglo-Indian railway employees);

(b) The Printers' Union of Calcutta, 1905;

(c) The Bombay Postal Union at Calcutta and Madras, 1907;

(d) The Kamgar Hitbardhak Sabha, 1909; and

(e) The Social Service League, 1910.

However, these were sporadic organisations and could not make any visible impact on the trade union movement. The leaders of such organisations were primarily social reformers and law abiding persons and belonged to moderate school of politics. The objectives of these associations were primarily to promote welfare activities for the workers. Hence, much similar to the Bombay Mill Hands Association these associations in a true sense were not trade unions. Their efforts mostly were to bring to the notice of the public the necessity of improving the working conditions in the factories. These organizations though in true sense were trade unions, but they laid the foundations for the establishment of trade unions, which came into existence after the First World War.

II. Between the Two Great Wars (1918-1938):

After the First World War trade union movement got intensified. Trade unions in the form of associations by the workers started emerging also witnessing a change in leadership passing from the hands of social workers into the hands of the national leaders some of whom were active in the freedom movement. This was also the period which witnessed wide scale labour unrest all over the country. The factors responsible for this situation were as follows**:**

(i) The grave economic difficulties created by the war resulted in an increased trend of industrial unrest. The rising cost of living made the workers to take collective action for the increase in their wages.

(ii) The Swaraj Movement, widening gulf between employers and employees and mass awakening among the workers demanding racial equality with their British employers further intensified the movement.

(iii) Emergence of a revolutionary wave of ideas, class consciousness and self-respect among workers from the Russian Revolution 1917.

(iv) Establishment of the International Labour Organisation (ILO) in 1919 giving dignity to the workers all over the world..

(v) The non-cooperation movement led by Mahatma Gandhi during 1920-21 and his support to the demands of working class also greatly influenced the labour movement.

A Number of trade unions were formed around in 1920. Notable of them was Madras Textile Labour Union formed under the leadership of B.P. Wadia in 1918. This was followed by formation another 14 unions in different parts of the country during 1818-19. Further, the active association of Mahatma Gandhi with the Ahmadabad Textile Labour Association gave a new turn to the labour movement by applying the principle of non-violence.

After the formation of the ILO, the government nominated delegates including the workers representatives to the first Conference of ILO held in Washington in1919. The workers' nominations, however, were made by the government unilaterally without consulting the then existing unions in the country. As a result, all the 64 the then existent employees association with a membership of 1,40,854 met in Bombay and established the All India trade Union Congress (AITUC) on 30th October, 1920 as a central organisation of trade unions. Such a move got the support from a number of leaders like, Sri Jawaharlal Nehru, Motilal Nehru, Guljari Lai Nanda, Sardar Vallabh Bhai Patel, C.R. Das etc. of the All India Congress. The primary aim of forming the association

was to facilitate the selection of workers' delegates to the ILO and also coordinating the functions of individual trade unions.

In 1921 the ILO adopted a resolution which urged that the labour should be given full freedom to form a union. This provided a great momentum to the trade unions in the country. There was an increase in number of trade unions formed with enlarged membership. As per the records of the AITUC published in 1925 there were 167 unions with a membership of around 2, 23 lakh in 1924. The enactment of the Trade Union Act in 1926 paved the path for regulated trade unionism. It was a central law which provided a legal status to the registered trade unions and conferred a measure of immunity from civil suits and criminal prosecutions both on the unions and their members. This also improved the image of trade unions in the public. The Act proved to be a boon to trade unionism in India as a number of trade unions came into being following the enactment of the Act.

Till 1929 AITUC was the only central Trade Union functioning in India. However, because of some ideological differences in its Nagpur session held in 1929 there was a split in the AITUC which resulted in the formation of All India Trade Union Federation (AITUF) under the leadership of N.M. Joshi. With the formation of AITUF, the strength of AITUC in terms of number of trade unions came down to 21 and total membership around 94,000. Subsequently, in 1933 it was renamed as Nation Trade Union Federation (NTUF). In the Calcutta session of the AITUC held in 1931, there was another rift whereby the communist and the left wing unionists got themselves separated from the main body to form separate union named as Red Trade Union Congress (RTUC) was formed under the leadership of B.T. Ranadive and S.V. Deshpande.

Thus, by the early 1930s there were three central labour organisations i.e. AITUC, AITUF and RTUC. There were some other independent organisations like the All India Railwaymen's Federation (AIRF) and the Ahmedabad Textile Labour Association (ATLA). After the first split of AITUC, efforts were initiated by the Roy group to restore unity among the trade unions. In this regard lead was taken by the AIRF which was a neutral association. With its initiative a Trade Union Unity Committee was formed in 1932 at its Bombay conference. Also with the efforts of AIRF, certain broad conclusions were drawn which were agreeable to both AITUF and the AITUC.

The final decision was taken in 1933, when a new body was formed in the name of the National Federation of Labour (NFL). The AITUF and the railway unions amalgamated with the NFL forming a new union under the name National Trade Union Federation (NTUF). The AITUC and the RTUC, however, were not concerned with this development. The division in the labour movement breaking the unity of the workers had an adverse effect on the workers. As reported, in 1933 more than 50,000 workers in Bombay city alone were thrown out of employment and there was a drastic reduction in the wage rates. Under these circumstances, the period was very critical and necessitated unity efforts among the trade unions. Consequently, in 1935, the RTUC merged into the AITUC which was recognised by then as the central organisation.

In 1938, there was another unity move through the efforts of V.V. Giri, in the AITUC in its special session held at Nagpur. The NTUF was affiliated as a separate unit to the AITUC. However, in 1940 the NTUF was dissolved and finally merged with AITUC. Thus, Nagpur the venue where the first split in AITUC took place got itself sanctified in 1940 by bringing back unity in the trade union movement.

In 1937, there were general elections and the Indian National Congress pledged in its manifesto that if it was voted to power, it would improve the conditions of workers. It promised to improve their living standard, working conditions, and for providing security against old age, sickness and unemployment. As a result of this alluring manifesto, the Congress came to power in eight of the ten provinces where elections were held. With the formation of the Congress ministries the workers hoped that the government will look into their long standing demands and grievances as promised in the election manifesto. Even prior to the formation of Congress ministries the trade union movement had witnessed a spurt on the eve of the elections in 1937. It got further intensified after the formation of the ministries with a big upsurge of industrial unrest culminating in big strikes. In 1937, there were 379 strikes involving about 6.47 lakh workers and resulting in a loss of about 89.82 lakh man days.

III. During and After the Second World War (1939-1947):

The Second World War which broke out in September 1939 made an impact on the status in the Indian trade union movement. The leaders of the in the AITUC belonging to various factions again got divided on the question of whether the AITUC should support the Government on war. The nationalist and the communists mostly remained neutral with their approach towards the war. But the radical democrats under the leadership of M.N.Roy were in full support of the war. Because of conflicting views on this issue another rift took place in 1941 and the radicals left the AITUC and formed a new central labour federation known as the Indian Federation of Labour (IFL).

During war-time, the trade unions consolidated their position due to certain factors namely:

(i) The Government and a number of employers initiated a number of welfare measures aiming to increase production of war materials and other essential goods and also to maintain high profits;

(ii) There was a change in the attitude of the government as well as the employers towards the trade unions to gain the support of workers in production.

(iii) The Defence of India Rule 81-A was promulgated prohibiting the strikes and lockouts and providing that all disputes would be referred to adjudication and their rewards would be enforced;

(iv) The Indian labour Conference, a tripartite body having representation of the government, employers and workers was formed in 1942 for the first time, to provide a common platform for discussion and mutual understanding between employers and employees.

(v) During war time, the number of trade unions increased considerably from 727 in existence in 1940-41 to 1833 in 1946-47 with growing membership from 5.13 lakh to 13.31 lakh respectively during the above period.

(vi) In 1947, the Indian National Trade Union Congress (INTUC) was formed as a labour wing of the Indian National Congress.

IV. Post Independence Period (1947 to date):

Independence and the partition of the country shattered the hope of the workers for securing high wages and better working conditions from the national Government. In

order to retain the amenities already earned by the workers, a series of strikes swept the country in 1947 with involvement of 18.41 lakh workers resulting a loss 165.63 lakh man-days.

In post-independence period, various political parties were formed and kept control over various trade unions. In 1948, socialist group broke away from the congress and formed a new political party i.e., Praja Socialist party. The trade union leaders working in the INTUC who were supporters of the newly formed political party, seceded from it and formed a new central trade union organisation called the Hindustan Mazdoor Panchayat (HMP). The HMP and the Indian Federation of Labour merged together and formed Hind Mazdoor Sabha (HMS) in 1948. In 1949, the radicals and leftist groups, which did not agree with the principles of both AITUC and HMS left the AITUC and formed another organization in the name of United Trade Union Congress (UTUC) on 30th April 1949.

On a close observation, it is evident that the trade union movement in India has become politically motivated. As a result any split in a political party has led to have a similar type of split in the trade union dominated by that party. Thus, by 1949, there were four central organisations led by different political parties i.e., the INTUC led by Congress, the AITUC dominated by the communists, the HMS, affiliated to the Socialist Party and the UTUC, led by the Revolutionary Socialist Party. It was an indication that the political involvement in trade union movement still continued. After 1952, a number of efforts were made for bringing about some unity in the movement but none of them succeeded.

In 1959, a few unions led by the members of the Socialist party seceded from the HMS and formed Hind Mazdoor Panchayat, as an organisation of Samyukta Socialist Party. Further, in 1962, a new organisation called Confederation of Free Trade Unions (CFTU) was formed with the support of Swatantra Party. There was again a rift in the AITUC in 1970 when the Communists divided into CPI and CPM. The CPI held the AITUC and the CPM formed a new central organization namely, the Centre of Indian Trade Union (CITU).

In 1972, the Indian National Congress split in two groups, resulting in the division of INTUC in two groups. The ruling Congress retained its control over the INTUC and other group under the leadership of Morarji Desai, Nijalingapa and Kamraj formed a new union namely, National Labour Organisation (NLO).

Another interesting development took place in May 1972, when a limited accord was reached between the AITUC, the INTUC and the HMS regarding the procedure to be followed for the recognition of trade unions. As a result, a National Council of Central Trade Unions (NCCTU) was formed with representative of the AITUC, INTUC and HMS. The basic idea behind it was to isolate the CITU. Consequently the CITU set up a United Council of Trade Unions (UCTU) in September 1972 as a rival body of NCCTU.

After the declaration of Emergency in 1975 again, the INTUC, the AITUC and the HMS combined and joined with the employers' representatives on what was called the National Apex Body. This body ceased to exist as soon as the state of Emergency was lifted in 1977.

Activity 1: Briefly summarise the development of trade unions in your own words.

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6.3 PRESENT SCENARIO OF THE TRADE UNION MOVEMENT

The Indian Trade unions have now got a legal status and these are no more ad-hoc bodies or strike committees. They have now become a permanent feature of the industrial society. They have succeeded in organising Central Union Federations which help in the determination of principles, philosophy, ideology and purposes of the unions and give some sense of direction to the otherwise scattered and isolated unions.

The unions now have gained a remarkable status in the labour movement. Now, the Government and the employers consult them on all matters concerning labour. The trade unions also participate in formulating policies and ideologies at State and National levels. They have succeeded in evolving suitable machinery of joint consultation to negotiate various issues between labour and management. But for reasons such as affiliation to a political party, factionalism etc. have resulted multiplicity of unions in post-independence period. In the modern industrial society, the importance of trade unions have been recognised which have diminished interest in political matters. Subtle changes are visible in the pattern of political unionism.

These changes have manifested in three ways:

i. Political leaders have secondary interest in labour union activities. Now more emphasis has been paid to labour leadership by giving more attention to the improvement of union cadre, finances and training in official administration.

ii. The national federations have shown keen interest in long term activities, even maintaining their rival character. Now federations arranges for the training of workers.

iii. Now trade unions function as autonomous units rather than simply as appendage of political parties.

Central trade union organizations in India:

Local, firm-level or industry-level trade unions are often affiliated to larger Federations. The large Federations in the country representing labour at the National level and are known as Central Trade Unions or Central Trade Union Organisations (CTU or CTUO). To acquire status as a CTUO, a trade union federation must have a verified membership of at least 500,000 workers who must have spread over a minimum of four states and four industries (including agriculture). Trade-union membership verification is usually done once in a decade. The last verification was done taking into the membership strength as on 31.12.2002 of the 13 central federations qualifying the above norms. The membership strength of the central trade union organizations were finalized on 31st December 2007. The membership strength of these 13 unions is as follows:

Table 1: Membership of Central Trade Union Organizations including Agriculture and Rural Workers as on 31.12.2002

S. No	Name of the Central Union Organisation	Membership
1.	Bharatiya Mazdoor Sabha (BMS)	6215797
2.	Indian National Trade Union Congress (INTUC)	3954012
3.	Centre of Indian Trade Unions (CITU)	2678473
4.	All India Trade Union Congress (AITUC)	3442239
5.	Hind Mazdoor Sabha (HMS)	3338491
6.	United Trade Union Congress(Lenin Sarani) (UTUC-LS)	1373268
7.	Labour Progressive Federation (LPF)	611506
8.	United Trade Union Congress (UTUC)	606935
9.	All India Central Council of trade Unions (AICCTU)	639962
10.	Trade Union Coordination Centre (TUCC)	732760
11.	National Federation of Indian Trade Unions –Kolkata (NFITU-KOL)	33620
12.	National Federation of Indian Trade Unions – Dhanbad NFITU-DHN	569599
13.	Swashiayi Mahila Sewa Sangh (Self Employed Women's Association) (SEWA)	688140
	TOTAL	24884802

Source: Ministry of Labour, Government of India

However, as per a news item published in The Economic Times, Dated 6th April 2013 the claimed membership, which is subject to verification by the Central labour Commissioner, as per the returns submitted by the 11 Central trade Unions are as follows.

Table 2 : Claimed Membership of the Central Trade Union Organizations on the basis of return submitted to the Central Labour Commissioner.

S. No	Name of the Central Union Organisation	Membership
1.	All India Central Council of Trade Unions	2,500,000
2.	All India Trade Union Congress	14,200,000
3.	All India United Trade Union Centre	4,700,000
4.	Bharatiya Mazdoor Sangh	17,100,000
5.	Centre of Indian Trade Unions	5,700,000
6.	Hind Mazdoor Sabha	9,200,000

7.	Indian National Trade Union Congress	33,300,000
8.	Labour Progressive Federation	1,900,000
9.	Self Employed Women's Association	1,3,00,000
10.	United Trade Union Congress	4,700,000
11.	Trade Union Coordination Centre	1,600,000

Source: The Economic Times (E- Paper) April 6, 2013

Some of the other trade unions functioning at the national and at the state level are as follows:

1. Akhil Bharatiya Kamgar Sena (Akhil Bharatiya Sena)
2. All India Bank Employees Association - AIBEA (affiliated with All India Trade Union Congress)
3. All India Insurance Workers Union (Affiliated to PWPI i.e Progressive Workers and Peasants of India)
4. All India Bank Officers' Association - AIBOA (affiliated with All India Trade Union Congress)
5. All India Bank Officers' Confederation (Non political Independent Organisation)
6. All India Punjab National Bank Officers' Association (Affiliated to AIBOC)
7. All India Centre of Trade Unions (Marxist Communist Party of India (United))
8. All India Federation of Trade Unions (Marxist–Leninists)
9. All India Railwaymen's Federation (AIRF) (affiliated with Hind Mazdoor Sabha)
10. All India Workers Trade Union (Affiliated to PWPI i.e. Progressive Workers and Peasants of India)
11. Andhra Pradesh Federation of Trade Unions (Communist Party of India (Marxist–Leninist))
12. Anna Thozhil Sanga Peravai (All India Anna Dravida Munnetra Kazhagam)
13. Archaeological Survey of India Workers Union, New Delhi
14. Bharatiya Kamgar Sena (Shiv Sena)
15. Bharatiya Khadya Nigam Karamchari Sangh- BKNK SANGH (Nationally recognised Employees union of Food Corporation of India with Pan India presence)
16. Bharatiya Khet Mazdoor Union-BKMU (Communist party of India)
17. Bharatiya Mazdoor Sabha (Provisional Central Committee, Communist Party of India (Marxist–Leninist))
18. Bihar-Jharkhand Sales Representatives' Union BSSR Union (BSSR Union) ([2]) Affiliated to CITU & FMRAI
19. Bihari Peasants Union (Affiliated to PWPI i.e. Progressive Workers and Peasants of India)

20. Confederation of Free Trade Unions of India (CFTUI) (Non-political affiliated Unions of India)
21. Dronagiri General Kamgar Union (Affiliated to PWPI i.e. Progressive Workers and Peasants of India)
22. Federation of Medical & Sales Representatives' Association of India affiliated to CITU.
23. Hind Mazdoor Kisan Panchayat (Janata Dal (United))
24. Independent Labour Union (Unaffiliated)
25. Indian Confederation of Labour
26. Indian Federation of Trade Unions (Communist Party of India (Marxist–Leninist) New Democracy)
27. Indian National Trinamool Trade Union Congress
28. Indian Railways Technical Supervisors' Association (IRTSA)
29. Jharkhand Mazdoor Sangha
30. Kamgar Ekta
31. Kerala Trade Union Congress (Kerala Congress, KTUC (B) belongs to KC (B), KTUC (M) belongs to KC (M), etc.)
32. Maharashtra General Kamgar Union (Kamgar Aghadi)
33. Marumalarchi Labour Front (MDMK)
34. Nascent Information Technology Employees Senate - NITES
35. Nirman Mazdoor Sangh Delhi (REGd.)
36. Progressive Workers and Peasants of India (Janardan Singh is Founder and General Secretary)
37. Pattali Trade Union (Pattali Makkal Katchi)
38. Rajdhani Nirman Mazdoor Kalyan Sangh, New Delhi
39. Raigad Shramik Aekta Sangh (Affiliated to PWPI i.e. Progressive Workers and Peasants of India)
40. Rashtrawadi Mathadi and General Labour Union (National Congress Party NCP)
41. Rashtriya Mulnivasi Bahujan Karmachari Sangh (BAMCEF) - RMBKS
42. Shramik Vikas Sangathan(SVS) (Aam Aadmi Party)
43. Socialist Trade Union Centre (SNDP)
44. Swatantra Thozhilali Union (Indian Union Muslim League)
45. Telugu Nadu Trade Union Council (Telugu Desam Party)
46. Trade Union Centre of India (Communist Party of India (Marxist–Leninist))
47. United Trade Union Congress (Bolshevik) (Revolutionary Socialist Party (Bolshevik))

48. United Trade Union Congress (Marxist) (Revolutionary Socialist Party (Marxist))
49. BVVS- Bharathiya Vyapari Vyavasayi Sankh (Supporting To BJP amd RSS)
50. West Bengal Medical and Sales' Representatives Union
51. West Bengal state electricity board employees union (affiliated to INTTUC)
52. West Bengal State Electricity Workmen's Union (affiliated to CITU & EEFI)
53. Webanker (Trade Union for Bank Employees)

Activity 2: Browse through relevant resources and enlist the number of Trade Unions that are operational in India as on date.

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6.4 FUNCTIONS OF THE TRADE UNIONS

The functions of trade unions can be discussed under four categories namely, basic, economic, social, political and international.

Basic Functions:

The important basic functions of trade unions listed by the National Commission on Labour are:

(i) To secure for workers fair wages.

(ii) To safeguard security of tenure and improve conditions of service.

(iii) To enlarge opportunities for promotion and training.

(iv) To improve working and living conditions.

(v) To provide for educational, cultural and recreational facilities.

(vi) To co-operate in and facilitate technological advance by broadening the understanding of workers on its underlying issues.

(vii) To promote identity of interest of workers with their industry.

(viii) To offer responsive co-operation in improving levels of production and productivity, discipline and high standard of quality.

(ix) To promote individual and collective welfare.

Economic Functions:

The primary function of a trade union is to protect the basic interests and needs of the members by striving to better the terms and conditions of employment, secure for workers' better wages and to improve their working and living conditions.

The underlying idea of forming a trade union is to acquire collective strength for:

1. Protecting and advancing terms and conditions of employment of its members.
2. Negotiating and setting terms and conditions of employment and remuneration.
3. Improving the status and working and living conditions of the workers.
4. Promoting economic and social interests of its members.

Social Functions:

The social functions carried out by the trade unions are as follows:

(i) Initiating and developing workers' education schemes.

(ii) Organising welfare and recreational activities such as mutual insurance, providing monetary and other help during periods of strike and economic distress.

(iii) Running cooperatives.

(iv) Providing housing facilities.

(v) Participating in community development and community protection activities.

(vi) Engaging in cultural activities and

(vii) Cooperating with governmental agencies in social welfare programme.

Political Functions:

(i) Carrying on political education of the workers.

(ii) Obtaining political power and influence through developing political parties of their own, and extending help to candidates of other political parties who are sympathetic to the cause of labour.

(iii) Carrying on lobbying activities for influencing the course of labour and other legislation.

(iv) Participating in, and representing the workers on, advisory institutions and bodies.

(v) Developing militancy and revolutionary urge amongst workers, and

(vi) Protesting against governmental decision and measures detrimental to the interest of workers.

International Functions:

(i) Participating in the organization and activities of the International Labour Organization(ILO).

(ii) Associating with the International Federations of Trade Unions such as the World Federation of Trade Unions(WFTU), the International Confederation of Free Trade Unions(ICFTU) and the International Trade Union Secretariats for the purpose of building working class unity and solidarity, and

(iii) Sending monetary and other help to workers of other countries during periods of need.

6.5 SELF-ASSESSMENT QUESTIONS

1) Briefly describe the evolution and development of trade unions in India prior to independence.

2) Discuss the trade union movement scenario during the post independent period in India.

3) What do you mean by Central Trade Union Organizations? Discuss the current status of the Central Trade Union Organisations.

4) Outline the various functions of the Indian trade unions.

6.6 FURTHER READINGS

- Sinha, P.R.N., Indu Bala Sinha and Seema Priyadarshini Sekhar (2004). *Industrial Relations, Trade Unions, and Labour Legislations*, Delhi: Pearson Education.
- Venkata Ratnam, C. S. (2000). "NGOs and Trade Unions" in Venkata Ratnam, C. S. and Pravin Sinha (Eds.), *Trade Union Challenges at the Beginning of the 21st Century*, New Delhi: Indian Industrial Relations Association and Excel Books.
- C. S. Venkata Ratnam (2006), *Industrial Relations*, New Delhi, Oxford University Presss.

UNIT 7 TRADE UNION STRUCTURE, LEADERSHIP AND RECOGNITION

Objectives

After reading this unit one would be able to:

- understand structure of the Indian trade union functioning at different levels;
- understand how trade union structure at national level are linked to the regional, industry and plant level;
- understand the problems of multiplicity of trade unions; and
- analyse the future prospects trade unionism.

Structure

7.1 INTRODUCTION

The origin and characteristics of trade union movement vary across countries depending on social and economic compulsions of industrialisation, political and economic factors and the institutional framework of the respective societies. Hence, one would come across a variety of bases for the formation of trade unions. For example, in the UK, guild system, the occupation/ trade were the basis for the formation of trade unions, in the USA it began with the formation of local associations of skilled craftsmen (craft unionism), and subsequently the labour movement developed slowly from workshop societies to local unions, city central bodies, industrial unions/ national unions; and finally to federations of unions (Sandver: 1987). However, a new model of union structure emerged in the USA in the 1990s which is based on geographical area/occupations - which though are craft unions but without craft skills. On the other hand in many of the European countries like In Belgium, Denmark, France, Germany, Luxembourg and the Netherlands one would find that the trade unions were formed not only on industrial/occupational/sectoral/company or plant basis, but also on religious denomination (European Industrial Relations Observatory: 2000).

In Japan, the trade unions are predominantly enterprise unions comprising of both white collar and the blue-collar employees belonging to one industrial unit rather than uniting people of different companies doing similar jobs. In addition there are industrial

unions and national Iabour organisations in Japan but the enterprise unions constitute the dominant framework of their union structure.

As discussed earlier, various structural types of unions have emerged over a period of time. These are as follows:

i) craft/occupational unions,

ii) industrial unions,

iii) general unions,

iv) enterprise unions,

v) state sponsored unions and

vi) national unions/federations.

The main features of each of these unions are discussed below.

i) Craft Unions/Occupational unions:

A craft/occupational union is an organisation of workers engaged in a particular craft or a trade or in a single or related trades/crafts. Such organisations comprise of those workers who have similar skills, craft training and specialisation. These type unions emerged during the pre-industrial revolution period for the purpose of controlling labour supply and improve wages. The logic behind the formation of such unions is that the skilled workers belonging to the same craft face similar problems. In spite of having a long existence in the UK and the USA these unions did not survive because of the impact of the modern factory system. With the advent of the factory system the craft unions began to be referred as unions of blue collar workers in most of the countries. These unions strived to improve their wages and working conditions mostly resorting to collective bargaining. However, with the advancement of technology in the production system the nature of work changed converting many of the blue collared workers to white collared employees. This resulted in the emergence of white collar unionism comprising of clerical, supervisory and professional workers. Thus, craft/occupational unions are found amongst non-manual employees and professional workers, examples of which can be the Crane Drivers' Association, Pilots' Association, stenographers' associations etc. One of the advantages of the craft unions is that they provide firm basis for solidarity of trade unions. The natural bonds of common interest, friendship and mutual respect among the members of a craft ensure intensive solidarity.

ii) Industrial Unions

An industrial union is an organisation of workers which covers all categories of workers in any one industry regardless of the differences in craft, skill, grade, position, or sex. The membership strength of an industrial union is normally large. With increased mechanization and mass production at the beginning of the twentieth century industrial unionism became a dominant model. Initially though the formation of these unions were resisted by the craft unions, in the US and the UK. But subsequently a number of industrial unions emerged in many countries including the US and the UK.

In many respects industrial unions have the advantages over the other type of unions. An industrial union in a particular industry can cover the interests of all categories of workers in a single agreement with the employer(s). Further, the industrial unions which consists different categories of workers- skilled, semi-skilled, and unskilled- bring out a homogeneous organic groups, and create a feeling of solidarity among the workers A major weakness of the industrial unions is that these unions, with majority of the members being unskilled workers, evidently, may not be able to meet the specific needs and protect the interests of the skilled workers whose number is relatively small.

iii) General Unions

A general union is one whose membership covers workers employed in many industries, employments and crafts. Such unions thus cut across the boundaries of occupation and industry. The general unions are ideal from the solidarity point of view. However, it requires a very high degree of consciousness among the workers representing various industries to form this type of unions. The growth the service sector and consequent increase in employment is considered to instrumental for the emergence of white-collar and general unions in most of the countries.

iv) Enterprise unions

These are the unions which are formed at the enterprise level cutting across craft or occupation. Enterprises assuring a lifetime employment make the employees tied to the enterprise resulting that both the labour and management to focus on harmonious relations. Hence, most of these unions are organized without any resistance from either the employer or the state. Most of the other unions in the western countries, however, were apprehensive of the enterprise unions because of their narrow focus and lack of a wider solidarity. This is a dominant form of unionism in Japan where nearly all the unions in the country representing the vast majority of union membership are of enterprise level.

v) State sponsored unions

These types of unions mostly are prevalent in socialist countries and centrally planned economies and also in the authoritarian and military regimes. In the socialist and centrally planned economies, the state organizes unions aiming to integrate the role of the unions in fulfilling the objectives of the state. On the other hand in the authoritarian and military regimes it is for the purpose of repression and denial of trade union and human rights. However, in many of these countries which have gone through the process transition resulting into democracies and competitive authoritarian regimes, these unions still have remained the dominant workers' organizations despite few internal reforms and regional variation. They continue their authoritarian legacies which to influence labour politics in new democracies (Fedorowycz, *et al 2020*).

vi) National Unions/Federations

As trade unions gradually realised that in the competitive business environment most of their problems cannot be tackled on their own, they associate themselves to form large central trade unions or trade union federations at the industrial, national and international

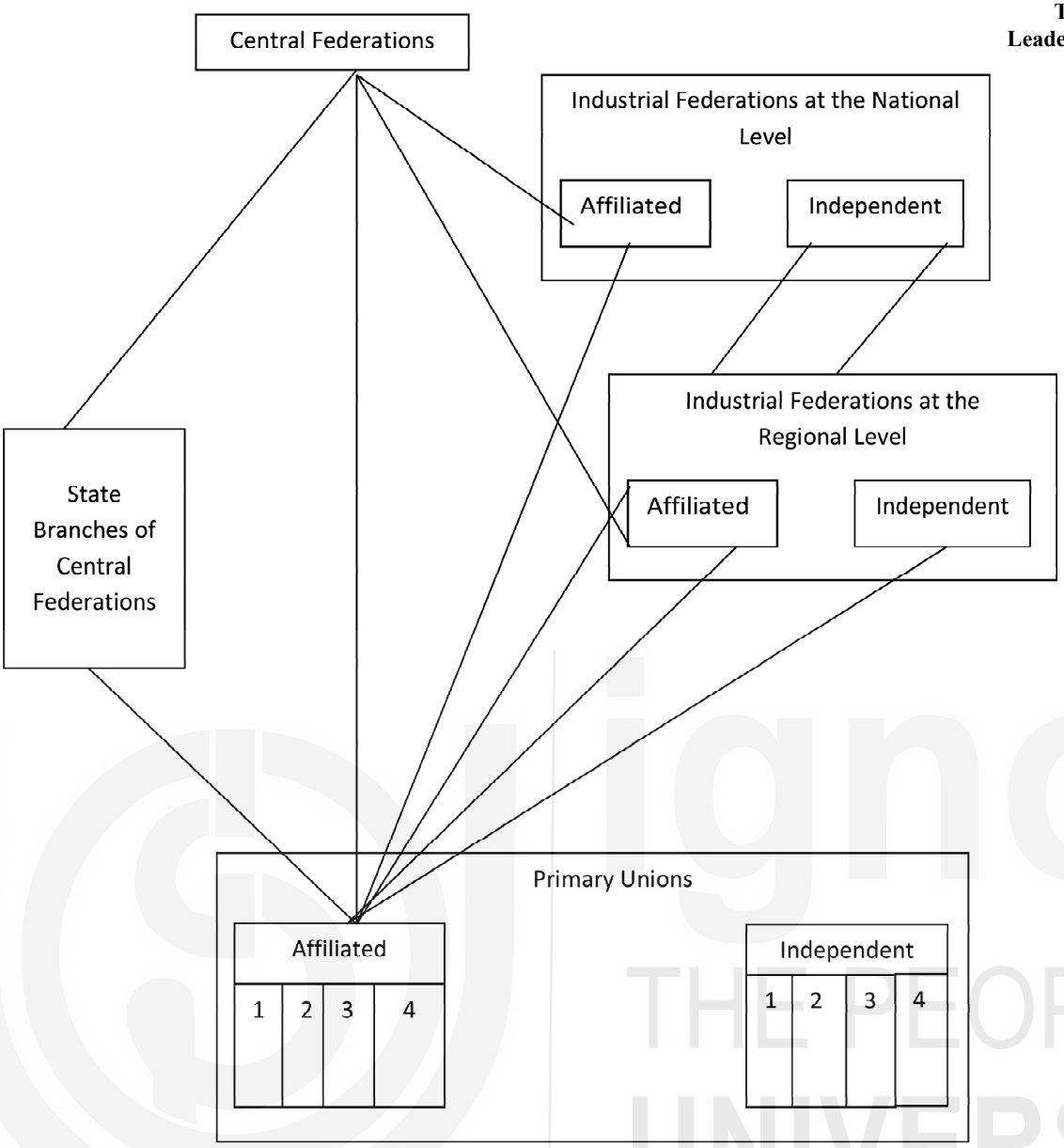
levels.. These are federations which combine workers' unions horizontally, vertically or on the basis of political ideology with a view of coordinating them. The British Trade Union Congress and the AFL-CIO (American Federation of Labour and Congress of Industrial Organisations) which are national federations are examples of horizontally structured of unions. There are vertical federations separate for blue and white collar workers like in Sweden like TCO (Confederation of Professional Employees Associations) and LO (Trade Union Confederation of blue collar workers) and ASPA (Australian Sugar Producers' Association) and ACTU (Australian Council of Trade Unions) in Australia. The All India Port and Dock Workers' Federation and UP Chini Mazdoor Federation functioning in India are example of industrial federation operating at the national and regional level respectively are horizontally structured unions. The other confederations in India like BMS, AITUC, INTUC, HMS, UTUC and CITU are the examples of national level unions following different political and ideological lines.

The World Federation of Trade Unions (WFTU) and the International Confederation of Free Trade Unions (ICFTU) are examples of international level federations. The federations are loose associations. The individual unions that affiliate to the international body retain the real power and enjoy maximum autonomy due to their direct and day-to-day contact with the rank-and-file workers. While the federations formulate policies and provide guidance to the unions that are under their fold, it is the local units that implement the policies. Further, as these units are the main sources of providing funds to the federations they play an influential role in the federations.

7.2 TRADE UNION STRUCTURE IN INDIA

While studying Indian trade unionism when one attempts to analyse structure of the Indian trade unions one would find the prevalent diversity of the bases on which the primary unions have been formed and their relationship to the hierarchical order of the movement. Apart from the multiplicity of trade unions compete for the same jurisdiction and splits along political lines making the situation complex. The existence of a variety of bases such as plant, employment, industry, craft, and so on, make the task of analyzing the structure of the Indian trade union movement doubly complicated. An attempt has been made here to describe the pattern underlying the structure of the Indian trade unions. The picture that emerges, though not uniformly representative, gives an idea of the structure of the trade union movement in India.

These unions may function independently on their own or they may get affiliated to the regional and /or national level industrial federations (which may or may not be affiliated to the State branches /central federations of the central federations of trade unions). The primary unions may also be directly affiliated to any of the Central Federations and/or State branches of the central federations. The structure of the Indian trade unions can be discussed under three heads namely – Primary Unions at the base, Industrial Federations and Central Federations.



Source: Sinha, Sinha, and Shekhar, *Inustrial Relations, Trade Unions, and Labour Legislation*, Pearson education, 2006.

I. Primary unions at base:

The primary unions are the basic units of the structure of the Indian trade unions. They are nearest to the work-place and to the workers. They recruit their members; run the local offices maintain the closest touch with the union members and conduct industrial disputes. They are being organized on a variety of bases depending upon the concrete local situations and problems. The bases of these primary unions are so diverse as to preclude any attempt at a systematic classification. The primary unions in India fall under three categories in order of their numerical importance, that is, (a) industrial unions, (b) general unions, and (c) craft unions.

(a) Primary unions of the Industrial Type:

In the western countries while the craft unions heralded the emergence trade union movement, it is the plant or establishment level unions which marked the advent of the movement in India. In the initial stage of industrialization the typical industrial worker mostly being unskilled or at best semiskilled didn't had a strong craft base, migratory in

nature from industry to industry or from industrial to rural area and *vice versa,* acquired any degree of specialization to form craft unions for their protection. In addition, the outsiders who provided the impetus to organize the workers focusing on the common interest of the workers as a whole, the spirit of the national freedom movement and anti-employer speeches facilitated the workers coming together to unite themselves in industrial unions at the plant or establishment levels. Further, the concentration of certain industries in a particular locality and the provisions of industrial relations legislations in certain provinces gave rise to the industry-cum- region based unions. The Primary unions of the industrial type thus may be classified on the basis of their unit of organization namely; (i) plant-level industrial unions and (ii) region-cum-industry level industrial unions.

i. Plant-level Industrial Unions/Establishment-level Unions:

The plant-level industrial unions are the most common form of unions under the category of the industrial type primary unions. Such unions cover a single plant, such as a factory, a mine or a plantation. Membership in these unions is open to all employees working in these units of employment, cutting across of their crafts or their occupation. Therefore, these primary unions are called 'plant-level industrial unions'. The majority of the trade unions functioning in India belong to this category. However, there are many organizations/ establishments engaged in different activities providing which employment to people but are not covered under the term 'industry'. These may be organizations like community and social services, personal services, agriculture etc. The unions which are formed in these establishments covering all categories of workers employed in them are therefore called as Establishment-Level Unions.

ii. Region - cum-industrial level unions:

Primary unions of this type are those whose membership is open to all workers employed in a particular industry located in a particular city or a particular region. In such cases, though the base is industrial but the unions of this type differ from the former in that they cover employees in the whole industry in a particular locality, irrespective of the number of plants or the employers. The Rashtriya Mill Mazdoor Sangh and the Girni Kamgar Union at Mumbai can be taken as examples of this type of unions. Such unions are generally larger in size and for the purpose of day –to-day operation, may have their branches of factory committees for each factory in the industry covered.

(b) Primary unions of the General type:

The primary unions of the general type may be grouped under two categories namely: a) Employer-cum-local level general unions; and b) local-level general unions.

Primary unions of a general type which have emerged in a number of industries belonging to one owner and located in the same location are the employer-cum-local level general unions. These unions cover all employees working in a variety of industries owned by one employer and located at same place. For example, the Rohtas Workers' Union functioning in Dalmianagar, having a a cluster of industries such as cement, sugar, paper, chemical, asbestos and hydrogenated oil which are owned by the Rohtas. As evident, the common employer and common place of work, in spite of the diversity of the industries, prompts the workers to form a common union. If these industries would

have been located at different places, but under the same owner, a number of unions would have been formed for different industries.

However, there may be general unions operating at the local level covering not only a number of industries but also a number of employers. These type of unions are called as local-level general unions. In these unions workers employed in different industries which are owned by different employers but located in the same location join to form a common union. The Jamshedpur Labour Union, located at Jamshedpur can be an example of this type of union. The Jamshedpur Labour Union draws its membership from a variety of industries located at Jamshedpur covering the steel industry and the engineering industries such as cable, tube, locomotive, tin plate, wire-product and so on.

(c) Primary unions of the craft type:

The employees having a belonging to a common craft when join together to form trade unions at any levels like at the local, or at the regional, or at the national are called as primary unions of the craft type. In many of the industries like the coal, textile, port and dock, railway, air transport, and Posts & Telegraphs industries one can find the existence of such unions in India.

For example in the coal industry, the Indian National Mines Overmen, Surveyors, Sardars Association functioning at the national level is a prominent craft union. The Ahmedabad Textile Labour Association covering the different craft unions of the textile industry at Ahmedabad can be taken as an example of the craft union functioning at the regional level. Further, grades which if can be considered as equivalent to crafts, one can also find such associations among the civil employees working at the State and Central Governments on the basis of their grade of employment. The association formed by the Grade III employees irrespective of their location of employment at different and circles of the erstwhile Post and Telegraph Department of Government of India, is an example of the above. However, the number and type of craft unions operating at the local or regional or national level in the country are very few.

Affiliation of the primary Unions:

Many of the primary unions, which share common links amongst themselves, also join together to form industrial or regional federations seeking affiliations with the central federations. Hence, the primary unions in India simultaneously may be members of a regional federation, an industrial federation at the national level and also be affiliated directly to a central federation and to its branch operating at the State level. On the contrary a union may remain totally independent without having any affiliation. In India the majority of the primary unions prefers to function and operate independently at the local level and has kept themselves away from being affiliated with the state or national level bodies.

II. Industrial Federations:

Industrial federations constitute the second tier in the hierarchy of the structure of trade union movement in India. Workers who belong to a particular industry may have some common problems, attracting them to be resolved at the industrial level. In spite of the fact that different trade unions may be functioning in the different units belonging to an industry to handle their local problems , but when they have some common problems which cut across all the units, it is pertinent for them to come together to resolve the problems effectively at the industry level. Hence, in order to handle these problems

effectively, some of the plant level and locality level unions join together to form federations at two levels, namely; regional level and national level.

The Indian National Mine Workers' Federation, Indian National Iron and Steel Workers' Federation, the All Indian Railwaymen's Federation and Indian National Defence Workers' Federation etc are some of the examples of the industrial federations functioning at the national level. In addition to the examples cited above it is also seen that such industrial federations have been in operation in different other industries, like cotton textiles, cement, engineering, sugar, plantations, chemicals, banks, ports and docks, insurance, etc at the national level. The UP Chini Mazdoor Federation and the Bihar Sugar Workers' Federation are the examples of the regional level industrial federations.

After independence a number of factors like setting up of Wage Boards for fixation of wages in some industries, greater reliance on industry level collective bargaining, formation of industrial committees and increased scope for consultation for formulation and implementation of labour policy in general have paved the path for the formation and strengthening of the industrial federations. The First National Commission on Labour taking a positive note of the trend of formation and strengthening of the industrial federations in India has observed "formation of such national federations should be encouraged, as these will be more effective at collective bargaining forums and also as agencies to which educational and research activities for the benefit of the workers in the concerned industry could be entrusted (First NCL Report, 1969)

Industrial federations functioning at the regional level may become a constituent of a national level industrial federation. The regional federations in addition can have affiliation with the national centres. However, many of the regional industrial federations have preferred to remain independent without having any link with the industrial federation at the national level or with a central federation. At the same time many of these federations in spite of having affiliated to one or other federations have maintained their independent existence. The All Indian Railwaymen's Federation and Indian National Defence Workers' Federation are the examples of such independent federations.

It may, however, be noted that industrial federations have not been formed in all the industries in the country. In those industries in which industrial federations have been formed may not have affiliation of all the primary unions operating in the same industry. Further, depending upon the political affiliations of the primary unions, which are also affiliated to an industrial federation, may create rival industrial federations under the aegis of political parties. For example in the coal mining one can find the existence of parallel federations formed both by the different central federations. In the coal industry, one can find a number of national level industrial federations lke, the INTUC-affiliated Indian National Mine Workers' Federation; the AITUC-affiliated Indian Mine Workers' Federation; the CITU- affiliated All India Coal Workers' Federation; the HMS affiliated All India Khadan Mazdoor Federation; and the BMS-affiliated Akhil Bharatiya Khadan Mazdoor Similar examples of existence of parallel industrial federations can also be found in some other industries like, engineering, cement, sugar, jute, plantations, banks etc. It can also be seen that not all of these industrial federations have got themselves registered under the provisions of the Trade Unions Act, 1926. In practice, whenever the issue having nominees from the workers side in any of the national level bodies like the Wage Boards, etc. constituted in an industry arises, the government consults the central federation of the concerned industry having the maximum membership to send the workers' nominees instead of the industrial federations.

Central Federations:

The central federations of trade unions are at the apex of the structure of trade union movement in India. The primary unions, the regional and the industrial federations get themselves affiliated to these central federations according to their convenience and political inclinations. These federations coordinate the activities of the affiliates , provide guidance and formulate broad policies of the unions that are affiliated to them and give these policies a national character. They come to the rescue of the affiliates whenever the latter face crises. However, it is these affiliates are the real centres of trade union activity and that they are only loosely controlled by the central federations. The central federations may come to the rescue of their affiliates whenever they are in difficulties in the conduct of industrial disputes by providing publicity, appeal for funds and political support and so on. But in the actual conduct of negotiations at lower levels, their role is extremely limited.

There are a number of central federations functioning in India like ; All India Trade Union Congress (AITUC) , Indian National Trade Union Congress (INTUC), Hind Mazdoor Sabha(HMS), United Trade Union Congress (UTUC), United Trade Union Congress-Lenin Sarani (UTUC -Lenin Sarani), Centre of Indian Trade Unions (CITU), Bharatiya Mazdoor Sabha (BMS), National Federations of Indian Trade Unions (NFITU), Trade Union Coordination Committee (TUCC), National Labour Organisation (NLO), Hindu Mazdoor Kisan Panchayat (HMKP), Indian Federation of Free Trade Unions (IFFTU), Labour Progressive Federation (LPF), Trade Union Coordination Centre (TUCC), All India Central Council of Trade Unions (AICCTU), Swashiayi Mahila Sewa Sangh (Self Employed Women's Association – SEWA). Some of these central federations have relationship with different political parties like the AITUC with the Communist Party of India, the INTUC with the Indian National Congress, CITU with the Communist Party of India (Marxist), BMS with Rashtriya Swayamsevak Sangh, AICCTU with Communist Party of India (Marxist–Leninist) Liberation, UTUC with Revolutionary Socialist Party. Out of these, five federations namely; INTUC, BMS, HMS, AITUC, and CITU are considered to be major ones.

The central federations have their state branches consisting of the affiliates unions functioning within the territorial jurisdiction of the state concerned. The state branches can manage their own affairs subject to broad guidance from the central federations. The central federations have their branches at the state level. Broadly speaking the state level branches are free to manage their own affairs. However, in actual practice these federations seek the guidance of the central federations on various issues.

Activity 1: Describe the structure of a trade union that is known to you.

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7.3 THE INFORMAL SECTOR AND ITS ALTERNATIVE FORMS OF ORGANISATION

The foregoing discussions relate to the trade union structure in the organised sector / formal sector which accounts for around 7% only of the total labour force in the country. Thus the informal sector/ unorganised sector accounts for nearly 93% of the country's working population. In spite of having a large majority of the workforce the sector has been neglected by the trade union movement in the country. One significant feature of this sector is the predominance presence of women labour. One can also find employment of substantial number of child labour and migrant labour. The sector is characterised by the absence of any form of employment security, payment of statutory minimum wages unless enforced through collective effort which is uncommon or through the intervention of the enforcement wing of the government which is not that effective. Thus it is considered to be the abode of the unprotected workers. The majority of the labour engaged in this sector, are unskilled, have virtually no formal educations as most of them are illiterate, have no permanent employer or place of work. These factors not only make them vulnerable for exploitation by the employers but also do not make them to be united to form any trade unions. Further, the mainstream trade unions have not shown much interest in this sector, and also that their methods are singularly unsuitable. In the recent past, the informal sector has witnessed emergence of some alternative forms of labour organisations. Although these organisations may call themselves trade unions and register under the Trade Unions Act, they do not have any identification with the trade union movement. The best known example of such form of organization is the Self-Employed Women's Association (SEWA), which was formed in 1972 in Ahmedabad. This organisation brought together around 2 lakh women employees engaged in varying occupations like; vending and hawking, carrying head-loads of goods, pulling hand-carts, rag-picking, home-based production, and other forms of self-employment. It had membership strength of 6.88 lakh in December 2002 (Ministry of Labour, Government of India,2007) and the claimed membership on the basis of the returns submitted under the Trade Unions Act to the Ministry of Labour was around 13 lakh in 2013 (The Economic Times ,E- Paper, April 2013) . Thus, SEWA has emerged the largest trade union of the self-employed women in India. It gets its membership from five states; namely Gujarat, Madhya Pradesh, Uttar Pradesh, Bihar, and Kerala. However, SEWA plays a dual role of both as a trade union and a cooperative. As a trade union, it organises women to fight for their rights, and as a cooperative it promotes different activities for their development. Apart from SEWA there are also some similar important organisations in the informal sector in different parts of the country. Some of the examples of such organizations are; the Tamil Nadu Construction Workers' Union, unions of fish workers in Kerala and forest workers in Uttar Pradesh. Unlike conventional unions, which refuse to move beyond collective bargaining, these alternative forms of organisations have been vastly more innovative in their choice of strategy. Fish workers of Kerala and forest workers of Uttar Pradesh have followed the footsteps of SEWA, like functioning both as a trade union and a cooperative. For construction workers, the combination is of trade union struggle with mass mobilisation to influence legislation. However, considering the size of the informal sector in terms of the volume employment it provides, the number of the organizations as cited above is relatively very small. But it can be considered to be a humble beginning and over the time their number will increase covering more number of workers. With the initiative taken by SEWA, a national forum of unorganized workers was formed

under the name National Centre (NCL) for making their presence at the national level in the early 1990s. Apart from SEWA, the NCL had the unions of fish workers, construction workers, forest workers, other independent unions concerned with the unorganized workers, and academics engaged in the field of unorganised sector during the period as its members during 1991 -95. However, the NCL has not yet got registered under the Trade Unions Act, 1926.

7.4 GOVERNMENT OF TRADE UNIONS IN INDIA

The government of trade unions in India can be discussed at three levels as follows

a) Primary level unions

b) Industry level federations and

c) Central federations

a) Primary unions

As discussed earlier these are the unions which function at the plant level, covering the employees of one plant as members, their size is usually small. They have a simple governing structure comprising of: i) Executive Committee, and b) General Body. The primary unions, irrespective of their diversity in the bases of their organization and whether have any political affiliation or not, they usually have a common pattern of governance having the two forums cited above.

General Body:

The General Body is comprised of all the members of the union and is at the apex of the administrative structure. The General Body can meet as and when required to guide, advise, and approve the decisions taken by the Executive Committee. In addition, it has its Annual meeting in which it elects its office bearers and other members to constitute the Executive Committee.

Executive Committee:

The Executive Committee is vested with the administrative powers to manage the day-to-day affairs of the union. It usually comprises of a President, few Vice-Presidents, a General Secretary, a Treasurer and other members. The General Secretary is the most powerful position of the union. In some cases the position of the President just a figure head and may be occupied by an outsider. The Vice-Presidents, however, is usually elected from the rank –and- file. The decisions relating to the routine day-to-day affairs and important issues are taken by the Executive Committee. Some of these decisions taken may have to be placed in the General Body for its consideration and approval. The Executive Committee may also have outsiders as office bearers and/or members subject to the limitation provided for the trade unions functioning in different type of establishments under Section 22 of the Trade Unions Act, 1926

b) Industrial Federations:

The industrial federations normally consist of three organs as follows:

I. General Body or Conference

II. General Council and

III. Working Committee

i. General Body or Conference

The delegates who are elected by the affiliated unions constitute the General Body or Conference. As per the respective constitutions of the affiliated unions and their membership the number of representatives is elected and such it differs from union to union. The General Body elects its members to constitute the General Council and the Working Committee. The meeting of General Body should be held at least once in a year and in addition it can have special sessions. It deals with policy matters and prepares guidelines for the functioning of the General Council and the Working Committee.

ii. General Council:

The General Council is formed by the members elected by the General Body. Since the number of members elected depends on the membership of the affiliated unions, the size of the Council is not the same all the federations. It has to meet at least once in a year. The General council looks after the functioning of the Working Committee.

iii. Working Committee:

The Working Committee comprises of different office bearers like President, Vice-President, General Secretary, Treasurer and other members elected by the General Body. Some federations even have provisions for inclusion of outsiders in the Working Committee. The Working Committee looks after the day-to-day affairs of the federation including any emergency situation as per the guidelines framed by the General Body. It can also frame rules in conformity with its constitution and appoint sub-committees if required for any special purpose.

c) Central Federations:

Almost all the Central federations have a three tier administrative structure consisting of the following:

i) Annual Delegate's Meeting

ii) General Council and

iii) Working Committee

iv) Annual Delegate's Meeting

The Annual delegate's Meeting which is also called as the Annual Conference is attended by the delegates who are elected by their respective affiliated unions on the basis of one's membership strength. Evidently there is no uniformity in this regard as the INTUC and the HMS affiliated unions send delegates at the rate of one for every five hundred members, the same for the AITUC affiliates is one for every two hundred members. In conformity with the constitution of the federation, the policy guidelines are formulated in the meeting. In the meeting of almost all the federations with the exception of INTUC, the office bearers like President, Vice-Presidents, General Secretary, Secretaries, Treasurer are elected . The election of the office bearers in the INTUC is done in the General Council. In general routine matters are decided on the basis of majority of

votes. But important and sensitive issues are decided on the basis of a three - fourth majority of votes. In addition special meetings can also be convened if there is such a request from the prescribed number of affiliated unions.

ii) General Council

The General Council consists of the office bearers like the President, Vice-President, General Secretary, Secretaries, Treasurer and some other member who are elected in the Annual Delegates' Meeting along with some co-opted members. There is no uniformity in the size of the Council as the number of office bearers and other members varies from one to the other. The meeting of the General Council is supposed to be held at least once in a year. Election of members to constitute the Working Committee is held in the Council. However, in the INTUC it in addition to the above it also elects its office bearers. Various functions of the Council include *inter alia* framing of bye laws and regulations, hearing and deciding appeals against the decisions of the Working Committee, affiliation and disaffiliation of unions etc.

iii) Working Committee

The day-to-day management of the Centre is vested on the Working Committee which comprises of the different office bearers and other members as cited earlier. Apart from looking after the routine day-to-day functions it has also to carry out the resolutions adopted in the Annual Delegates' Meeting and the General Council.

7.5 SUMMARY

The foregoing discussion has presented the structure of the trade unions functioning in India. As evident, we come across a variety of unions functioning at different levels like primary level, industry level, regional level and national level. The structure of the trade unions at different levels also has different coverage and shape. The industrial, regional and central federations provide a platform for affiliation of the base level unions. But, as may be seen not all the primary unions get themselves affiliated to these federations or centres. The union structure is politicized with different political parties both at the national and also at the state level having their trade union centres to have say on labour issues. However, there are unions which remain totally apolitical but their numbers are few. Though for pretty long time the trade union movement in the unorganized or informal sector remains neglected, of late this sector has also witnessed the formation of unions at the national as well as at the state level.

7.6 SELF-ASSESSMENT QUESTIONS

1. Discuss the different types of structure of trade unions and their characteristics
2. What are the types of primary unions functioning in India. Discuss their features
3. Enumerate the types and features of the Industrial Federations and Central Federations functioning in India.
4. Distinguish between primary unions of general type and craft type.
5. Discuss the structure of governance of the Primary Level Unions, Industrial Level Federations and Central Federations

7.7 FURTHER READINGS

- Sinha, P.R.N., Indu Bala Sinha and Seema Priyadarshini Sekhar. 2004. *Industrial Relations, Trade Unions, and Labour Legislations*, Delhi: Pearson Education.
- C. S. Venkata Ratnam,2006, *Industrial Relations*, New Delhi, Oxford University Presss
- Government of India, 1969, *First National Commission on Labour*,

UNIT 8 MANAGERIAL UNIONISM

Objectives

After completion of this unit, you should be able to understand:

- the evolution of managerial unionism in India;
- the top managements' reactions to managerial unions;
- the factors influencing the formation of managerial unions; and
- the activities of the managerial unions.

Structure

8.1 INTRODUCTION

Managers and officers in India belonging to such diverse organsiations as manufacturing enterprises, commercial banks, insurance companies, research and development laboratories, electricity boards, trading corporations, merchant navy and the civil service are increasing banding themselves into collectivities of associations, which are gaining the aspects of trade unionism. The word 'managers', is not the only possible label for this diverse group of people. Industry employs 'managers', the civil service and merchant navy have 'officers', as do the banks and insurance companies; research institutes and laboratories employ 'scientists and technologists', electricity boards and sections of commercial airlines have ' engineers'. Although called by different names, and doing varied jobs, it is quite clear that these men and women have a great deal in common. They belong to the higher echelons of organizational hierarchy. They are different from the white-collar groups (such as clerks, draftsmen, technicians, salesmen and laboratory assistants whose tasks are routine and repetitive, although non-manual) and the blue-collar employees (who are paid for exertion of physical effort). They may be simply be titled 'managers'.

In India, collectivities/ organisations of managers are popularly known as 'officers' associations'. The officers' associations as well as trade unions exist to protect and advance the work interests of their members. As such, the terms 'association' and 'trade union' can be used synonymously.

The following sections cover the evolution of managerial unions in India, the reasons for the formation of managerial unions, and the activities of these unions.

8.2 THE EVOLUTION OF MANAGERIAL UNIONS IN INDIA

In India, no coherent chronological account is available of the evolution of managerial unionism, much less its spread or density. Organisations of managers appear to have been in existence for decades, with associations of merchant navy officers, airlines pilots and flight engineers dating back to the period around Independence. Civil servants have similarly been organized for a long time. Mamlottam (1989) believes that the first impetus for managerial unionization came from workers' unions, with the first having been formed among supervisors and promoted officers, who had been accustomed to unionization. But, with the phenomenal expansion in banking and insurance sector, and the massive investment in the public sector enterprises in the country during the sixties, there was a spurt in the number of managerial unions. Thus, perhaps there is almost no public sector enterprise today whose managers are not organized. The managerial union movement in reported to have grown and spread during the seventies, especially in the coal, steel, petroleum, engineering, chemical, textile, electronics, banking and insurance industries.

Managerial unions, like trade unions in general, suffered a minor setback towards the mid-seventies on account of national emergency (1975-77). However, immediately after lifting of the National Emergency, managerial unionism gained its momentum. In fact, during the Janata Government regime that followed the Emergency, several officers' associations were registered as unions under the Trade Unions Act, 1928, and some of them were formally recognized by the top managements.

In 1978, the associations of officers in the public sector witnessed a major shift in their character an direction from a rather passive and non-assertive stature to an active and assertive style. Many existing associations merged during this period, thus consolidating the movement. This also led to a change in the relations between these associations and the management, which became more cordial in general, though bitterness continued in several cases. Together with consolidation, many senior level managers also began to join these associations.

In the public sector, the managerial union movement entered an new phase in the eighties. In the year 1983, the National Confederation of Officers' Associations (NCOA) was formed mainly to protect the interests of the officers in the Central Public Sector Undertakings (CPSUs).

The year 1983 witnessed another significant development in the managerial association movement. In that year, the Government of India asked all the CPUs that were following the Central Dearness Allowance (CDA) pattern to switch over to the Industrial Dearness Allowance (IDA) patter. The officers' association of one of the 89 CPSUs affected by this decision of the government filed a case in the Supreme Court against the Government. The decision of the Government regarding change of Dearness Allowance patter from CDA to IDA and filing of a suit against it in the Supreme Court acted as a spur for the formation of officers' association not only in all affected CPSUs, but also in many other. Subsequently, in 1988, the officers' associations of the 89 affected CPSUs joined hands to form a separate confederation of associations of officers.

The economic and industrial policies of the new Government that came to power in June 1991 have created pressures and insecurities for all public sector employees including officers. As such, the role of the NCOA has become all the more important as well as challenging. Officers/managers of giant corporations like coal, steel, oil and power sector enterprises are not members of the NCOA, but they have come closer to the NCOA through their respective industrial federations of officers/ managers/ executives after the introduction of the New Economic Policy in 1991.

A major development that occurred in June 1992 was the formation of a new organisation called the Professional Workers' Trade Union Centre (PWTUC) to look after the interest of the managerial and supervisory staff, officers and scientific workers. Among the major organisations that have joined together to form the PWTUC are: All Indian Bank Officers' Confederation, NCOA, All India Life Insurance Officers' Association, National Confederation of General Insurance Corporation Officers' Associations, and Council of Scientific and Industrial Research Scientific Workers' Association. These five organisations together represent about 4.5 lakh professional workers. The most important objective of the PWTUC is security of service for the managerial and supervisory staff.

The development occurring in the managerial union front in the public sector industries had their impact on the private sector. As a result, the private sector managers both in the MNCs and the family-controlled enterprises, have formed their associations. The industries in which managerial unions formed in the MNCs include pharmaceuticals, engineering, chemicals, and consumer products (Glaxo, Guest Keen Williams, General Electric). Among the indigenously owned companies which have officers' associations are: Grasim, Tata Electric, Mafatlal Group, Kamanis, etc.

The estimates of the number of managerial associations and their membership even in the mid-eighties were around two hundred and 3,00,000 respectively. The more intensely organized are public sector white-collar undertakings like government departments, banks, insurance, etc. The State Bank Officers' Association was estimated to be about 50,000- strong.

8.3 BOUNDARIES OF MANAGERIAL ASSOCIATIONS

It is problematic to determine the limits of association constituency of managerial associations in India. Ramaswamy (1985) describes the boundaries of managerial associations with the caveat that his description presents only a general picture of the boundaries of a typical managerial association, and, as such, vast differences do exist in the managerial association boundaries in different organisations or even in different enterprises within the same industry.

According to Ramaswamy, at the base the managerial associations take up from where white-collar clerical and staff unions stop. At the apex, the managerial associations would evidently leave out the top layer of managers who may not join, or be acceptable to the associations. What lies in between these two points is **association territory**.

Apex (where top layer of managers are left out)

Base (where white-collar clerical and staff unions stop)

Figure 1: Managerial Association Territory.

If we turn our attention to the differences in the boundaries of the managerial associations in different organisations/ industries, we may notice white-collar workers (at the base) teaming up with mangers in some banks. Similarly, at the apex the reach of the managerial association varies from one organisation to another. In some **commercial banks**, association membership normally stops at the Regional Manager, which is a middle management position. Officers of the level of the Assistant or Deputy General Manager would normally keep out. In the Life Insurance Corporation, the membership extends a little further, with the Zonal Managers also joining the association. The Steel plants and coal mines probably represent the ultimate, with the association membership reaching right up to the level of General Manager.

8.4 MANAGEMENTS' REACTIONS TO MANAGERIAL ASSCIATIONS

1) Managements' response to officers' / mangers' associations in public sector have varied over time. The initial response in almost all cases was one of antagonism and hostility (resulting either in dismissal or transfer of activists, which continued till the mid-seventies). However, in the late-seventies i.e. in the Post-Emergency period there was a change in the attitude of the managements towards managerial associations. In most cases, these associations were accepted as something to be tolerated. Thus, the earlier hostility gave way to a new relationship based on a mixture of love and hate.

2) As the managements started dealing with the managerial associations, they discovered that the association of officers/ managers is not an evil force. as such, many of them gave de facto recognition to these associations and a working relationship got established between managements and managerial associations. A few enlightened employees shed their inhibitions and gave formal recognition to their officers'/ managers' associations for the purpose of having discussions/ consultation in respect of issues such as salaried and benefits. Examples are: HAL, SAIL, BHEL, HMT, IOC, IPCL, Hindustan Cables, Indian Airlines, and Air India.

3) In the private sector, the attitude of the top management towards the managerial associations was in general hostile till early nineties. Many private sector organisations mercilessly sacked the officer activists. Although the managerial associations do continue to exist in this sector, reportedly, they are not quite comfortable with their top managements.

8.5 WHY MANAGERIAL UNIONISM?

Some of the major causes for the formation of managerial unions in India are:

1) Narrowing Wage Differentials

There is a wide-spread feeling among the managers that compared to unionized cadre of workmen they are getting a raw deal from their employers in terms of remuneration. They complain about the narrowing differentials between the emoluments of junior officers and the wages of the senior workmen. This feeling of relative deprivation/ comparison has contributed significantly to the emergence of managerial unionism. The managers hope that collectively they can exert enough pressure on the management to give them a comparable salary hike whenever workers' wages are raised.

2) Loss of Identity

Like workers, managers too experience a loss of power, facelessness among the changes and reorganization of enterprises in the modern world. Many managers, especially the junior one have little access to information pertaining to the company.

3) Job Insecurity

While one of the hardest things in Indian industry is to terminate the services of a worker, it is not very difficult to remove the managers form their jobs. Even in the public sector, the junior and middle level managers do not have the job security.

Under the Industrial Disputes Act, 1947, the workmen enjoy job security; and they are entitled to: a) Lay-off compensation, if laid-off; b) retrenchment compensation, if retrenched; and c) some sort of statutory compensation in case the establishment is closed down or its ownership is transferred. The managerial employees are not entitled to such security and benefits.

If a workman is terminated from service or suspended or retrenched, his dispute connected to this issue will be treated as industrial dispute. On the other hand, if the service of a managerial employee is terminated, he cannot raise an industrial dispute. The job security issue is, therefore, one of the major causes for the formation of managerial unions.

4) Perceived Need for Protection from Militant Trade Unionism.

As the junior and the middle level managers are responsible for translation managerial decisions into action, they are in the direct line of union fire. The unionized workmen and staff could make it difficult for the mangers to take work from them due to their unions' support and the protection they enjoy from labour legislation. Because of this the managers are uncertain as to how to go about with the unionized labour. If the young manager decides to charge-sheet an offender, his boss may drop the charge on grounds of expediency (due to the pressures from the unions). Laxity on his part, might on the other hand, evoke the comment that he is not sufficiently firm. As such, the middle ranks of managers seem convinced that they cannot count on support from above with regard to the unions even when they have acted in good faith towards the organisation.

5) Bureaucratic Culture

The bureaucratic culture which characterises the working environment of all public enterprises is another factor contributing to the emergence of managerial unionism. In these organisations, the junior and the middle level managers feel lost, as the decisions are taken unilaterally by the higher authorities or concerned Ministries. It is to make their presence felt and to have some say in matters affecting them that these managers/ officers are organizing and forming their associations.

6) Absence of Participative Forum

The government and the managements who are so concerned with the workers' participation in management hardly give a thought to the managers' need to participate in management. As such, the junior and the middle mangers feel that the faceless and voice-less entity is not the unionised workers, but themselves. These managers draw the lesson that they need an organisation/ association to focus attention on their problems. They use the collective negotiation/ bargaining

that takes place between their associations and the top management as a participative forum for being associated with the management as closely as possible.

7) Promotion Policies

The promotion policies of organisations also have had their effect on association formation. The nationalized banks have to fill by promotion three- fourths of the positions at the lowest point in the officer category. Many organisations promote employees from the ranks to the managerial cadre as a matter of personnel policy even through there is no explicit compulsion. Another common practice is to attach the problem of stagnation through a change of designation while letting the job itself unchanged.

These 'promotee officers' have often been in the forefront of association formation. These employees find it difficult to reconcile to the loss of power they have experienced as union activists and members, and association formation naturally comes to them. However, the promotion polices in some organisations have a flip-side- discrimination in promotion processes; promotions not based on merit etc. Thus, the promotion or lack of it or discrimination in the promotion process has been managers. All this justifies the formation of managerial associations.

8) To be a Third Force between the Working Class and the Management

Being denied the protection of labour laws, and the privilege of a real manager, the junior and middle level mangers have gone for the only option left to them, that is, the formation of the officers' associations. They would not like to be considered as part and parcel of either of the working class or the management, but as a 'third force' between these two groups.

8.6 THE ACTIVITIES OF MANAGERIAL UNIONS

The activities of managerial associations reflect the character and personality of managerial unionism. The day-to-day activities of managerial activities may be categorized as: a) protection, preservation, and improvement of occupational interests; b) welfare activities; c) organizational interests; and d) channel of communication.

a) Protection, Preservation and Improvement of Occupational Interests

The main thrust of managerial associations is on protection, preservation and improvement of the occupational interests of their members, which include, among other things, opportunities for promotions, pay revision, grievance redressal, improvement of working conditions, and introduction or enhancement of various fringe benefits. While pursuing the occupational interest, some associations resort to agitational methods such as strikes, demonstrations, gheraos, displaying posters in vile and objectionable language, processions in the streets etc.

b) Welfare activities

The welfare activities of the managerial associations, in general, include: establishment and management of cooperative societies, management of officers' clubs and canteens, organisation of cultural, recreational and sports activities, management of educational trusts, collection of a certain amount as part of managerial association subscription and financing the same for a Group Insurance Scheme of the Life Insurance Corporation, etc.

c) Organisational Interests

One of the important activities of managerial associations is to supplement the efforts of the management that are aimed at professional development of managers, by way of organising seminars, and talks on various topics. Another important activity is to help the management in improving the productivity of the organisation.

d) Channel of Communication

Managerial associations are proving to be an effective channel of communication in their respective establishments. By raising the concerns of officers before the management and by presenting the views of the management to the officers (members), a managerial association operates like a bridge for two-way communication.

Activity 1: Briefly discuss the activities of managerial unions and how these unions are being used for improving employment relations in your organisation or any organisation you are familiar with.

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8.7 SUMMARY

In this unit, we have:

- outlined the evolution of managerial unions in India.
- attempted to give a general picture of the boundaries of a typical managerial association.
- briefly described the managements' reactions to the managerial associations.
- examined the main causes for the formation of managerial unions in India.
- given a brief account of the activities of the managerial associations in general.
- categorised the activities of managerial unions as: (a) protection, preservation, and improvement of occupational interests of members; (b) welfare activities; (c) organisational interests; and (d) channel of communication.

8.8 SELF-ASSESSMENT QUESTIONS

1) Outline the evolution of managerial unions in India.

2) Give a brief account of the various activities of a managerial association with which you are familiar.

3) "The general reaction of managements towards managerial associations in India is one of antagonism". Do you agree with this statement? Justify your answer.

4) Distinguish between the workers' trade unions and managerial trade unions.

8.9 FURTHER READINGS

- Mamkottam, kuriakose. 1989. " Emergences of Managerial Unionism in India", Economic and Policitical Weekly, Vol. XIV, No. 43.
- Ramaswamy, E.A. 1988. Workers Consciousness and Trade Unions, New Delhi: Oxford University Press.
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UNIT 9 EMPLOYMENT RELATIONS IN NON UNION FIRMS

Objectives

After going through this unit, you should be able to:

- understand the meaning of non-union organisations;
- comprehend the reasons for existence of non-union firms;
- understand dispute settlement mechanisms in non-union organisations;
- get insights into workers involvement mechanisms in non-union context; and
- comprehend the approaches for employee relations in non-union firms.

Structure

9.1 INTRODUCTION

For many decades the concept and practice of employee representation primarily involved representation through a trade union. Unions have been viewed as negotiating agents for collective agreements with employers, whether at unit level, industry level or national level.This role of unions has been a result of general understanding that workers have to associate together to strengthen their bargaining power with their employers. Unions fulfilled this role quite successfully during decades of 1950s to 1980s. They were able to provide substantial gains to workers while bargaining with employers on issues like pay, working conditions and work hours. Such negotiations sometimes affected the gains and practices of non-union workers too. The industrial relations during this phase were marked by actions like strikes and lockouts, therefore the labour policy in India, as in several other countries, like the USA, was largely focused on union-management relationship, workers' participation in managementand collective bargaining. The focus was on attaining industrial peace by eliminating unfair labour practices and reducing the instances of strikes and lockouts.

9.2 NON-UNION ORGANISATIONS

Non Union firm does not mean that union does not exist in establishment .It refers to an organisation wherethe management does not deal with a trade union that collectively represents the interests of employeesbecause it does not recognise the union for taking decisions related to terms and conditions of employment. It also represent a situationwhere management consults only a section of workers while it does not recognise another section of workers for negotiations or consultation. Non-unionism occurs in firms because of various reasons. Some of these reasons are as following:

- management wants to avoid the trade union influence.
- non-unionism occurred by chance, and not because trade unionism caused any problem.

Guest and Hoque (1994), divided non-union organisations into several types, that is, good, bad andugly non-unionism.

Good non-unionism: The good non-union employer provides an attractive terms and conditions of employment and employs an advanced Human Resource Management (HRM) practices, for example, greater autonomy, above average remuneration, anddevelopment opportunities.

The bad and ugly non-unionism: Such firms operate in highly competitive markets and are often dependent upon larger enterprises for their work. In the 'bad' non-union firm, management offers poor wages and work conditions without mal-intentions, while in the 'ugly', management seek to exploit workers.

Foulkes (1981) identified characteristics of non-union companies as a sense of caring, a climate of trust, high profitability, employment security, promotion from within, influential personnel departments, competitive pay and benefits, open communication channels, better performance management. Non-union organisations are also known to be characteristised by egalitarianism and equality.

9.3 REASONS FOR EMERGENCE OF NON-UNION FIRMS

It is generally considered that the decline in trade unions is attributable to four major factors: structural/economic changes; politico-legal influences; managerial attitudes and behaviour; and employee attitudes and behaviour. Non-union firms are able to manage employees well as they get the opportunity to deal directly with employees rather than through unions. Such firms experiment with different plans on improving employee relations. Lack of union may also lead to positive relations between workers and management rather than viewing them as opposition party. Many non-union firms are adopting innovative ways to improve employee relations with the objective to improve productivity.

With the adoption of new industrial policy in India from 1991, which marked the beginning of economic liberalisation, country's business environment witnessed a number of crucial changes like increased competition with multination firms, de-regulation, and technological change. The monopoly enjoyed by many domestic firms declined substantially and hence their ability to influence customers. Cost effectiveness, quality

and performance standards suddenly became important and all this resulted in decline of union bargaining power and unionization itself. The practices of contracting and sub-contracting adopted by the private firms had a serious outcome for unionization. The union membership began falling, particularly in private sector. These trends continued into the twenty-first century, with unionization and collective bargaining becoming much less common globally as compared to the period falling in first three quarters of the twentieth century.

Moreover, the nature of the workforce is becoming heterogenous. This calls for a change in approaches that have been shaped by relatively homogenous workers, and by union concerns for uniformity and consistency in pay and working conditions. In some countries, companies have pursued union avoidance and union busting activities. Moreover, the nature of the workforce is becoming heterogenous. This calls for a change in approaches that have been shaped by relatively homogenous workers, and by union concerns for uniformity and consistency in pay and working conditions.

9.4 HUMAN RESOURCE SYSTEM IN NON-UNION FIRMS

The human resource system in many of the organisations is now fulfilling the gap by being having high involvement with employees, though there is still a belief that there is no substitute to unions when it comes to protecting employee interests. The changing shape of organisations has changed the form of employee relations in organisations. The relationship between employees and employer has undergone a big change with technological interventions in work and emergence of gig economy. The focus today is on developing and retaining talented employees in the organisation. Various strategies of human resource management have been developed from time to time to enhance employee satisfaction with the dual objectives to improve productivity and have positive employee relations. The concept of quality of worklife (QWL) originated in the 1950s. During the 1980s the concept of the quality of worklife and productivity became popular. Management practices like Quality Circleswere adopted by many companies to achieve quality in production and enhance productivity. The focus on QWL has been helpful in promoting a number of human resources policies that were aimed at getting productivity increases as well as cooperation during the process of technological changes in firms. However, the unions in many organisations were not forthcoming in supporting these practices as they perceived that these programmes as a threat to their existence.

Human Resource Management (HRM) has assumed greater importance since the 1990s. The new non-union model of industrial relations that emerged in the USA enhanced the status of human resource professionals.There was an integration of technology with human resources in organisations to attain effectiveness. There was greater emphasis on teamwork and autonomy in teams. The changes in the nature of labour force in many industrialised countries had taken place. Labour class was better educated and desired for development. Meanwhile, the composition of workforce also changed with greater participation of female workers.The number of casual and parttime workers also increased. The increase in workforce diversity and greater awareness among workers in terms of the demand for greater autonomy to the work schedules and job content led to emergence of collaborative rather than authoritative management of firms. The 'liberated and educated' workers did not prefer 'combined efforts' like collective bargaining to negotiate with employers over employment conditions.

Thus new methods of managing employee relations were gradually developed that would help non-union firms deal with relational issues.

9.5 DISPUTE SETTLEMENT IN NON-UNION ORGANISATIONS

Unions have had a significant effect on organizational structures and practices by institutionalizing dispute resolution through a well-developed grievance process, in addition to their important contributions to improving safety, working conditions, and economic gains for workers. Union participation in collective bargaining is an important means of achieving industrial harmony. Collective bargaining is viewed as a defining feature of the labor–management relationship, providing both parties with an effective means of managing workplace conflict, addressing worker concerns, and eliciting worker voice and input, whilethe grievance process is often seen as a mechanism for advancing worker and union interests in equity alongside employer interests in efficiency. Thus the grievance process along with collective bargaining are unique institutionsthat tend to balance the needs of employer and worker.This balance is achieved by neutralizing the power of unions thus constraining management from taking any unilateral decisions that might adversely affect workers' interests.

The steady decline in unionization over the past decades has had serious implications for the way conflicts are resolved in organizations. With lowering of union density in organisations, particularly in private sector, a large proportion of workforce does nothave access to the institution of combined voice, unionized grievance process and collective bargaining. The decline in unionism, however, does not mean that non-union workers have lost their voice or they do not have means for dispute resolution for non-union workers. Non-union firms have evolved various alternatives to the traditional institutions that function in unionized firms.

Various grievance models and dispute resolving methods have been evolved that are based on collective participation of employees rather than those dominated by workers' representatives through union.Strategies have been developed by firms about their approach to worker voice and dispute resolution.The absence of bilateral negotiations in the non-union setting means, among other things, that these decisions are often made with little to no input from workers. Though workers' perspectives are also taken into consideration, but,such decisions are taken through managerial authority. More often workers are passive actors in the decision-making process, since they are central to adoption and implementation of participation and dispute-resolution practices, such decisions are affected by their presence.

Activity 1: Present a note on the employment relations in any non-unionised firm that is known to you or you are familiar with.

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9.6 APPROACHES TO WORKER-MANAGEMENT RELATIONS

Attitudes and approaches of non unionfirm's with respect to involvement and participation of workers in various decisions and methods adopted for dispute and conflict management is central to an understanding of important organizational dynamics, processes, and outcomes, from turnover to performance. Management of disputes and maintaining harmony in relations is of utmost importance for management.Various strategies are adopted by the firms for resolving conflicts and disputes. Such strategies may be broadly based on the following approaches.There are :

1) ***Avoidance approach***: In this strategy the firms avoid the use of formal dispute resolution and participation practices altogether. Though various alternative dispute resolution techniques have been evolved, not all firms have adopted these methods of resolving conflict. Some prefer not to formalize the dispute-resolution function. These firms prefer traditional authoritative approaches to resolving workplace conflict and tend to rely on a top-down approach of conflict and/or a litigation-centered approach. While reasons for adoption of this approach may vary, these firms do not trust the potential benefits of institutionalizing organisational dispute-resolution mechanisms.

2) ***Defensive approach***: Under defensive approach firms adopt dispute resolution as a means of defending against a various external perceived threats, such as litigation and unionization, and avoid the adoption of formal worker involvement practices. Under this approach firms recognise the potential that dispute-resolution practices have for safeguarding the organization from external pressures perceived to negatively affect financial, managerial, and reputational outcomes. This approach originates from the belief that non-union firms can benefit from customized dispute-resolution dimensions. The defensive non-union alternative relies on dispute-resolution practices which ensure that internal conflicts and disputes are not exposed to external stakeholders and the general public for analysis which may have adverse implications for firm. The decision to use dispute resolution in this manner is deliberate, strategic, and proactive. Nonetheless, it is conceptualized as a narrower dispute-resolution approach that does not seek to leverage broader benefits documented in union or non-union settings. This strategy, therefore, has implications for employee relations in a firm since it makes a narrower use of conflict resolution tools, thereby affecting the formal and informal manner by which workers and managers deal with tensions, disagreements, and disputes.

3) ***Operational approach***: Firms that adopt workers involvement practices designed to get production-related input without a corresponding set of dispute-resolution practices.

4) ***Utilitarian approach***: Firms that adopt a defensive approach to dispute resolution and a production-focused approach to workers participation and involvement

5) ***Comprehensive approach***: Firms that leverage dispute-resolution practices to advance a broad range of employer-employee relational outcomes alongside participation practices that allow for the expression of both production and worker-centered input. The strategy is designed to provide organizations with a comprehensive systemic approach to managing conflict. This strategy is based on

a view of dispute resolution as a means to strengthen relational and managerial capabilities and, in the process, provide broad organizational and worker outcomes. While a defensive strategy focuses on the narrow organizational features of dispute resolution, an expansive strategy is based on a wider range of dispute-resolution functions, where firms seek to leverage alternative dispute resolution techniquesto serve for a broader employment relations approach based on organisationalculture focused on collaboration, partnership, and problem solving.

The manner in which firms, union or non-union, deal with conflict is reflective of the overarching employer-worker relations. Processes like collective bargaining, workers' involvement in management and grievance process, where union has active involvement, have the purpose to advance specific organizational and worker needs. Non-union firms have developed their own mechanisms for responding to work-related conflicts and disputes in the absence of collective bargaining and negotiated grievance procedures. These mechanisms may be adopted forms of the traditional methods. .Furthermore, since different firms would attach different levels of significance to conflict-resolution, there would be variation in alternative strategies guiding their decisions. Thus, different organisations have different policies regarding adoption ofconflict-resolution alternatives and their motivations determining their adoption decisions also vary.

9.7 ALTERNATIVE DISPUTE RESOLUTION STRATEGIES

Various dispute resolution methods have been evolved eversince a growing proportion of firms began turning to non-union firms and started adopting internal alternatives to unionized and tripartite means of resolving conflict. While some firms turn to ADR to address litigation-related pressures, others use ADR to avoid unionization. These firms seek to incorporate features of the grievance process that provide employees with a sense of participation in the dispute-resolution process.These practices include interest-based options (like mediation, facilitation, and conflict coaching) and rights-based options (like arbitration and peer-review panels).The use of rights-based practices does not, by itself, imply a defensive dispute-resolution strategy. Rather, what matters is the underlying motivation driving the use of specific practices.

1. Right-based options

These options are connected with rights of employees. These methods include:

- *Mandatory Employment Arbitration*

  A mandatory arbitration is a clause in a contract that requires the parties to resolve their disputes through an arbitration process.Mandatory arbitration clauses usually state that the parties to the dispute will not litigate their legal issue in the event of a dispute which might arise from their contract. Parties to the contract waive/ forfeit their other legal rights to resolve their dispute by any other ways and agree to submit to arbitration in order to resolve the dispute.Most mandatory arbitration clauses limit the rights of a party to appeal to an arbitration award. Further, some mandatory arbitration clauses even impose a limit on damages.

  There has been a rapid growth in adoption and use of mandatory employment arbitration by firms. This approach may be considered to be falling under defensive

approach.Mandatory arbitration agreements cap the workers' ability to take employment-related claims in court and, instead, offer a binding, private, rights-based process. The mandatory arbitration can be positive and negative for a firm. Onthe positive side, in case of a dispute, the arbitration award will be final and there will be no unnecessary appeals and it can, thus, save the time of litigation.Thus mandatory arbitration offers firms a strongmeans forprotecting themselves from costly, time-consuming, and potentially reputation-damaging employment litigation. But a negative aspect of mandatory arbitration is that by agreeing to such mandatory clauses, employees waive all other legal rights to litigate and this can be misused by employers.

- *Peer-review methods*

  Peer review method of resolving conflict can be seen as another dispute-resolution process adopted to address external pressures. Peer review methodprovide a mechanism for incorporating employee involvement into non-union dispute resolution procedures in the workplace. In this problem-solving process, aggrieved employee takes a dispute/grievance to a group or panel of fellow employees and managers for a decision. Peers of the grievant sit on a panel that hears and decides the employee's grievance. The intended effect is to enhance employee trust in and use of dispute resolution procedures by providing a final decision-maker that is viewed as more independent of management and more favorable to the employee perspective in disputes. The decision is not binding on the employee, and s/he would be able to seek relief in traditional forums for dispute resolution if dissatisfied with the decision. The principal objective of peer review is to resolve disputes early before they become formal complaints.

  The peer review panel follow certain pre-decided policies and guidelines of the panel. The panel may take various forms. The panel may consist of employees and managers who volunteer for this duty and who are trained in listening, and problem-solving skills A peer review panel may also be a standing group of peers who are available to resolve disputes brought to it by employees at any time. Panels may be formed on an ad hoc basis through some selection process initiated by the employee.

2. Interest based options

Interest based options are used by certain non-union firms to address external threats. Thus, for example, firms may use mediation to avoid unionization, as this technique is commonly used in the unionized grievance process. Dispute-resolution practices are, according to this approach, tools that organizations use to further certain interests and deliver on specific strategies. It is also used as a means of supportingfirm's employee relations approach. A commonly used method under this approach is mediation.

- *Mediation*

  Mediation is a technique designed to explore disputing parties' underlying needs and concerns. Given its focus on resolving conflict in a manner that addresses the parties' interests, mediation and similar techniques are likely to be more prevalent and used more frequently by firms that adopt a comprehensive strategy. While firms employing a defensive dispute-resolution strategy may also use mediation, its execution by firms with an expansive dispute-resolution strategy likely differs. First, firms with an expansive strategy use mediation as part of a broader system

of practices. Second, these firms are also likely to leverage mediation for gains beyond efficiency and union avoidance.

Thusalternative dispute resolution practicesadopted by firms depend on their overarching strategic approach. In contrast to the defensive strategy, the expansive approach is based on firms' recognition that how conflict is resolved and managed within organizations has clear implications for central worker and managerial outcomes and, as such, can positively affect a wide range of performance outcomes.

9.8 TYPES OF NON-UNION STRATEGIES

Processes like grievance handling give voice to workers. The grievance process and workers' participation act as tool for bothlabor and management to resolve conflict and to bring out worker voice. In absence of a uniform and combined mechanism to deliver both, non-union firms dissociate these two features of employee relations management and develop separate strategies for each. Non-union firms consider worker involvement and participation as capable of delivering various organizational benefits. For example, workers' participation can be seen as a means to enhance internal organizational communication, allow for employee consultation, and provides workers a mechanism to offer inputs to decision making. Though all the objectives are related, each of these differ and might require adoption of different mechanisms.In the absence of unions, the range of mechanisms for worker participation and involvement has expanded and includes practices and processes varying in emphasis on worker expressions regarding work, work environment and workplace and collective representation.

Expressions of unionized workers is viewed to be different from that of non-union workers. Voice of workers in non-union firmsis more often direct and focused on individual issues rather than addressing collective issues and collective representation. Workers' involvement and participation methods may be differentiated on the basis of their focus, that is, whether it is concerned with individual issues, or meant to solve managerial matters, or aim at managing employees. Non-union firms can adopt a various practices aimed at enhancing employee participation and improving employee relations. These includefree-flowing and transparent communication, open-door policies, suggestions schemes, quality circles, employee-involvement programs, employee empowerment, self-managed teams, problem-solving groups, and joint consultative committees. Employee participation methods in non-union firms serve dual purpose asnot only they can be used to enhance organizational performance and productivity but also promote workers' well-being. Though both interest are, in many ways, intertwined in unionized firms, they are dissociated in the non-union firms and therefore can be used for further one interest without necessarily advancing the other. Thus, management motivations become important in explaining variation in methods adopted across different non-union firms. The worker invovment and participation methods may be directed to achieve effective communication and exchange between workers and management or may be used as a mechanism for workers to share ideas and provide input to management unidirectionally.

Firms may adopt one of three workers' participation strategies:

- Participation avoidance,
- Production-centered participation

- Worker-centered participation

- ***Participation avoidance***

  As with dispute resolution strategy, a firm may decide not to have any formal mechanisms for workers' involvement/participation or grievance management. This limits the exchange between management and workers. Such organisations do not attempt to have any processes aimed at providing voice to workers.These firms, that do not formalise work participation and involvement mechanisms do not believe in providing to workers any formal platforms approved by the management to provide any sort of input, share thoughts and plans, participate in decision making, raise workplace related issuesor grievances. This strategic choice may be the outcome of a different reasons. These reasons may include (1) perceived financial costs involved in satisfying workers' needs and concerns, (2) apprehension of undermining the management authority due to participation of workers in operation decision making (3) non-belief in workers' capability to offer meaningful contributions in organisational decision making. Thus, depending upon the contextual background of the organisation, the characteristics of the workforce, or the general strategic and employee relations orientation of the top management, firm may adopt a strategy for workers' involvement in firms' decision making.

- ***Production-Centered workers' participation***

  Processes involved in maintaining employee relations may also be leveraged by non-union firms to enhance production and service quality. Thus the main motive of the firms to deploy techniques of workers participation and involvement, grievance mechanism or conflict resolution methods is to utilize it for improving organizational productivity and performance. These non-union firms attempt to get inputs from workers in form of consultation, suggestion and advisory source to gain from their experience and expertise for enhancing operational productivity and quality. A production-centered approach thus focuses on processes that enhance information sharing, problem solving, and opportunities for employee participation so as to provide the firm with an operational-related competitive advantage. Worker participation is thus used as a means of improving production and productivity. Such organisations are likely to implement processes like suggestion scheme, problem solving teams, like quality circles, joint committees of workers and management and easy accessibility of management for communication.

- ***Worker-Centered participation***

  Certain firms may employ workers' participation and involvement to enhance and improve production process as well to address workers' interests. This approach offers a way for workers to demand for better working conditions and also express discontent. Firms adopting a worker-centered strategy are, thus try to leverage participation as a means of improving operational processes and productivity through direct involvement of workersin these operational issues and by improving work conditions by offering the workers different forms and platforms for expression . The aim is to affectattitudinal change and commitment among workers. This may also help in constraining workers' turnover intentions.

Worker-centered approach works well when firms adopt mechanisms that facilitate meaningful interactions between workers and management relation to issues that do not just pertain to production and productivity.The worker involvement practicesare

broader in this approach as compared with production-centred participation practices. Such practices include self-managed teams, consultative committees, and joint decision-making practice, among others. Nonetheless, non-union firms that adopt this strategy are equally concerned with leveraging the strategy for enhancing production and productivity.

9.9 FACTORS AFFECTING EMPLOYEE RELATIONS IN NON-UNION FIRMS

The employee relation strategies adopted by the firms are dependent upon a number of factors.Four dominant factors drive firms' strategic combination of worker's participation in management, and dispute-resolution approaches to manage overarching employee relations

1. external pressures,
2. internal organizational dynamics,
3. employment relations models, and
4. workforce characteristics.

1. **External pressures** – Various external pressures are faced by the firms, including perceived threats of litigation and unionization, alongside a range of competitive pressures. Dispute-resolution strategies are often designed to respond to litigation exposure and pressures. When firms perceive greater levels of perceived litigation threats, firms' are more inclined to adopt defensive approach of dispute-resolution. Also, alternative dispute resolution methods are adopted by firms that perceive unionization as a threat. Firms that aim at avoiding unionization have been found to adopt such non-union dispute-resolution practices that are seen as enhancing worker agency and participation around the resolution of conflict. Both non-union worker participation and dispute-resolution strategies are influenced by competitive threats related to quality, performance and efficiency. Such pressures force the firms to leverage a range of workers participation and dispute-resolution methods to enhance quality. But since implementing these practices may be costly of the firms, therefore, pressure to reduce cost stop the firms from devoting scarce resources in employee relation practices, especially those associated with proactive and expansive dispute resolution and worker participation.

2. **Internal dynamics**–Organisation's internal processes and concerns significantly affect the participation strategy adopted by them for managing employee relations. Both conflict resolution and workers' involvement and participation practices help in enhancing coordination between management and workers and coordinated execution of organisational processes like the flow of communication and information sharing. Thus, complexity in internal processes can be better managed with effective employee relations practices..Workers' participation provides firms with effective mechanisms to address the problems of improving communication, coordination and information-sharing that may be associated with organizational complexity. Employee relations models, therefore, are also influenced by a firm's internal level of complexity.

3. **Employment relations models** - A firm's employment relations system plays an important role in shaping its employee relations strategy. Non-union firms' dispute

resolution practices, grievance redressal methods, workers' participation practices -all affect the overall work effectiveness and work arrangements.Such practices reinforce employment relations systems of the organisation.Employment relations systems may be collaborative, transactional, and conflictual.Employment relations systems based on conflictual characterized by adversarial and conflictual systems may not be able to leverage worker involvement and dispute settlement practices for organisational benefit. On the other hand, firms with collaborative employee relations model stresses on work arrangements with active employee participation and voice. Workers are viewed as partners in such firms. Organisations with transactional model believe in give and take relationship with workers and employee relations processes are deployed in a narrow sense. Such firms adopt production-canteredparticipation strategy which falls under defensive model.

4. **Workforce characteristics**- Employee relations model in non-union firm also depend upon characteristics of the workforce, like skill level, education level, readiness to participate in management processes, among others. Workers' skill levels are likely to affect the extent to which they participate in management decisions. Higher overall workforce skill, education and awareness levels increase the demand and need for worker participation. which enhances information sharing, knowledge exchange, and input. Higher skill levels of workers also force the firm to adopt strategies to reduce employee turnover as management would not want to lose skilled workers. Thus, firms are more inclined to retain workers having high levels of capabilities, and are more likely to adopt a wide range of dispute-resolution practices or attempt to have the more proactive approach for conflict resolution that may affect worker productivity and intentions to quit. Thus, employee relations strategies in non-union firms include an analysis of workforce characteristics.

9.10 SUMMARY

Unions have been viewed as negotiating agents for collective agreements with employers. This role of unions has been a result of general understanding that workers have to associate together to strengthen their bargaining power with their employers. With changing business environment, the union membership began falling, particularly in private sector.This resulted into emergence of a large number of non-union firms. The relationship between employees and employer has undergone a big change with technological interventions in work and emergence of gig economy. Non Union firm refers to an organisation where the management does not deal with a trade union that collectively represents the interests of employees. The steady decline in unionization over the past decades has had serious implications for the way conflicts are resolved in organizations. Various grievance models and dispute resolving methods have been evolved that are based on collective participation of employees rather than those dominated by workers' representatives through union. Various strategies are adopted by the firms for resolving conflicts and disputes. Such strategies may be broadly based on the approaches like a*voidance approach,* defensive approach and comprehensive approach. Alternative dispute resolution practices include interest-based options (like mediation, facilitation, and conflict coaching) and rights-based options (like arbitration and peer-review panels). Firms may adopt one of three workers' participation strategies avoiding participation, production-centered participation, worker-centered participation. Four dominant factors that drive firms' strategy to manage overarching employee relations

are external pressures, internal organizational dynamics, employment relations models, and workforce characteristics.

9.11 SELF-ASSESSMENT QUESTIONS

1. Define non-union organisations. Enlist their characteristics.
2. What factors have been responsible for emergence of non-union organisations?
3. Write a brief note on dispute settlement in non-union organisations.
4. Describe various approaches of worker-management relations in non-union firms.
5. Explain right-based options of alternate dispute settlement.
6. Compare Production-centered participation and Worker-centered participation
7. Discuss any two factors affecting employee relations in non-union firms

9.12 FURTHER READINGS AND REFERENCES

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