



A Study of Trade Union and Labour Management Relations in Public Sector Enterprises: A Case Study of BHEL

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Abstract

The existence of a strong and recognized trade union is a prerequisite to industrial peace. Decisions taken through the process of collective bargaining and negotiations between employer and trade unions are more influential. Trade unions play an important role and are helpful in effective communication between the workers and the management. They provide the advice and support to ensure that the differences of opinion do not turn into major conflicts. The central function of a trade union is to represent people at work. But they also have a wider role in protecting their interests. They also play an important role in organizing courses for their members on a wide range of matters. Seeking a healthy and safe working environment is also prominent feature of the trade union. Labor unions developed to grant employees equal bargaining power with their employers, who traditionally had the ability to exclusively set the terms and conditions of work and pay. Unions represent workers within a given industry in negotiations with their employers. Since the union comprises a group of workers, it has a greater voice than if employees were dealing with employers individually. The National Labor Relations Act guarantees employees' right to bargain collectively through their chosen labor union representatives. Unions can organize strikes, boycotts, go-slows and sit-ins to get employers to consider their proposals. In this research paper we focus on every aspect of trade union and labor management relations of BHEL. The finding of the study is that Trade Union done an excellent job in BHEL to protect the interest of workers and employees.

Keywords: Labour Management, BHEL, Trade Union

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1. INTRODUCTION

Man's desire to get everything first in life is in his nature. His behavior towards this urge cannot be controlled easily. In an industry, the labor is also no exception to this. It is the most perishable of commodities. It cannot be preserved. A laborer must work or starve. The employers, on the other hand, can afford to wait. Hence, the workers are unable to bargain with the employers on fair terms and the desire of higher profits on the part of the employers leads to the exploitation of working class. Besides, individually, the worker does not know his importance add-value in the market. Hence, the worker is not in a position to place himself accurately while bargaining with his employers. It was, therefore, found by the labor classes, early in the industrial growth in various countries, that unless they improved their bargaining position, through forming trade unions, they were in danger of serious exploitation by the employing class. Hence, the trade unions came into existence. Their growth and functions have depended on the political, economic and intellectual developments in the country. They indicate social unrest but at the same time this is also a sign of social progress.

In general, it may be therefore said, that trade unions are the organizations of the workers. The workers form themselves into a union, raise funds, get the union registered according to the law of the land and then the union carries on certain functions in the interest of the workers themselves.

2. OBJECTIVES

- To Evaluate the Objectives and Importance of Trade Union and Labour Management Relations in BHEL.
- To study the various facilities provided by management to Trade Union of BHEL.

3. METHODOLOGY

Both primary and secondary data is used for the purpose of analysis. For primary data the researcher has made extensive use of survey method in this study. He visited BHEL on several occasions. The secondary data is taken from Annual report of BHEL, journals research papers and various books.

4. OBJECTIVES OF TRADE UNION

Trade unions are formed to achieve the following objectives:

- Representation** - Trade unions represent individual workers when they have a problem at work. If an employee feels he is being unfairly treated, he can ask the union representative to help, to sort out the difficulty with the manager or employer. Trade unions also offer their members legal representation. Normally, this is to help people get financial compensation for work-related injuries or to assist people who have to take their employer to court.
- Negotiation** - Negotiation is where union representatives, discuss with management, the issues which affect people working in an organization. There may be a difference of opinion between management and union members. Trade unions negotiate with the employers to find out a solution to these differences. Pay, working hours, holidays and changes to working practices are the sorts of issues that are negotiated. In many workplaces there is a formal agreement between the union and the company which states that the union has the right to

negotiate with the employer. In these organizations, unions are said to be recognized for collective bargaining purposes.

- iii. **Voice in decisions affecting workers** - The economic security of employees is determined not only by the level of wages and duration of their employment, but also by the management's personnel policies which include selection of employees for layoffs, retrenchment, promotion and transfer. These policies directly affect workers. The evaluation criteria for such decisions may not be fair. So, the intervention of unions in such decision making is a way through which workers can have their safeguards.
- iv. **Member services** - During the last few years, trade unions have increased the range of services they offer to their members. These include:
- **Education and training** - Most unions run training courses for their members on employment rights, health and safety and other issues. Some unions also help members who have left school with little education by offering courses on basic skills and courses leading to professional qualifications.
 - **Legal assistance** - Offering legal advice on employment issues, some unions give help with personal matters, like housing, wills and debt.
 - **Financial discounts** - People can get discounts on mortgages, insurance and loans from unions.
 - **Welfare benefits** - One of the earliest functions of trade unions was to look after members who hit hard times. Some of the older unions offer financial help to their members when they are sick or unemployed.

5. IMPORTANCE OF TRADE UNIONS

Trade unions should not be satisfied with protecting and improving the wages and conditions of work of their members but should also be concerned about all such matters by which the workers are likely to be affected, whether as producers or as parts of industrial manpower, or as citizens. In other words, the trade union should look after the wide interests of workers, both when they are on the job and off the job, try to solve the problems by which their members are most vitally affected - their emotional disturbances and difficulties, their marital conflicts and their personal adjustment problems. They should, moreover, assist in progressively raising the standard of living of the workers and in developing their personality by arranging educational programs for them - literacy classes for adults and educational programs for their children as well as for those who are interested in acquiring an education, sewing and embroidery classes for women employees. They should be deeply involved in bringing about and maintaining industrial harmony and peace and battle with the employers and the government, if necessary, at the bargaining table and in seminars and at conferences to ensure that labor is not exploited, that employers do not make unfair use of their power, or victimize, their employees, and resort to unfair lay-offs or dismissals because the workers have participated in trade union activity.

Trade unions should always abide by the decisions of tripartite bodies, and make a major contribution to the maintenance of industrial peace, for better industrial relations and for higher productivity by utilizing more effectively the procedures and machinery provided under the Industrial Disputes Act, 1947.

The role of trade unions has been thought of differently by few national unions. For example, according to the All India Trade Union Congress (AITUC), "a trade union is an organization of working class in its struggle against all pervading power of the capitalist class. It has to struggle with the employers in order to secure better living and working conditions and to serve the rights of the working class in the given capitalist society to mitigate the burden of exploitation. In its struggle, it uses economic, political, moral and ideological means to attain its demand and objectives."

Finally, trade unions should be positive thinkers and adopt positive methods to survive and fulfil the aspirations of its members. They should, therefore, encourage their members to save; to participate effectively in family planning programs and in the economic and political life to the country; to give up drinking and gambling. Trade unions should extend their activities and cover not only their members but also the families of their members; a happy family makes a better worker, and a better worker contributes substantially to an increase in the gross national product.

6. FACILITIES PROVIDED BY MANAGEMENT TO RECOGNISED UNION

Though at present, there is no confrontation between any of the unions and management on any issue. By virtue of its status, BHEL employees and workers Union has recognition with the management and enjoys the following facilities by the management:

- i. **Union Office** - The Management has provided a free furnished building for the purpose of union office. Water and power supply to this office is free of cost. Also an electronic typewriter is available for their use to facilitate their working.
- ii. **Leave Facility**- Executives or office bearers of the union are entitled to avail forty eight days leave for the purpose of labor welfare activities. Along with this, they are also provided with short leaves as and when required for doing union activities outside the Company.
- iii. **Union Notice Board**- There is a notice board for the recognized union in the BHEL premises. Union affixes notices relating to meetings and other information relating to workers.

7. FUNCTIONS OF TRADE UNIONS

The functions of trade unions may be broadly divided under three headings:-

- i. **Intra-Mural Activities:** That means the performance of those activities, which lead to the betterment of the position of workers in relation to their employment. The aim of such activities is to ensure adequate wages, secure better conditions of worker and employment, reduce hours of work, get better treatment from employers, etc. and more recently, to secure some share in the profits and in the control of industry. To fulfil these aims, they adopt the methods of collective bargaining, negotiations, strikes and boycotts. Hence, these functions of the trade unions are known as militant or fighting functions.
- ii. **Extra-Mural Activities:** That means the performance of those activities, which help the workers in times of need and improve their efficiency. Trade unions try to develop a spirit of co-operation and promote friendly relations and spread education and culture among their members. They help the laborers at the time of sickness and accident and support them during unemployment or during strike and lock-outs. They also arrange for legal assistance to the workers, if necessary. Besides, they undertake many welfare measures for their members, like running schools for the education of children or having their own library or

reading rooms, providing many in-door and out-door games and other recreational facilities. Some trade unions go so far as to undertake housing schemes for their workers and undertake publication of some magazine or journal. These activities, depend upon the funds of the unions, which they raise by subscriptions from members and donations from outsiders, and also on their sound leadership.

- iii. Political Activities:** Many trade unions fight elections and try to form the Government. In many countries strong labor parties have grown and in England there were many a times when the Labour Government was in power. In India, such activities of trade unions are not important, though sometimes trade unions have influenced the labor policy of the Government and there were some labor seats in the legislatures.

8. RECOGNITION OF TRADE UNION AT BHEL

In BHEL at the first stage, when there was multiplicity of unions, it was very difficult for the management to recognize any particular union because the percentage of membership was not clear and the workers were members of more than one union at a time. Then a time came, it was the need of the hour, to recognize a union which had a majority to represent the workers on their behalf. A secret ballot election was conducted under the control and guidance of the Labour Department, Allahabad and the majority union was recognized. Now this has become the precedent for all times to come that the elections are conducted, if either of the unions existing in the plant so demand after the expiry of the period of recognition by the management.

All recognizable claims are dealt with by an independent judicial authority taking into confidence the representatives of the contending parties. If the verification of the two larger contending parties reveals that there is no significant gap or difference in membership, the choice of selecting one among the two as the sole bargaining agent is left to all the workers employed in the plant through secret ballot.

In case if a recognized union already exists at the industry level, no other occupational or category wise union is permitted recognition of the plant. In all, there are four unions in the plant but BHEL employees and workers union is the only one union recognized by the management of BHEL mainly because of its large membership. All major labor-management settlements were raised and accepted by this union. This union also represents the majority of staff members of the plant.

9. ROLE OF UNION IN INDUSTRIAL RELATIONS

The employers of both public and private sector enterprises have to create an appropriate climate for fostering proper Industrial Relations; leading to effective bilateral bargaining. Considerable change has to be brought about in the managerial culture and environment for promoting effective workers participation at various levels of decision-making process and providing adequate motivation to them for maximizing their effectiveness in the drive for higher production and productivity.

Thus, in the final analysis, better results and happier industrial relations can result only if both the employer and the employees stress more the "giving" rather than the "taking" aspect of their appointment. It would be more fruitful if each analyzed himself instead of the other to find out what he could do to improve the industrial relations situation.

10. WEAKNESSES IN TRADE UNIONS

The trade unions in India are on the whole still quite weak and ineffective is a well-known fact. The multiplicity of unions with political affiliations has perpetuated inter and intra-rivalry. This has affected the strength and security of the union and its leadership. Consequently, the unions have been generally under great pressure to obtain some rewards/benefits to their membership, if the former were to retain the latter's loyalty. The mushroom growth of unions reduced the average strength of membership per union increased up to mid-seventies, but thereafter showed a declining trend. Their weaknesses can be traced to the excessive state intervention, complicated legal framework, dependence of the unions on political parties, illiteracy of the rank-and-file membership in some industries, outside leadership and antagonistic attitudes and policies of the management. Because they are weak, most of the unions have little bargaining power of their own, and therefore, they depend on the Government or political parties for support. There are, of course, exceptions to it. Employees in ports and docks, steel, mining, insurance and banks, for example, are well-organized and capable of effective collective bargaining. In the absence of an accepted philosophy of industrial relations and the lack of strong unionism, the union movement in India continues to face the problem of multiplicity with all its consequences.

11. CONCLUSION

Trade Unions are a major component of the modern Labour Management System. They play a distinct and important role in the development of the country. Trade unions are now considered a sub-system, which seeks to serve the specific sub-groups interest (i.e. the workers) and also considers itself a part of the organization, in terms of the letter's viability and contribution to the growth of the community of which it is a part. A psychological change has come over the workers during the recent years. They have become more and more conscious of their rights, while in this period of change they seem to have forgotten their duties. In India, the development of trade unions, unlike some developing and developed countries has not been on healthy lines. Though it can be said that definite progress has been achieved by the trade union movement in India. However, the movement is still in its formative stages suffering from several weaknesses like small size unions, poor finances, politicization and multiplicity of unions and outside leadership. The Researcher observed that if the following points are taken care of, the Union-Management relations of BHEL can be made congenial:

- There is still an absence of a united trade union movement free from political rivalries. This is aggravated by the problem of multiplicity of trade unions and the want of funds.
- The multiplicity of unions leads to inter-union rivalries and has to be removed.
- The lack of unity among trade unions requires reduction through their getting together on the basis of common programs.
- Exploitation of labor still prevails and unions must become self-reliant, that they do not have to depend on government or outside agencies for protection of their cause.
- There is still considerable scope for improvement of the conditions of labor in many industries regarding wages, hours of work, housing conditions, etc.
- The public image of trade unions has a lot of scope for improvement as numerous strike and gheraos practised in India do not enhance the trade unions' reputation.

- The Trade Unions Act, 1926 makes it possible for any seven members to register a union and this has led to the unaccounted growth of unions and with it the problems of intra union rivalry and declining average membership and poor finances.

The above mentioned points are intensifying inter-union rivalries and reducing the bargaining power and their effectiveness in attaining their main objective of improving employment and working condition of BHEL employees.

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