

Trade Unionism in India - Perceptions & Future

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The findings in this paper are based on a survey conducted on trade union activists in the western part of India. The survey tries to understand the perception of trade union activists about the situation of trade unions and their future. The findings support the fact that the trade unions are passing through a difficult period. The membership of trade unions is decreasing while the existing members are losing confidence in their utility. The slow implementation of labor laws and delay in disposal of cases is also discouraging the trade union activists.

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Introduction

Industrial relations in India has been a product of many factors. Several entities namely the Central Government, the respective state governments, the executive machinery, various levels of judiciary and the trade unions have affected the present state of industrial relations India. All these entities work under various labor laws (industrial legislations) enacted by the Central Government and executed by the respective state governments. Out of the several legislations [mainly three acts, namely, the Trade Unions Act, 1926, the Industrial Employment (Standing Orders) Act, 1946 and the Industrial Disputes Act, 1947] have major influence on the industrial relations (Gupta & Seth, 2000). In any nation, trade unions form a major component of industrial relations (Ghosh et. al 2009). Several scholars (Ghosh & Geetika, 2007) believe that factors like establishment of minimum wages, norms for mandatory work hours, provisions for health and safety, and overall improvements in working conditions, unionization have helped to improve the conditions of workers. Although it is believed that the importance of trade unions has decreased in current times but some recent activities in both manufacturing

and service organizations has endorsed their momentum (Bist, 2010). In India Trade Unions Act, 1926 empowers workmen to form trade unions and represent the workmen related issues to the management and other related authorities.

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This paper is the result of a survey conducted on trade union activities in the western part of India. It tries to understand the perception of trade union activities about the situation of trade unions and their future. Further it focuses on issues like the change in membership of trade unions, difficulties of leadership at all levels and the effect of government policies on the situation of trade unions. The findings reveal that trade unions are passing through a difficult situation. The overall membership of trade unions is decreasing and the existing members are losing confidence in the utility of trade unions. The slow implementation of labor laws and delay in disposal of cases is also discouraging the trade union activists. All the parties like trade unions, government and other executive bodies will have to unite and work considerably to overcome the situation.

Methodology

The majority of the data was collected from the participants (trade union

activists) who attended the skill development programs in a reputed institute in Ahmedabad city located in the western part of India. Some of the questionnaires were sent to the known trade union office bearers. It was ensured that all the respondents were directly related or engaged in the trade union activities of their own organizations. This gave us the confidence that the responses were genuine.

Data Collection

The questionnaire was first prepared in English and then was translated in to 'Gujarati'¹ language as it was anticipated that many of the respondents were not comfortable with English. Care was taken to translate the questionnaire exactly and there was no misinterpretation or confusion of terms. The help of a professional translator was taken for the purpose. For majority of the respondents who were participants in the skill development programs, a briefing session was organized before the questionnaire was distributed and the purpose of the survey was explained. This helped to remove apprehensions/confusions of many respondents. After the briefing, the participants were asked about their willingness to participate in the survey. Only those participants who showed readiness were given the questionnaire. The participants were asked to take the questionnaire to their rooms or homes and bring it the next day. This was possible as all the training programs were of three days duration. Another purpose

¹ The language spoken by the people of Gujarat.

of giving the questionnaire to take home or hotel rooms was to ensure that the respondents fill them at their own pace, and were not influenced by their colleagues or other participants.

Distribution of Sample

The questionnaire was given/ sent to about 270 union leaders/members out of which 214 responded.

The questionnaire consisted of mainly seven parts: preliminary information, effect of liberalization on change in the union membership, challenges to union leadership in the wake of liberalization, union leadership at national and various levels, the laws related to labor, the laws which need urgent amendments and finally the steps to be taken by employers that have affected the power of trade unions.

Profile of Respondents

Most of the respondents (95%) were males while remaining were females. The average age of respondents was 40.9 years. The work experience of respondents ranged from 11 months to 40 years averaging to 17 years. Sixty six percent respondents said that they had an independent company trade union while others were affiliated to some other trade unions. Forty nine percent respondents were from manufacturing while 51% were from service sector. The industries in which these respondents worked were: sugar manufacturing, port, state transport, engineering, chemical, railways etc.

Effects of Liberalization

This section is on to understanding the perception of the respondents about the trade unionism in India after liberalization.

Majority of the respondents (61%) believed that the trade unions have moderately weakened.

Perception about the situation of trade unions and their future: The respondents were asked to choose either one or more of the statements about the situation of trade unions and their future. Majority of the respondents (61%) believed that the trade unions have moderately weakened. Fifty nine percent of the respondents believed that trade unions are on the verge of extinction. Only thirty nine percent respondents believed that the situation has improved and the trade unions have become stronger. The results show that employees are losing faith in the future of the trade unions. The opinion of 59% respondents that the trade unions are on the verge of extinction is significant. This is again supported by the fact that majority of respondent believed that the trade unions have moderately weakened. This again throws light on the declining power of the trade unions.

Current financial position of trade unions in India: It is a known fact that the trade unions collect a meager amount from the members as membership fees and, therefore, their financial status had never been sound.

The findings of the survey also support this. Majority of the respondents (43%) believed that the financial position of the trade unions has deteriorated. Only 20 percent believed that the financial position has improved while the remaining believed that there is no change in the financial status.

Change in Membership: The respondents were asked to give their opinion about how the membership of unions has changed in the last few years. They were given a number of statements and were asked to rate them on a five point scale. The scale value analysis of the statements gave the results as in Table 1.

Table 1 Change in Membership

Sr No	Statements	Scale Value
1	Today, the trade union membership in my company consists only of the older people who existed earlier too	2.99
2	Young people do not want to join trade unions	2.74
3	The membership of trade unions has decreased due to the HRD measures taken by the organizations for the welfare of the employees	2.60

The interest of employees in the trade unions is decreasing. The respondents also believed that the new employees are not willing to join the trade unions.

It was found that the interest of employees in the trade unions is decreasing. The respondents also believed that the new employees are not willing to join the trade unions. The membership of the trade unions consisted mainly of the old/existing members. When an attempt was made to know the reason, it was found that the HRD measures taken by the organizations for the welfare of the employees had a great impact on discouraging the new employees to join the trade union. It can be inferred here that the new/younger employees are more interested in spending their time to remain employable rather than spending time in trade union activities.

Reduction in Membership of Unions: It was found that the main reason for the reduction in the membership of unions was that the employees do not wish to continue in one company for life time and they spend time in updating their skills. This helped them to remain employable in the long run. Therefore they do not wish to spend time in union activities. This also highlights the fact that there is a decrease in loyalty of employees to the organizations, but the loyalty to their work and career has increased. Employees also felt that in the long term there are more drawbacks in joining trade unions than gains.

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One more significant change in perception of the respondents is that the or-

Table 2: Reasons for Reduction in Membership of Unions

Sr No	Statements	Scale Value
1	Employees do not wish to continue their membership in the organizations for long and therefore they prefer to update their employability instead of spending time in union activities	2.86
2	Workers feel that in the long run, joining trade unions is harmful	2.68
3	Organizations are taking enough steps to and are providing facilities to the workers even before they ask for	2.55
4	Trade union leaders are victimized by employers	2.18

ganizations (employers) have also become aware and taking enough care of the needs of employees. They are providing facilities to the workers even before the employees ask them.

It may take years in labor and higher courts for disposal of cases.

Challenges for Trade Unions: All organizations, including trade unions face challenges with changing times. The respondents were asked about the major challenges before the trade unions in the current times. Interestingly, when scale values of the statements were taken, it

was found the trade union members were very worried about the lack of leadership at the national level. This is also evident from the current situation where India lacks efficient leadership of trade unions at the national level. Another factor like the recent court decisions which are against the labor/trade unions also were rated important. The finding also gets support from the current court judgments which are mostly in the favor of the employers. Moreover, slow disposal of cases by the labor courts was also perceived to be one of the challenges by the respondents. The past tells us that it may take years in labor and higher courts for disposal of cases.

Table 3 Challenges for Trade Unions

Sr No	Statements	Scale Value
1	Incompetent leadership at national level	9.77
2	Anti labour/trade unions court decisions	8.34
3	Slow implementation of labour laws	8.20
4	Inter union rivalry	7.90
5	Financial challenges	7.75
6	Slow court decision	7.18
7	Split in trade unions	6.75
8	Lack of leadership at the company level	6.71
9	Different Ideologies	5.63
10	Inability to adjust to the fast changing business environment	5.62
11	Other reasons	4.70
12	Political interference	3.68

Another important challenge was the slow implementation of labor laws. Historically, India has seen slow implementation of the labor laws and its amendments. The reasons that be attributed to the magnitude of the problems of labor are: lack of sufficient number of courts, manpower and efficient machinery with the governments etc. Respondents also thought that inter union rivalry and weak financial positions of trade unions are major challenges in the current times.

Difficulties of the Leadership: An attempt was made to understand the difficulties and effectiveness of leadership at the national, state and the industry/organization level. Majority of the respondents (56%) believed that union leaders find themselves helpless. They feel that trade union leaders are unable to understand the changing needs of business environment due to the factors like liberalization.

Table 4 Difficulties of Leadership of Trade Unions

Sr. No.	Statements	Scale Value
1	The trade union leaders are unable to understand changing needs of business environment	6.65
2	The trade union leaders are unable to understand and solve the problems of the workers	3.82
3	Union leaders are incompetent due their lack of understanding and the lack of education and training	3.41
4	Today the leadership at the state level is very effective	2.82
5	Today the leadership at the national level is very effective	2.80
6	Today the leadership at the industry/organization level is very effective	2.74

This is a very significant result because this shows that employees are losing confidence in the trade unionism. However, on the scale of 10, the statement scored only 3.82 which is insignificant. Respondents also believed that union leaders need education and training to improve their understanding about the changing business environment and the needs of workers. However, respondents do not seem to agree with the statements which say that the leadership at the national, state and industry/organizational level are effective. This again depicts that union activities are losing confidence at all levels of union leadership.

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Effect of Government Policies on Trade Unions: It was found that respondents were mainly worried about the weak implementation of the policies. They however believed that the policies of the government were good. One significant result was that the respondents believed that the policies of both Central and state governments were a part of the conspiracy to finish trade unions in the long run. However, the statements that the policies of Central and state governments were anti trade unions got rela-

tively less support. It can be inferred here that the policies of the government are good but their implementation is slow.

Laws Related to Trade Unions: The respondents were asked to suggest changes in the current labor laws.

Table 5 Effect of Government Policies on Trade Unions

Sr. No.	Statements	Scale Value
1	The policies of government towards trade unions are good but their implementation is weak	2.91
2	The policies of both Central and State government are a part conspiracy to finish trade unions in the long run	2.71
3	Today the policies of state government are anti trade unions	2.45
4	Today the policies of Central government are anti trade unions	2.33

Table 6 Opinions about the Changes in Labor Laws

Sr. No.	Statements	Scale Value
1	There is an urgent need to change certain labour laws	3.97
2	The labour laws are good but their implementation is ineffective	3.58
3	The current labour laws are highly effective	3.05

The respondents were of the view that certainly a change in certain labor laws was required urgently. This was followed by the statement which said that the labor laws are good but their implementation was poor. Both these statements are significant as in the Table 6 the respondents had the same view.

Majority of the respondents said that the Trade Union Act, 1926 needs amendment first.

Urgent Need for Change in Labor Laws: Respondents were given a list of major industrial laws and asked which of them needed to be amended on a priority basis. The idea behind giving list of options here was to reduce the confusion among the participants as there are multiple laws related to labor. This list of laws was generated after intense discus-

Table 7: List of Labor Laws Which Need Change

Sr. No.	Industrial Laws	Scale Value
1	Trade Union Act, 1926	4.03
2	Industrial Disputes Act, 1947	3.99
3	Payment of Wages Act, 1965	3.89
4	Factories Act, 1948	3.44
5	Other Acts	1.37

sions with people in the industry and academia. In the response to this question majority of the respondents said that the Trade Union Act, 1926 needs amendment first. Other acts which need to be amended as per the respondents were Industrial Disputes Act, 1947 and the Payment of Wages Act, 1965. It may be assumed here that as all the respondents were actively involved with one or the other trade union activity, they would have ample knowledge about the Trade Union Act, 1926. Therefore, they may be practically dealing with the provisions and procedures of the Act which may be one of the reasons for giving this act a prior-

ity. Respondents may also be encountering problems with several provisions of Industrial Disputes Act, 1947, Payment of Wages Act, 1965 and the Factories Act, 1948 in the terms of grievance handling, disciplinary actions, dates of payment of wages, overtime, safety rules etc. Therefore they felt an urgent need to amend these acts.

Proactive steps undertaken by companies that have reduced the interest of employees in the trade union activities: The study tried to understand the steps taken by the companies which have weakened the power of trade unions or reduced the interest of workers in the trade union activities.

Table 8 Proactive Steps Undertaken by Companies Which Have Reduced the Interest of Employees in the Trade Union Activities

Sr. No.	Parameters	Scale Value
1	Appropriate pay scales	7.71
2	Free and transparent communications	7.06
3	Good HRD policies	6.98
4	Good Working Conditions	6.35
5	Effective Supervision	6.30
6	Skill upgradation of workers	5.38
7	Flexible working hours	5.27

It was found that respondents rated the appropriate pay scales offered by the organizations as one of the most important reasons for the reduced interest in the trade union activities. The second most important factor was the free and transparent communications by the organizations about their policies and procedures followed by the good HRD policies. This is a significant result as organizations have been historically criticized about the bad communi-

cations and outdated HRD policies. This reveals that organizations today have understood the need for good HRD practices and transparent communication. The respondents also believed that organizations are providing good working conditions coupled with the effective supervision. However, skill upgradation, flexible working hours and care of family members of the employees were less important factor according to the employees.

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Limitations of the Study

The study has several limitations. The sample size of 214 trade union activists seems to be small if the findings are to be generalized to the whole country. Similarly, the respondents consisted of the trade union activists limited to only from the state of Gujarat. One of the limitations is that the respondents belonged to or affiliated to different trade unions, therefore these findings may not be applicable for all the trade unions.

Conclusion

It can be concluded from the survey that trade unions are passing through a difficult situation. On one side the overall membership of trade unions is decreasing due to lack of interest of new employees to join the unions. On the other

hand the existing members are loosing confidence in the utility of trade unions due to factors like lack of effective leadership at all the levels, fast changing business environment etc. The slow implementation of labor laws and delay in disposal of cases also discourage the trade union activists. Trade unions will have to reform, unite and influence the government and other regulators to overcome all these problems.

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