



Indian Institute of Management Kozhikode

Working Paper

IIMK/WPS/150/OBHR/2014/08

*IMPACT OF HR PRACTICES ON UNION MANAGEMENT
RELATIONSHIP: EVIDENCE FROM INDIA*

Manoranjan Dhal





IIMK/WPS/150/OBHR/2014/08

**IMPACT OF HR PRACTICES ON UNION MANAGEMENT
RELATIONSHIP: EVIDENCE FROM INDIA**

Manoranjan Dhal¹

¹ Assistant professor, Indian Institute of Management Kozhikode, IIMK Campus PO, Kozhikode– 673570,
email: manoranjan@iimk.ac.in

IMPACT OF HR PRACTICES ON UNION MANAGEMENT RELATIONSHIP: EVIDENCE FROM INDIA

While unions are struggling with issues like loss of membership, lack of mature leadership, management is challenged by the technology, and cost factors of business. Though both the parties try to maintain an amicable union-management relationship to sustain and grow, the HR practices are considered to be a threat for the unions. This paper based on 640 structured interviews conducted in manufacturing industries across different sectors in India tries to explore the perception workers, trade union leaders and managers about the HR practices and the union management relationship, and the impact of the prior on the later.

Key Words: *HR Practices, Union-Management Relationship*

INTRODUCTION

Union management relationship which is primarily based on the powerbase of union leaders and managers is challenged by the innovative human resource (HR) practices by the management. Though both the union leaders and the management collaborate to run the business; they compete to win the commitment of the workers. However, for function of the organization both the management and union must take the initiative to maintain an amiable relationship. But, workers have a different motive than the union leaders and they are even ready to join hands with the management by going away from the union. Against this backdrop, this paper tries to explore the attitude of workers, managers and trade union leaders about the HR practices and the union management relationship. The paper also tries to study the impact of HR practices on the union management relationship. This study based on response from 640 respondents from seven manufacturing organizations in India belonging to both private and public sectors also explore the difference in perception across sectors.

REVIEW OF LITERATURE

Position of Workers, Managers and Union Leaders

The industrial relations system has passed through the age of conflicting relations and is heading towards an era of cooperation. Trade unions are not able to protect the workers' interests. They are considered a hindrance in business and have failed to identify themselves as a strategic partner. The Government is also unable to protect the labour-force.

The nature of relationship among actors of industrial relations namely managers, workers and union leaders depends upon the power and control exercised by them. Management tries to

gain control over the workforce, where as union leaders try to get benefits from management. Workers were loyal to the union, which can provide them better benefits. The nature of the workforce has changed along with its composition. There is a greater interaction between worker and management where as the interaction of trade unions with the rest of the actors is decreasing. The status of all the actors in the power dynamics is discussed as follows.

Management

Management has become more powerful as trade unions have lost the track and pace of growth. The open market system has helped management to get better control over the workforce. Though the straightjacket legal system has not facilitated the free hire and fire of labour, yet management has adopted strategies like downsizing, subcontracting and outsourcing as the tools of restructuring in a liberalized era. Massive casualisation and appointment of more contract labour has not only increased insecurity among workers, but also pushed them away from trade unions and legal benefits. Downsizing the workforce has weakened the trade unions as they lost members, indirectly adding more power to management. The situation has forced them to work hand in glove with the unions to run the business successfully. But in this process, trade unions have rather sacrificed their demands by accepting wage cuts. This also ensured discipline at the workplace by giving an upper hand to the management.

Trade Unions

Trade unions are losing their membership and influence over the workforce as they have succumbed to the pressure of inter-union rivalry, political affiliation, lack of mature and internal leadership, and an antagonistic attitude towards the management. Trade unions still have the legacy of protecting workers interests. Without unions, management can become more powerful and exploit workers. Trade unions have not set their agenda beyond wage bargaining so far and do not concentrate upon issues like retraining, technological upgradation, skill-upgradation, and professional growth. Simultaneously, trade unions have to keep a vigil on the management so that it should not continue offering voluntary retirement scheme (VRS) on the one side and recruiting young worker to reduce the labour cost on the other. Trade unions are trying their best combat with the bi-products of liberalization such as downsizing, subcontracting, and outsourcing. Consumer courts have also affirmed the supremacy of consumer rights over the labour rights. Trade unions resorting to industrial action, such as *strikes*, and *bands*, which disrupt public services, are asked to compensate for the loss (Venkat Ratnam, 1998).

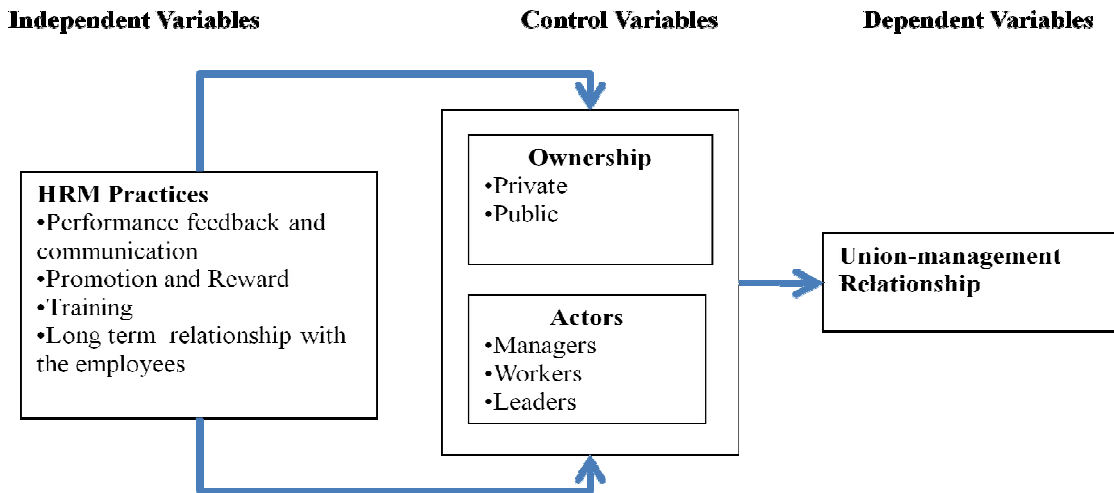
Workers

The new generation of workers is more educated, enlightened, and ambitious. They need more money and leisure. In this changing scenario where management tries to rationalize the labour cost, workers are concerned about a secured job, but with less workload (Sheth 1996). Workers, who were solely dependent on unions to put forth their demand before the management, are now able to take care of their own interest. The nature of workforce is changing with the emergence of the knowledge workers. Increased women's participation among the workforce has posed a threat to unions, as women are less likely to join unions. If we look into the statistics, there is a constant growth of women in the workforce in both private as well as public sector and it is higher in private sector compared to public sector organizations (Press Information Bureau, New Delhi, December 14, 2000).

Trade unionists argue that they are official spokesmen of the workers whose interests can be looked after only by unions. It is implied here that the grievances of the workers are properly represented and their problems are given adequate attention by the unions. This is in fact what the formal aspects of trade unions also reveal. A total view of trade unionism can be obtained only by understanding what workers themselves think and feel about their unions (Mamkoottam, 1982). Apart from low membership coverage and the fragmentation of trade unions, there is also a decline in the membership (Sheth, 1993a). There is a growing alienation between trade unions and their members, particularly due to the changing characteristics of the new workforce (Sheth, 1993b; Ramaswamy, 1988; Sengupta, 1992). As per Ramaswamy (2000) the interests, attitudes, and objectives of the union leaders can't be assumed to be identical with those of the people they represent. It would be especially fallacious to equate trade unions with workers, for unions can and do have an interest in forging agreements that workers may not identify with or even know about.

Thus, this study tries to explore the difference in perception of workers, managers and union leaders about the HR practices, and union-management relationship. Figure 1 represents the conceptual framework of this study.

Figure 1: A conceptual framework of the study.



HR Practices

Some employers had used the rhetoric of HRM to conceal a deliberate anti-union policy by replacing collective machinery with an individualized employee relationship regime. Innovative HRM practices pose a threat to trade unions in four ways; the individualization of employment contract, the demise of union representation, the intensification of work and undermining of union solidarity through organizational commitment (Bratton, 1999).Mcgraw & Harley (2003) have found that MNCs are moving towards more sophisticated HR practices but no evidence to pursue anti-collective approach to the management of industrial relations. Similar findings were noted by Machin & Wood (2005) that there is no clear evidence of faster union decline in workplace with faster adoption of HRM practices. Godard (2009) comparative study of Canadian and England unionism found that unions in Canada play a largely adversarial role while the English unions play a more collaborative role. The HR practices are positively associated with the likelihood of union representation in England.

Unions have felt very uncomfortable with HRM practices and consider employer’s direct link with workers as anti-union (Saini, 1997). The strategic HRM policies adopted by employers have individualized the workplace relationship, and unions have lost the alignment of workers. HRM practices and policies considered to be responsible for changes such as teamwork, reduced hierarchies, flat structures, continuous improvement (*kaizen*), decentralization of decision making, changed emphasis on employee reward system,

emphasis on training, performance review and counseling, quality circles, quality of work life (QWL), and employee welfare.

The apparently wider use of human resource management policies raised the question whether these policies have increased organizational commitment at the expense of union loyalty (Blyton & Turnbull, 1992). In order to motivate the human resources, unions can better shoulder the responsibility since people treat unions as their organizations (Mital, 2001).

The literature discussed earlier reflects that there is difference in interest and perception of workers, union leaders and managers. HR practices are perceived to be anti-union and detrimental to growth of union. The study covers both public and private sector which is traditionally a different in terms of extent of unionism. Hence the first research proposition of this study is

Research Question 1: *Workers, managers and union leaders would differ in their perception about the Human Resources Practice across public and private sector organizations*

Union Management Relationship

In India, the nature of the relationship between trade union and management is rooted in adversarialism (Ramaswamy, 1999a). Management has followed strategies like sub-contracting, voluntary retirement, and relocation of low-cost sites in continuance of this adversarialism, while labor resisted voluntary retirement, and demanded better retirement packages. Studies also reveal that unions have a negative impact on the use of high performance work systems (HPWSs) by organization (Liu, Guthrie, Flood & Maccurtain, 2009). However, Gill (2008) found that unions obtain employee trust, commitment and cooperation which are important to the sustained adoption of high performance work practices. Mahadevan (2001), Deputy General Secretary of AITUC, while citing a few cases found that trade unions headed by a leader who believed that the plea of the management was genuine and undertook a cooperative attitude was proved wrong before the workers and thrown out, as the very same management gave much more than it had offered after a long strike. In another instance, the management of a company adopted a tough stand with the union leadership, which was responsive and responsible in the interest of the organization. Similarly, in another organization the cooperation towards productivity improvement was countered with uncompromising and precipitated actions by the management giving room for dislodging the union leaders and the smooth entry of persons who defied the agreement.

These cases show that even the unions have cooperated in business processes, management has not able to change its stand leading to a bitter relationship. Employers' attitude and approach towards workers is compelling the trade union to lay thrust on the protection of the workers' interests. Even today, the employer's approach to a worker is that of a master to a servant (Mital, 2001). Employers in general are feudalistic, and organizational structures are stratified in nature (Venkata Ratnam, 2001). Das (1991) while studying the labour management relations in Oil India Ltd. found it tripartite and influenced by the style of union leadership.

Union management relationship has passed through the confrontation to cooperation but keeps changing as per the strategy adopted by the management and union. The perception of workers, managers and union leaders can be assumed to be different with respect to the earlier discussion on the difference in interest and goal. Here comes the second proposition which this study intends to explore is

Research Question 2: *Actors would significantly differ in their perception on union-management relationship between public and private sector*

As the literature supports that management have implemented high performance HR practices, which is perceived as individualization of work and an initiative to weaken the power of union, it is important to test the impact of HR practices on the union management relationship, so also the change if any in across public and private sector. Thus, the third research proposition follows,

Research Question 3: *Actor's attitude toward human resource practices would significantly predict the union-management relationship.*

METHODS

Measures

Data were collected using a structured interview schedule consisting of multi dimensional five-point Likert type scale. The data were subjected to factor analysis technique to define the constructs, and establish the validity of the dimensions. It was decided to include only those items in a factor that had a loading of ≥ 0.30 . The highest absolute value of the loading was taken into account for inclusion of an item into a factor. The assumption taken into consideration for carrying out the factor analysis was that the data matrix has sufficient correlations (greater than .30) among variables (Hair, Anderson, Tatham, & Black; 1995).

Scale for Human Resource Practices

The scale for measuring HR practices developed based on the pilot study consisted of twenty items measuring various aspects like performance feedback, promotion and reward, job rotation, training, and long-term relationship with employees. This scale was developed based on a pilot study. After eliminating items with item factor-total correlation less than .30, 15 items were retained. The alpha reliability coefficient for this scale was .89 (with Mean 37.38 & Standard Deviation 7.77). A summary of factor analysis result is shown in table 1.

Table 1: Summary of factor analysis for scales used

Factor	Eigen values	Variance explained (%)	Total variance explained (%)
Scale for HR Practices			
Performance feedback and Communication	4.19	28.00	53.28
Promotion and reward	1.51	10.01	
Training	1.19	7.95	
Long-term relationship	1.10	7.30	
Scale for Union-Management Relationship			
Management Attitude	3.34	37.14	56.97
Union Attitude	1.78	19.83	

Scale for Union-Management Relationship

The scale for measuring union management relationship consisted of nine items, and was developed. It took into account two factors - management initiative to maintain union management relationship, and union initiative to maintain union management relationship. As all the items were having correlations greater than .30, content validity was confirmed after calculating the item total correlation. This nine-item scale had an alpha reliability coefficient of .78 (with Mean 25.85 & Standard Deviation 6.68).

Sample

The sample consisted of 640 respondents from seven manufacturing organizations of Orissa, India. The study included 317 workers, 107 union office-bearers (leaders), and 216 managers.

All the seven organizations selected for the study represented diverse sectors. This heterogeneity was maintained to give proper representation of each sector and future generalization of the outcome. The heterogeneity can be well read from Table 2.

While collecting data, it was taken care that workers from all functional departments including the service departments are included. Similarly, managers from different levels were also covered. Trade unions from different political affiliation and different ideologies also participated in the study. Recognition was not the criteria for the selection of the union, and almost all the registered trade unions were contacted to give their response. Trade union

office bearers who were outsider to the plant, but closely associated with the functioning of the union were also asked to give their opinion.

Table 2: Summary of sample characteristics

Organization No.	Industrial Categorization	Sector	Respondents			Total
			Workers	Union Leaders	Managers	
1	Steel	Public	51	17	34	102
2	Chemical & Fertilizer	Public	50	11	30	91
3	Thermal Power	Public	51	20	30	101
4	Aluminium	Public	48	23	38	109
5	Heavy Engineering	Private	41	20	22	83
6	Refractory Products	Private	46	5	29	80
7	Paper	Private	30	11	33	74
		Total	317	107	216	640

The average age of worker was 40 years ($\bar{X} = 39.90$) and the majority of them were having qualification above 10th class and/or diploma in engineering (Mode = 2, representing the category). The union leaders also belonged to the same age group ($\bar{X} = 42.71$) with similar qualification. The average age for managers were 42 ($\bar{X} = 42.16$), where as the majority of them were having qualification of post graduation or engineering degree. It was found that the age of the respondents was normally distributed (Kolmogorov-Smirnov Z). The average length of union membership of the workers and leaders was 11 years. The average length of assuming the union leadership was eight years.

The data were subjected to statistical analyses for drawing inferences. Data were analyzed using statistical package for social sciences 16.0 (SPSS) for windows. All the variables were treated as multidimensional in nature. Multiple Regression Analysis (MRA) and Multivariate Analysis of Variance (MANOVA) were used to examine the strength of relationship among the variables, and differences among the perception of actors.

RESULTS AND DISCUSSION

Research Question 1: *Workers, managers and union leaders would differ in their perception about the Human Resources Practice across public and private sector organizations*

The results showed a significant difference in performance feedback and communication system ($F = 18.67, p < .01$), training ($F = 8.47, p < .01$), and long-term

employee relationship ($F = 8.59, p < .01$) between public and private sector. However, the promotion and reward system ($F = 3.16, p > .05$) did not differ significantly between public and private sector (see Table 3).

The private sector appears to have a better ($\bar{X} = 16.90$) performance feedback system compared to public sector ($\bar{X} = 15.23$). It means that in private sector, employees were provided with better feedback about their performance, and are encouraged to communicate their suggestions and grievances to the management. Public sector ($\bar{X} = 9.59$) and private sector organizations ($\bar{X} = 10.09$) showed no significant difference in their practice of promotion and reward system ($F = 3.16, p > .05$). In both the sectors, merit cum seniority i.e. suitability of the individual is taken into account for the promotion. Private sector ($\bar{X} = 7.04$) differed significantly with the public sector ($\bar{X} = 6.52$) with regard to the effectiveness of the training ($F = 8.47, p < .01$). It shows that the skill upgradation is given more importance in the private sector. The management in public sector is more concerned about maintaining long-term relationship with its employees ($\bar{X} = 6.30$) compared to private sector ($\bar{X} = 5.84$). It can be said that due to high employee turnover in private sector maintaining such relationship has become difficult.

The results showed that managers, union leaders, and workers had differences in their opinion on performance feedback and communication system ($F = 5.23, p < .01$), promotion and reward system ($F = 26.90, p < .01$), and long-term employee relationship ($F = 55.53, p < .01$), whereas no difference was observed with respect to training ($F = .57, p > .05$).

Table 3: Summary of multivariate analysis of variance (MANOVA) about perception of actors in public and private sector on human resource practices.

Source	Dependent Variable	Sum of Squares	df	Mean Square	F
OWNERSHIP	PFC	335.56	1	335.56	18.67**
	PR	30.63	1	30.63	3.16
	TRS	32.48	1	32.48	8.47**
	LER	25.14	1	25.14	8.59**
ACTOR	PFC	187.96	2	93.98	5.23**
	PR	521.36	2	260.68	26.90**
	TRS	4.38	2	2.19	.57
	LER	325.01	2	162.51	55.53**
OWNERSHIP × ACTOR	PFC	283.60	2	141.80	7.89**
	PR	162.12	2	81.06	8.36**
	TRS	51.11	2	25.55	6.67**
	LER	10.89	2	5.45	1.86

** Significant at .01 level

Abbreviations Used: *PFC – Performance Feedback and Communication, PR – Promotion and Reward, TRS – Training System, LER – Long-term Employee Relationship*

Managers, union leaders, and workers had differences in their opinion about the feedback system in the organization. Union leaders rated it better ($\bar{X} = 16.56$) compared to the managers and union leaders. Management ($\bar{X} = 16.34$) did consider their suggestion and also communicated decisions regarding workers interest.

The actors differed significantly in their opinion on the issue of promotion and reward system. The managers expressed their satisfaction ($\bar{X} = 10.88$) over the promotion and reward system compared to the union leaders and workers. Management claimed that the promotion is based on suitability, individual's performance and competency rather than favouritism. Managers were of the opinion that sufficient amount of time and resources were made available for employees' development. But the union leaders ($\bar{X} = 9.83$) and workers ($\bar{X} = 8.81$) did not agree on this point. Managers appreciated the performance based pay and pay for knowledge as the philosophy of the organization, whereas workers did not appreciate it. Leaders were satisfied with the promotion policy of the management, but were not happy with the reward system, whereas workers had expressed their dissatisfaction over the

promotion and reward system adopted by the management. Both public and private sector do practice seniority cum merit system for the promotion of workers, but the reward system is quite different. One organization identifies the 'best employee' of the quarter and rewards him with cash prize and also put his photo mentioning his contribution for the organization on a special notice board, while the other one gives special increment. Production linked performance bonus was also a kind of reward system operating in several organization. But workers were not happy with such practices as they feel that supervisors are partial in nominating the name for the reward. Similarly, in performance linked bonus scheme, non-performers were also rewarded and the management is believed to have manipulated the record.

There is no significant difference in the perception among actors regarding the training facilities provided by the organization. The managers, union leaders as well as workers had a consensus that the training programmes are meant for upgrading the skill base of the workforce. Training programmes have not affected the workplace unionism, or its function in any manner.

Management tried its best to maintain a long-term relationship with employees ($\bar{X} = 7.08$) whereas union leaders, and workers differed in their perception. The results showed a significant difference between the union leaders ($\bar{X} = 5.62$), and workers ($\bar{X} = 5.50$) regarding their perception about management efforts to maintain long-term relationship with employees.

Thus, actors had differences in their opinion on performance feedback and communication system, promotion and reward system, and long-term employee relationship between the public and private sector, whereas no significant difference was observed with respect to training. This also confirms our hypothesis that HR practices differ between the public and the private sector, and there is a variation in the perception of actors regarding these practices.

Research Question 2: Actors would significantly differ in their perception on union-management relationship between public and private sector

The results (see Table 4) showed that union-management relationship differed significantly on account of union initiative to maintain the relationship ($F = 29.4, p < .01$), whereas there was no significant difference in management initiative to maintain it ($F = 1.85, p > .05$) as reflected in their mean scores (public, $\bar{X} = 17.85$; and private $\bar{X} = 18.34$) across sectors.

The management in both the sectors believed that workers were provided with ample welfare measures. Union leaders were given enough opportunity to discuss the problems of the workers. Management felt that they had fulfilled all reasonable demands of the workers. But there was a significant difference in union initiative to maintain union-management relationship between the public and private sector (public sector - \bar{X} = 8.14 and private sector - \bar{X} = 6.82). Union activities did not interfere much with an employer's ability to run the business. However, the interference by unions in decision-making process was more in case of public sector compared to the private sector. The necessity of unions in maintaining the union-management relationship was felt more in case of private sector than public sector.

The analysis also showed a significant difference in the perception of managers, union leaders and workers regarding the management initiative to maintain union-management relationship ($F = 90.93$, $p < .01$). The managers ($\bar{X} = 21.49$) had a strong belief of meeting all the reasonable demands of the workers. Management had also tried to discuss labour problems with the trade unions as and when necessary. But the union leaders had a lower perception than the managers in this regard ($\bar{X} = 16.60$). They also denied that the management provided appropriate welfare measures. They believed that management tried to victimize active union workers. Workers had almost a similar perception ($\bar{X} = 16.28$). Workers were not satisfied with the welfare facilities provided by the management. Workers also believed that management patronized a particular union and tried to get things done. They also believed that management always tried to create rivalry among unions for their own benefit.

Table 4: Summary of multivariate analysis of variance (MANOVA) about perception of actors in public and private sector on union-management relationship.

Source	Dependent Variable	Sum of Squares	df	Mean Square	F
OWNERSHIP	MI	36.10	1	36.10	1.85
	UI	209.34	1	209.34	29.41**
ACTOR	MI	3553.08	2	1776.54	90.93**
	UI	1165.23	2	582.62	81.84**
OWNERSHIP × ACTOR	MI	119.93	2	59.97	3.07*
	UI	22.08	2	11.04	1.55

** Significant at .01 level * Significant at .05 level

Abbreviations Used: *MI – Management Initiative, UI – Union Initiative*

Similarly, the actors also differed significantly in their perception over the union initiative to maintain union-management relationship ($F = 81.84, p < .01$). The managers ($\bar{X} = 9.52$) felt that union activities interfere with an employer's ability to run the business. But they did not have a negative image about the unions. They didn't recommend amending the laws to limit the power of the union. It showed that managers also require the presence of the union and need their active support in maintaining the union-management relationship. Union leaders ($\bar{X} = 6.18$) and workers ($\bar{X} = 6.75$) had completely rejected the fact that the union activity is a hindrance in the process of the business. It did not create an adversarial relationship between employer and employees. It showed that leaders, particularly the workers need the presence of unions and expect them to act as a catalyst in maintaining better union-management relationship.

Thus, there is a wide difference in perception of union leaders in comparison to managers and workers. It can be inferred that union leaders perceived a better management initiative to maintain their relationship in private sector. In other words, the adversarialism was more in case of public sector than private sector. The consultation with the union regarding the policy matters is more frequent in case of private sector in comparison to public sector.

Research Question 3: *Actor's attitude toward human resource practices would significantly predict the union-management relationship.*

In order to test this hypothesis, multiple regression analysis (MRA) was used incorporating the HR practices as predictor variables and union-management relationship as a criterion variable. As the objective was to assess the effect of the actors and ownership also, a stepwise regression was used by incorporating the ownership and actors in first step and the other predictors which was taken earlier in second step to find the change in predictability. The results are presented in Table 5.1, 5.2, and 5.3.

The HR practices accounted for 28 per cent of the variance in management initiative to maintain union-management relationship ($F = 61.93, p < .01$) and along with ownership and actors it explained 38 per cent of the variance ($F = 65.16, p < .01$). Actors had a significant but negative contribution ($\beta = -.35, p < .01$) towards management initiative to maintain union-management relationship; whereas the effect of ownership was not significant. Performance feedback and communication ($\beta = .21, p < .01$), promotion and reward ($\beta = .24, p < .01$), and training ($\beta = .13, p < .01$) were the significant predictors of management initiative to maintain union-management relationship. Long-term employee

relationship, which had a positive contribution towards the criterion measure, did not figure out in stepwise regression equation. It can be said that long-term employee relationship had not affected the management initiative to maintain union-management relationship across the organization. By providing performance feedback, recognizing and rewarding the outstanding performance, and training for upgrading the skill, management can win the commitment of workers, which would help in maintaining a cordial relationship with the union.

Table 5.1: Summary of regression analysis results incorporating independent measures as predictors and measures of union management relationship as criterion variable.

Predictor Variable	Criterion Variable													
	MI						UI							
	B	SE B	β	Multipl e R	R ²	<u>R²</u>	F	B	SE B	β	Multipl e R	R ²	<u>R²</u>	F
HRP														
PFC	.190	.047	.16**	.53	.28	.28	61.93**	-.08	.032	-.12**	.37	.14	.13	25.70**
PR	.49	.063	.31**					.08	.042	.09*				
TRS	.34	.089	.13**					-.14	.060	-.09*				
LER	.36	.096	.13**					.59	.065	.36**				
Constant	5.92**							5.60**						

** = Significant at .01 level

* = Significant at .05 level

Abbreviations Used,- MI – Management Initiative, UI – Union Initiative, HRP – Human Resource Practices, PFC – Performance Feedback and Communication, PR – Promotion and Reward, TRS – Training System, LER – Long-term Employee Relations,

Table 5. 2: Summary of step-wise regression analysis results incorporating independent and control measures as predictors and management initiative to maintain union management relationship as criterion variable.

Predictor Variable	Model 1						Model 2						Changes	
	B	SE B	β	R ²	<u>R²</u>	F	B	SE B	β	R ²	<u>R²</u>		R ² change	F change
	Ownership	.21	.371	.02	.19	.19	75.28**	-.35	.337	-.03	.38	.38	65.16**	.19
Actors	-2.44	.199	-.44**				-1.94	.191	-.35**					
Constant	23.06**	.695					12.78**	1.118						
HRP														
PFC							.24	.045	.21**					
PR							.37	.059	.24**					
TRS							.33	.083	.13**					

** = Significant at .01 level

* = Significant at .05 level

Abbreviations Used,- MI – Management Initiative, UI – Union Initiative, HRP – Human Resource Practices, PFC – Performance Feedback and Communication, PR – Promotion and Reward, TRS – Training System, LER – Long-term Employee Relations,

Table 5.3: Summary of stepwise regression analysis results incorporating independent and control measures as predictors and union initiative to maintain union management relationship as criterion variable.

Predictor Variable	Model 1						Model 2						Changes	
	B	SE B	β	R ²	<u>R²</u>	F	B	SE B	β	R ²	<u>R²</u>		R ² change	F change
Ownership	-1.45	.23	-.23**	.19	.19	76.46**	-1.16	.230	-.18**	.24	.24	33.33**	.05	9.68**
Actors	-1.31	.12	-.38**				-1.04	.130	-.30**					
Constant	12.59*	.43					10.46**	.762						
HRP														
TRS							-.13	.056	-.08*					
LER							.38	.065	.23**					

** = Significant at .01 level

* = Significant at .05 level

Abbreviations Used, - *MI – Management Initiative, UI – Union Initiative, HRP – Human Resource Practices, PFC – Performance Feedback and Communication, PR – Promotion and Reward, TRS – Training System, LER – Long-term Employee Relations,*

So far as HR practices are concerned, performance feedback and communication, and training negatively predicted the union initiative to maintain union-management relationship, whereas promotion and reward, and long-term employee relationship positively predicted the same. These factors altogether explained 14 per cent of the variance ($F = 25.70, p < .01$). But when the ownership and actors were included in the regression equation, training ($\beta = -.08, p < .01$), and long-term employee relationship ($\beta = .23, p < .01$) emerged as significant predictors explaining 24 per cent of the variance for the dependent measure ($F = 33.33, p < .01$). Across organizations, performance feedback, and promotion and reward system had contributed significantly towards union initiative to maintain union-management relationship. As training had a negative impact on union initiative to maintain union-management relationship, it seemed that training was used as a tool for shaping the attitude of workers towards the management, which hampered the union initiative. Long-term employee relationship had a positive impact on union initiative to maintain union-management relationship. Workers not only expected post retirement benefits at the time of the retirement, but also wanted to continue the relationship with the organization, which motivates them to maintain the union-management relationship.

With regard to HR practices, it was found that performance feedback and communication, promotion and reward help management in maintaining the union-management relationship. The workers are not just a cog in the machine, but demand information about the job, which they perform. They need the feedback of their performance and want to share the job related issues with managers, which may lead to a cooperative labour management relationship. It was found that training had a negative impact on the union-management relationship. Workers and unions expect that training should upgrade the skill as well as help them in retaining the job in a changing environment where old technology, and existing knowledge and skill are gradually becoming obsolete and redundant.

CONCLUSIONS AND IMPLICATIONS

This study found that unions play a more adversarial role in public sector compared to private sector. The interference of unions in decision making noted to be higher in public sector compared to private sector where as the consultation of union in decision making was found to be higher in case of private sector. There is a difference in the perception of workers, union leaders and managers in terms of promotion and reward system, performance feedback process across sectors. The major finding of this study is that the HR practices are not adverse

to the union management relationship. Performance feedback, promotion and reward systems helped both union and management in maintaining a cordial relationship. However, the training system is perceived negatively by the unions as a mechanism for building direct relationship with the workers. This study has implication for the union leaders in the public sectors to shade their attitude and play a collaborative role in the organization which can be instrumental in building a positive union management relationship. As the HR practices are not adverse to the union management relationship the management in both the sector must try to adopt more and better high performing HR practices by taking union into the confidence.

REFERENCES

- Blyton, P., & Turnbull, P. (eds.) (1992). *Reassessing human resource management*. London: Sage.
- Bratton, J. (1999). Human resource management and industrial relations. In J. Bratton and J. Gold (Eds.). *Human resource management: Theory and practice*. London: MacMillan.
- Das, M. (1991). *The study on the labour-management relations in Oil India Limited, Duliajan, Assam*. Unpublished Ph.D. thesis, Utkal University: Bhubaneswar.
- Gill, C. (2008). Union impact on the effective adoption of high performance work practices. *Human Resource Management Review*, 19(1), 39-50.
- Godard, J. (2009). Institutional Environments, work and Human Resource practices, and unions: Canada versus England. *Industrial and Labour Relations Review*, 62(2), 173-199.
- Hair, J. F. (Jr.), Anderson, R. E., Tatham, R. L., & Black, W. C. (1995). *Multivariate data analysis*. New Jersey: Prentice Hall.
- Liu, W., Guthrie, J. P., Flood, P. C. & Maccurtain, S. (2009). Unions and the adoption of high performance work systems: Does employment security play a role? *Industrial and Labour Relations Review*, 63, 109-127.
- Machin, S. & Wood, S. (2005). Human Resource Management as a substitute for trade union in British Workplaces. *Industrial and Labour Relations Review*, 58, 201-218.
- Mahadevan, H. (2001). The role of trade unions. *Indian Journal of Industrial Relations*, 37(1), 160-175.
- Mamkootam, K. (1982). *Trade unionism myth and reality: unionism in the Tata Iron and Steel Company*. Delhi: Oxford University Press.
- McGraw, P. & Harley, B. (2003). Industrial relations and human resource management practices in Australian and overseas-owned workplaces: Global or local? *The Journal of Industrial Relations*, 45, 1-22.
- Mital, R. A. (2001). Role of trade unions: some random thoughts. *Indian Journal of Industrial Relations*, 37(1), 176-180.
- Ramaswamy, E. A. (1988). *Worker consciousness and trade union response*. New Delhi: Oxford University Press.
- Ramaswamy, E. A. (1999). Changing economic structure and future of trade unions. *The Indian Journal of Labour Economics*, 42(4), 785-791.
- Ramaswamy, E. A. (2000). *Managing human resources: A contemporary test*. New Delhi, Oxford.
- Saini, D. S. (1997). Globalisation syndrome, human resource management and trade unions. *Management & Change*, 1(1), 101-111.

- Sengupta, A. K. (1992). New generation of organised workforce in India: implications for management and trade unions. In J.S. Sodhi & S.P.S. Ahluwalia (Eds.), *Industrial relations in India: The coming decades*. New Delhi: Sri Ram Centre for Industrial Relations and Human Resources.
- Sheth, N. R. (1993a). Labour relations in the new economic environment. *Vikalpa*, 18(3), 3-11.
- Sheth, N. R. (1993b). Our trade unions: An overview. *Economic and Political Weekly*, 27 (6), 231-236.
- Sheth, N. R. (1996). We, the trade unions. *Indian Journal of Industrial Relations*, 32(1), 1-20
- Venkata Ratnam, C. S. (1998). Economic reforms and labour. *Productivity*, 39(3), 373-383.
- Venkata Ratnam, C. S. (2001). *Globalization and labour-management relations: Dynamics of change*. New Delhi: Response Books.



Indian Institute of Management Kozhikode

<i>Type of Document: (Working Paper/Case/Teaching Note, etc.)</i> <p style="text-align: center;">WORKING PAPER</p>	<i>Ref. No.:</i> <p style="text-align: center;">IIMK/WPS/150/OBHR/2014/08</p>				
<i>Title:</i> <p style="text-align: center;">IMPACT OF HR PRACTICES ON UNION MANAGEMENT RELATIONSHIP: EVIDENCE FROM INDIA</p>					
<table style="width: 100%; border: none;"> <tr> <td style="width: 50%; text-align: center; border: none;"><i>Author(s):</i></td> <td style="width: 50%; text-align: center; border: none;"><i>Institution(s)</i></td> </tr> <tr> <td style="text-align: center; border: none;">Manoranjan Dhal</td> <td style="border: none;"> Assistant Professor Indian Institute of Management Kozhikode IIMK Campus PO Kozhikode, Kerala 673 570. Email: manoranjan@iimk.ac.in </td> </tr> </table>		<i>Author(s):</i>	<i>Institution(s)</i>	Manoranjan Dhal	Assistant Professor Indian Institute of Management Kozhikode IIMK Campus PO Kozhikode, Kerala 673 570. Email: manoranjan@iimk.ac.in
<i>Author(s):</i>	<i>Institution(s)</i>				
Manoranjan Dhal	Assistant Professor Indian Institute of Management Kozhikode IIMK Campus PO Kozhikode, Kerala 673 570. Email: manoranjan@iimk.ac.in				
<i>Subject Areas: OBHR</i>	<i>Subject Classification Codes, if any:</i>				
<i>Supporting Agencies, if any:</i>	<i>Research Grant/Project No.(s):</i>				
<i>Supplementary Information, if any:</i>					
<table style="width: 100%; border: none;"> <tr> <td style="width: 50%; border: none;"></td> <td style="width: 50%; border: none;"><i>Date of Issue: March 2014</i></td> </tr> <tr> <td style="border: none;"></td> <td style="border: none;"><i>Number of Pages: 31</i></td> </tr> </table>			<i>Date of Issue: March 2014</i>		<i>Number of Pages: 31</i>
	<i>Date of Issue: March 2014</i>				
	<i>Number of Pages: 31</i>				
<i>Abstract:</i> <p>While unions are struggling with issues like loss of membership, lack of mature leadership, management is challenged by the technology, and cost factors of business. Though both the parties try to maintain an amicable union-management relationship to sustain and grow, the HR practices are considered to be a threat for the unions. This paper based on 640 structured interviews conducted in manufacturing industries across different sectors in India tries to explore the perception workers, trade union leaders and managers about the HR practices and the union management relationship, and the impact of the prior on the later.</p>					
<i>Key Words/Phrases: HR Practices, Union-Management Relationship</i>					

Research Conference & Publication Office
Indian Institute of Management Kozhikode
IIMK Campus P.O., Kozhikode 673 570
Kerala, India

Telephone +91 495 2809 238

e-mail rcp@iimk.ac.in

website www.iimk.ac.in