

# Industrial Relations in the Public and Private Enterprises in Kerala

ISSN 2321 – 371X  
 Commerce Spectrum 4(2) 49-55  
 © The Authors 2017  
 Reprints and Permissions  
 santhasaraswathy4@gmail.com  
 www.commercespectrum.com

**Dr. Venugopalan K. V.**

Associate Professor & Research Guide, P.G & Research Department of Commerce, St. Peters College, Kolenchery–682311.

## Introduction<sup>1</sup>

Industrial Relations constitute one of the most delicate and complex problems of modern industrialised society. Virtuous industrial relation is very essential for the improvement of industrial democracy, increased productive efficiency and for the avoidance of industrial strife. But increasing complexity of the modern industrial system has widened the hiatus between the management and the employees in the industrial scenario, which results in fall in production, besides hardship to the society. It is generally acknowledged that industrial harmony cannot be achieved by creating a plethora of labour legislations. It demanded unprecedented co-operation between the parties and the deep understanding of national requirements. Jawaharlal Nehru rightly pointed out that “an economic progress is bound up with industrial peace and industrial relations are not a matter of employees alone, but a vital concern of the community”.<sup>1</sup>

## Statement of the Problem

The State of Kerala, positioned at the south western tip of India, has attained worldwide acclaim for its achievements in improving the physical quality of life index. On the industrial front of the State, both public and private enterprises co-exist. Kerala accounts for the largest number of State level public sector units in India (i.e., 10.55 per cent of the total) and this contributes the largest employer giving employment to 6.15 lakh persons. Private sector equally plays an important role in the economy providing employment to 5.40 lakh persons.

The increased number of employees' unions (18 per cent of the total registered unions in India) and improvement in the cost of living of employees have considerably changed the climate of industrial relations in Kerala. Kerala occupies the fourth place in terms of the number of industrial disputes and workers involved and sixth place as regards man

days lost, among the various States of India.<sup>2</sup> Again, the mean duration of disputes in Kerala (during 19962000) was 17.19 days, the mean number of workers involved per dispute per year is 3059 and the mean number of days lost per dispute per year is 30154. Meanwhile, the all India average of the respective variables during the same period was very encouraging, the figures being 19.36, 1197 and 23343 respectively.<sup>3</sup> Further, there is a general belief within and outside the State that labour in Kerala is highly unionised and trade unions are extremely militant. Though several studies were conducted in Kerala, highlighting the problems of industrial relations, these efforts were incomprehensive. Besides, a study of industrial relations in the public and private enterprises was also not attempted in its entirety. Therefore, a complete review of the industrial relations in the public and private enterprises in Kerala, with the objective of minimising the intensity of disputes and the related aspects, is profoundly relevant.

## Scope of the Study

The present study has been undertaken to assess the industrial relations in the public and private enterprises in Kerala. In particular, it attempts to assess the nature and causes of disputes, role and involvement of employees, trade unions and management personnel in disputes, the involvement of employees in trade union activities and the union-management relations. The attitude of respondents to the performance of the dispute settlement machinery is also included under the purview of the present study. The assessment has been made by taking the perspective of employees, trade union leaders and management personnel. However, the main focus of the study is the employees. Although, there are 648 public and private enterprises functioning in Kerala, the study covers only 103 medium and large scale manufacturing/trading units in the public and private sector employing more than 100 employees with a capital investment of Rs.5 crore or more.

<sup>1</sup>Corresponding author:

Dr. Venugopalan K. V., HOD, Associate Professor & Research Guide,  
 P.G & Research Department of Commerce, St. Peters College,  
 Kolenchery–682311.

## Objectives of the Study

The object of this study is to examine the industrial relations in the public and private enterprises in Kerala. In particular, the study aims at:

- 1) Examining the nature and causes of disputes in the public and private enterprises in Kerala.
- 2) Assessing the role and involvement of employees, trade union leaders and management in disputes in the public and private enterprises in Kerala.
- 3) Assessing the involvement of employees in trade union activities in the public and private enterprises in Kerala.
- 4) Identifying the union -management relations in the public and private enterprises in Kerala.
- 5) Assessing the performance of the dispute settlement machinery in the public and private enterprises in Kerala.

## Hypotheses

Based on the objectives, the following hypotheses have been formulated:

- H<sub>01</sub>. There is no difference in the nature and causes of disputes in the public enterprises in Kerala vis-à-vis private enterprises.
- H<sub>02</sub>. There is no variation in the role and involvement of employees in disputes in the public enterprises in Kerala vis-à-vis private enterprises.
- H<sub>03</sub>. There is no variation in the role and involvement of trade union leaders in disputes in the public enterprises in Kerala vis-à-vis private enterprises.
- H<sub>04</sub>. There is no variation in the role and involvement of management personnel in disputes in the public enterprises in Kerala vis-à-vis private enterprises.
- H<sub>05</sub>. There is no variation in the involvement of employees in trade union activities in the public enterprises in Kerala vis-à-vis private enterprises.
- H<sub>06</sub>. There is no difference in the union-management relations in the public enterprises in Kerala vis-à-vis private enterprises.
- H<sub>07</sub>. There is no variation in the performance of the dispute settlement machinery in the public enterprises in Kerala vis-a-vis private enterprises.

## Selection of Sample

The sample for the study (i.e., employees, trade union leaders and management personnel) has been selected at random from the selected public and private enterprises covering the three zones (south, central and north) of the state of Kerala. In Kerala there were 38 public sector and 65 private sector manufacturing/trading units under medium and large scale category as on 31.3.2005. Of the 38 public sector units, 20 units were in the south zone, 14 units were in the central zone and four units were in the north zone. 10 per cent covering the three zones have been selected at random for the detailed study, i.e.

two units were selected from the south zone, one unit each from the central and north zone. Of the 65 private sector units, 12 units were in the south zone, 47 in the central zone and six units were in the north zone. 10 per cent covering the three zones have been selected at random for the study, i.e. one unit from the south zone, five units from the central zone, and one unit from the north zone. Stratified random sampling has been used for selecting the sample employees. In the first stage, each sample unit is stratified into different departments. Then 10 per cent of the employees working in each department are selected at random for the intensive study, i.e. 10 per cent of the total employees working in each unit have been selected. Total employees in the selected units of the public sector are 1393. Of these, 10 per cent has been selected, i.e. 140. In the case of selected private sector units total employees are 2858. Out of this, 10 per cent, i.e. 286 have been selected. Thus, the total employees selected are 426 (140+286). Employees for the sample include different categories of skilled, semi-skilled and unskilled employees. Stratified random sampling has also been used for selecting the sample trade union leaders. In the first stage, trade union leaders belonging to different unions have been selected. Then 20 per cent of the trade union leaders in each union are selected at random for the study, i.e. 20 per cent of the total union leaders working in each unit have been selected. In the selected public-sector units, there are 124 trade union leaders in total. Out of this, 20 per cent have been selected, i.e. 25. In the case of selected private sector units, of the total 238 trade union leaders, 20 per cent, i.e. 48 have been selected. Thus, the total trade union leaders selected for the study are 73 (25+48). The sample trade union leaders include office bearers of the approved trade unions. Simple random sampling has been used for selecting the sample management personnel. 20 per cent of the management personnel have been selected at random from each sample unit. In the selected public-sector units, there are 209 management personnel in total. Out of this, 42 have been selected. In the case of selected private sector units, of the total 496 management personnel, 99 have been selected. Thus, the total number of management personnel selected is 141 (42+99). The sample management personnel include top management personnel, functional managers, and supervisory staff.

## Collection of Data

Both primary and secondary data were used for the study. The primary data were collected from employees, trade union leaders and management personnel by using structured interview schedules. Separate interview schedules were used for employees, trade union leaders and management personnel. The secondary data for the study were collected from the sample organisations, Office of the Labour

Commissioner, Thiruvananthapuram, Labour Bureau, Shimla, books, periodicals and reports.

### Tools of Analysis

The data collected were classified in order and suitably analysed keeping in view the objectives set for the study. For the purpose of analysis, statistical tools such as averages, percentages, ratios, weighted mean and chisquare test were used. Weighted mean was used to find out the rank preference of the respondents. The chi-square test was used to study the divergence of actual and expected frequencies to find out the association between the attributes in question among the respondents.

### Period of the Study

The study covers a decade, i.e. from 1996 to 2005. It was during the period that substantial developments took place in the industrial sector of Kerala. The survey (for collecting primary data) was conducted during the period from July to December 2005.

### Limitations of the Study

The study is influenced by the following limitations.

- 1) The success of a survey-based research depends on the co-operation of respondents. In this study also, a few respondents did not come up to the expectations.
- 2) There were some variations in the data collected from the sample units and the data collected from official sources. These variations were reflected in some parts of the study.
- 3) The industrial relations of only medium and large-scale trading and manufacturing enterprises were studied. The industrial relations of small scale units and medium and large-scale service sector enterprises were not studied.
- 4) The sector-wise analysis of the causes of disputes and the number of disputes settled by different settlement machinery could not be made, as the data were not maintained by the Department of Labour, Government of Kerala.
- 5) The form and the pattern of data and records varied from unit to unit, which render their comparison rather difficult.

In spite of the above limitations, every possible effort was made to make the study accurate and purposeful.

### Chapter Scheme

Chapter 1 - Industrial Relations –An Overview- Concept of Industrial Relations, Actors in Industrial Relations, Approaches to Industrial Relations, Importance of Industrial Relations, History of Industrial Relations in India, Industrial Relations in the Public and Private Enterprises in India, Industrial Disputes in India, Workers Involved in Industrial Disputes in India, Number of Mandays Lost Due to

Industrial Disputes in India, Industrial Disputes by Causes in India, Industrial Relations in the Public and Private Enterprises in Kerala, Industrial Disputes in Kerala, Number of Workers Involved in Disputes in Kerala, Mandays Lost Due to Industrial Disputes in Kerala and Industrial Disputes by Causes in Kerala.

Chapter 2-Review of Studies on Industrial Relations-Concept, Nature, Importance and Problems of Industrial Relations, Nature and Causes of Industrial Disputes, Role and

Involvement of Trade Unions in Industrial Relations System, Dispute Settlement Machinery, Comparative Studies on Industrial Relations and Steps for Improving Industrial Relations.

Chapter 3-Methodology - Statement of the Problem, Scope of the Study, Objectives of the Study, Hypotheses, Selection of Sample, Collection of Data, Tools of Analysis, Period of the Study, Variables Used for the Study, Limitations of the Study.

Chapter 4-Nature and Causes of Disputes in The Public and Private Enterprises in Kerala- Concept of Industrial Dispute , Personal Profile of Employees, Trade Union Leaders and Management Personnel, Personal Profile of the Sample Employees, Personal Profile of the Sample Trade Union Leaders, Personal Profile of the Sample Management Personnel. Nature and Causes of Disputes in the Public and Private Enterprises in Kerala, Causes of Disputes, Type of Strikes, Percentage of Successful Strikes, Reasons for the Success of Strikes and Reasons for the Failure of Strikes.

Chapter 5-Role And Involvement Of Employees, Trade Unions And Management In Disputes In The Public And Private Enterprises In Kerala, Trends in the Intensity of Disputes in the Public and Private Enterprises in Kerala, Measures of the Involvement of Employees in Disputes, in the Public and Private Enterprises in Kerala, Perception of Employees, Trade Union Leaders and Management Personnel as to the Role and Involvement, of Employees in Disputes, Reasons for Participation in Disputes , Reasons for Non-participation in Disputes, Extent of Participation in Disputes, Consideration Regarding the Purity of Strike, Necessity of Strike, Extent of Pressure in Ensuring Participation in Strikes, Attitudinal Change Among Union Leaders During Strike, Support of the Union Leaders to Strikers, Attitude of Management Towards Strikers, Attitude of Management Towards Strikers, Actions Taken by Management Against Strikers, Extent of Involvement in Disputes and Personal Attributes of Employees, Extent of Involvement in Disputes and Personal Attributes of Trade Union Leaders

Chapter 6-Involvement Of Employees In Trade Union Activities In The Public And Private Enterprises In Kerala- Reasons for Employees Joining

Unions, Reasons for Employees not Joining Unions, Degree of Involvement in Trade Union Activities, Type of Involvement in Trade Union Activities, Activities of Trade Unions and Problem Solving Power of Unions, Relationship Between Employee's Involvement in Trade Union Activities and Other Variables.

Chapter 7-Union Management Relations In The Public And Private Enterprises In Kerala- Necessity of Good Union-Management Relations, Nature of Union –Management Relations, Status of Trade Unions Attitude of Union Towards Management and Attitude of Management Towards Union.

Chapter 8-Performance of The Dispute Settlement Machinery In The Public And Private Enterprises In Kerala - Concept of Dispute Settlement Machinery, Dispute Settlement Machinery in India, Non-Statutory Machinery, Statutory Machinery, Dispute Settlement Machinery in Kerala, Dispute Settlement Process Most Likely Form of Dispute Settlement in Kerala, Method of Dispute Settlement Usually Used, Level of Management Involved in Dispute Settlement, Ability of Management in Dispute Settlement, Position of Union, Management and Government in Dispute Settlement, Bargaining Power of Unions in Dispute Settlement, Level of Satisfaction in the Performance of Dispute Settlement Machinery, Reasons for the Success of Dispute Settlement, Reasons for the Failure of Dispute Settlement

Chapter 9- Summary of Findings And Recommendations- Findings of the Study, Nature and Causes of Disputes, Role and Involvement of Employees, Trade Union Leaders and Management Personnel in Disputes, Involvement of Employees in Trade Union, Activities, Union Management Relations, Performance of the Dispute Settlement Machinery and Recommendations.

## Findings and Conclusions

### Nature and Causes of Disputes

The main causes for disputes in the public and private enterprises in Kerala were wages and allowances, bonus and workload. 'Violation of agreement' was an important cause for disputes in the public enterprises in Kerala.

'Picketing' was the main type of strike in the public enterprises. Stay away strike, token strike and go-slow were the other important types of strikes resorted to by them. Stay away strike, token strike and go slow were the important types of strikes adopted by employees in the private enterprises in Kerala.

45.3 per cent of the employees and 42.8 per cent of the management personnel in the public sector opined that 25 per cent to 50 per cent of the strikes called were successful. Similarly, 57.7 per cent of the employees and 51.7 per cent of the management

personnel in the private sector also opined likewise. But a majority of the trade union leaders in the public sector (46.1 per cent) and private sector (40 per cent) stated that 50 per cent to 75 per cent of the strikes called by them were successful.

'Reasonable demands' and 'unity of workers' were the important reasons for the success of strikes in the public and private enterprises in Kerala. 'Co-operative management' was another important reason as perceived by the management personnel for the success of strikes in both the sectors.

Non co-operative management and disunity of workers were the reasons for the failure of strikes. Management personnel opined that unreasonable demand and disunity of workers were the main reasons for the failure of strikes.

### Role and Involvement of Employees, Trade Union Leaders and Management Personnel in Disputes

The number of disputes, workers involved in disputes and mandays lost due to disputes were high in the private sector, as compared with the public sector during the period 1996-2005. Further, dispute duration ratio, dispute coverage ratio, time loss ratio and membership involvement ratio were also high in the private sector.

'To get a raise in wages' was the main reason for employees' participation in disputes in the public and private enterprises in Kerala. 'Better welfare facilities' and 'bonus' were the other reasons for their participation in disputes. Regarding their non-participation, 'no genuine reason for dispute' 'no faith in dispute' and 'fear of loss of wages' were the major reasons. Management personnel in both the sectors opined that 'excessive political interference' was another important reason for their non-participation in disputes.

A majority of employees (51 per cent) and trade union leaders (61.5 per cent) in the public sector opined that the level of participation of employees in disputes was high. But 57.1 per cent of the management personnel stated that the level of participation was moderate. In the private sector, employees (71.2 per cent) and management personnel (50 per cent) remarked that the employees' participation was moderate, whereas trade union leaders (56.7 per cent) averred that the level of participation was high.

It was found that employees and trade union leaders in both the public and private sectors always consider the purity of strike before joining it. Management personnel in both the sectors opined that their employees sometimes considered the purity of strike.

A majority of employees and trade union leaders supported the strike in order to get their demand conceded. But management personnel in both the

sectors are against their employees and trade unions in this regard.

A large majority of employees in the public sector (50 per cent) and in the private sector (53.6 per cent) remarked that the union leaders apply moderate pressure for ensuring participation of workers in strikes. Further, the majority of the management personnel in both the sectors also opined likewise.

Most of the employees in both the sectors stated that the trade union leaders 'sometimes' changed their attitude during strike. But the majority of trade union leaders in the private sector opined that they 'never' changed their attitude during the strike.

Most of the employees and management personnel in both the sectors remarked that the support of union leaders to strikers was moderate. But 63.3 per cent of the trade union leaders in the private sector opined that their support to strikers was 'high'.

A majority of employees, trade union leaders and management personnel in the public sector unanimously stated that the attitude of management towards strikers was 'not so strict'. But 58.7 per cent of the employees and 69.6 per cent of the management personnel in the private sector opined that the attitude of management was 'strict' or 'very strict'.

Wage cut, suspension and transfer were the actions generally taken by the management against strikers in the public sector. In the private sector, wage cut, suspension and denying promotion were usually followed by the management against strikers.

Salary and location of residence of the employees in both the sectors are related to their involvement in disputes. Again, education, nature of work and period of service of employees in the private sector are significantly related to their involvement in disputes. But no significant relationship was found in the matter of age, number of earning members, number of dependents, marital status and community in both the sectors.

There is no significant difference between the age, nature of work, salary and number of dependents of trade union leaders and their involvement in disputes. But a significant relation was found between the number of earning members and their involvement in disputes of trade union leaders in the public sector. Education of trade union leaders related to their involvement in disputes in the private sector.

### **Involvement of Employees in Trade Union Activities**

Job security, protection against victimisation and unity of workers were the main reasons for employees joining unions. 'No independent unions exist' and 'multiplicity of unions' prevent the

employees from joining any unions in the private sector. 47.8 per cent of the employees in the public sector and 43 per cent in the private sector 'sometimes' participated in trade union activities. But, 40.4 per cent of the employees in the private sector 'always' participated in trade union activities. 52 per cent of the trade union leaders in the public sector opined that their employees participated 'sometimes' in trade union activities. However, 54.1 per cent of the trade union leaders in the private sector stated that their employees 'always' participated in trade union activities.

84 per cent of the employees in the public sector and 97 per cent in the private sector opined that they 'always' paid their union fees regularly.

51 per cent of the employees in the public sector and 39 per cent in the private sector opined that they never participated in the enrolment process of the trade unions.

89 per cent of the employees in the public sector and 88 per cent in the private sector remarked that they never participated in the conciliation process for the settlement of disputes. 40 per cent of the trade union leaders in the public sector and 36 per cent in the private sector also subscribed to the same view. Discussions with the management on work-related problems are the main activity of the trade union in both the public and private sectors.

40 per cent of the employees in the public sector opined that the trade unions 'sometimes' solved the labour problems. But 37.7 per cent of the employees in the private sector stated that the trade unions 'always' solved their problems. But, a large majority of the trade union leaders in the public sector (60 per cent) and the private sector (58.3 per cent) averred that they 'always' solved the labour problems. A significant relationship was found between employees membership in political party and their involvement in trade union activities in both the sectors.

### **Union Management Relations**

79.3 per cent of the employees in the public sector and 87.5 per cent in the private sector strongly agreed about the need for good union-management relations in the industry.

A majority of the employees in the public sector (53.6 per cent) and the private sector (52.4 per cent) remarked that the nature of union-management relation in the industry was 'satisfactory'.

A large majority of respondents in both the sectors opined that the status of trade unions was moderate in the public and private enterprises in Kerala.

Considering the attitude of trade unions towards the management, 58.6 per cent of the employees in the public sector and 51.1 per cent in the private sector were satisfied.

Employees in the public sector (58.6 per cent) remarked that the attitude of management towards union was 'satisfactory'. However, the employees in the private sector (48.1 per cent) stated that the attitude of management towards union was 'good'.

### **Performance of the Dispute Settlement Machinery**

Conciliation, voluntary negotiation and withdrawn were the most likely forms of dispute settlement machinery preferred by employees, trade union leaders and management personnel in both the public and private enterprises in Kerala.

Conciliation and voluntary negotiation were the most frequently used settlement method in the public and private enterprises in Kerala.

A large majority of employees in the public sector (62.8 per cent) opined that the middle level management was usually involved in the dispute settlement. But, the employees in the private sector (53.6 per cent) averred that top level management was usually involved in the dispute settlement.

50 per cent of the employees in the public sector opined that the ability of management in the dispute settlement was 'moderate'. Meanwhile, 53.1 per cent in the private sector stated that the ability of management in the dispute settlement was 'high'.

39.5 per cent of the employees in the public sector and 53.1 per cent in the private sector stated that the position of union was high for the settlement of disputes in the public and private enterprises in Kerala. Meanwhile, 37.2 per cent of the employees in the public sector opined that Government was in a better position in dispute settlement. But, 76.8 per cent of the management personnel in the private sector averred that the management was in a better position for settling disputes.

46.5 per cent of the employees in the public sector and 43.9 per cent in the private sector observed that the bargaining power of unions in dispute settlement was moderate.

Reasonable demand, co-operative union and co-operative management were the main reasons for the success of dispute settlement in the private sector. Timely Government intervention stands out as another important reason for the success of dispute settlement in the public sector.

A small percentage of the employees in the public sector (16.3 per cent) and the private sector (16.3 per cent) were dissatisfied with the dispute settlement machinery. According to them, the non co-operation of unions and the non co-operation of management were the main reasons for the failure of the dispute settlement in Kerala.

### **Recommendations**

Based on the findings, the following proposals are advanced for improving the industrial relations

position in the public and private enterprises in Kerala.

#### **1. Revise Economic Benefits**

It is evident from the study that wages, bonus and allowances continue to be the main causes of disputes in the public and private enterprises in Kerala. It is also found that most of the units are not providing adequate economic benefits to their employees in a time-bound manner. Therefore, it is suggested that the management in both the sectors revise and implement the economic benefits of the employees after considering the workload and the cost of living index.

#### **2. Re-consider Work Load**

It is observed from the study that the 'workload' was another important cause of disputes in both the public and private enterprises in Kerala. Therefore, it is suggested that the management should reconsider the workload of the workers after conducting time study and motion study. Discussions with the employees and trade unions may also be arranged, if needed.

#### **3. Timely Implementation of Long Term Agreement**

It is revealed from the study that the 'violation of agreement' is another cause of disputes in the public sector. Therefore, it is suggested that the management in the public sector should implement the long-term wage agreement in a time-bound manner without violating the conditions specified in it.

#### **4. Change the Attitude of Employees, Unions and Management**

A large majority of employees in the private sector opined that the attitude of management towards strikers was 'strict' or 'very strict'. Industrial relations are never a one sided game, but depend on the mutual understanding, faith and goodwill of all the actors (i.e. employees, trade union leaders and management personnel) in the industrial relations system. The positive attitude of one party towards the whole issue needs to be favorably responded to by the other. Therefore, it is suggested that the employees, trade union leaders and management personnel should not only be aware of their rights but also their obligation towards the industry and to the society.

#### **5. Management Should Take Employees and Unions into Confidence**

It is observed that a majority of management personnel and employees in the private sector opined that the management had an upper hand in the settlement of dispute. Therefore, it is suggested that the management should consider taking the trade unions/employees into confidence for the dispute settlement. This will

help in the speedy settlement of disputes and also to improve their morale.

#### **6. Strengthen Union-Management Relations**

The relations between union and management will have a direct bearing on the industrial relations. The study revealed that the union management relation in the public and private enterprises was only 'satisfactory'. Hence, the management and unions may consider this and further develop a positive attitude for a better union management relations.

#### **7. Ensure Timely Settlement of Disputes**

Even though the number of disputes in the public sector was low, the ability of the management in the dispute settlement was found to be 'moderate', as opined by a majority of employees. Therefore, it is suggested that the management should make it sure that the dispute is settled as and when it arises.

#### **8. Involvement of Lower Level Management in Dispute Settlement**

It is revealed from the study that the top level management and middle level management were usually involved in the settlement of disputes and the involvement of lower level management is much less. Therefore, it is desirable that the lower level management consists of officers and supervisors who may also be allowed to settle disputes because they know the 'real cause' of the disputes in their sections or departments.

#### **9. Strengthen the Dispute Settlement Machinery**

It is found that only 62.61 per cent of the disputes dealt with by the machinery are settled in a year. The industrial relations position of the State can be improved further, if the machinery is strengthened. So, the Government may also consider the ways and means for strengthening the existing settlement machinery.

#### **References**

*Indian Labour Journal*, Government of India, April, 2003.

[www.indiastat.com](http://www.indiastat.com)

Labour Bureau, Shimla and Labour Statistics, Kerala (various issues).

