Chapter Eight

Trade Unionism
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TRADE UNIONISM

The role played by the trade unions in maintaining harmonious industrial relations and industrial peace cannot be overlooked. The present chapter deals with the trade unionism in the selected industrial units covering the aspects of management attitude toward trade unions their relationship with political parties, involvement of members, financial position and their participation in various activities.

8.1 INTRODUCTION

Trade unionism has been the natural outcome of the development of modern industries and commercial activities. The beginning of this activity has roots in the treatment given to the workers all over the world by their employees in terms of low wages, hours of work, holidays, welfare facilities, working conditions etc. Workers all over the world were demanding some minimum rights, since they are instrumental in production of goods and services. The need for safeguarding the interests of the employees has everywhere led to the formation of trade unions which organize the employees and bargain for better working conditions of their behalf. The trade unions are voluntary but permanent organisations of workers. They protect their rights and improve the conditions at the place of working. They also try to improve their living conditions by raising voices on the grounds of natural justice. They often provide a forum for expressing their views on problems faced by the employees. Trade unions came into being for a variety of purposes. Individual workers found it more advantageous to band together and seek to establish their terms and conditions of employment. Therefore, workers organized themselves into groups to improve their terms and conditions of employment.
With the changed political, social and economical environment in terms of awareness of rights, right to bargain and settle terms and conditions of employment, workers unions sprang up in order to protect and further their interests. The influences of political parties also provided the impetus for their formation.

A distinction is made on the basis of the level and status of the employee for membership of the unions. All shop floor workers, who are part of production system and operate machines are termed as blue-collar workers. While all the managerial staff, clerical and office staffs are termed as white-collar workers. Some of the important trade unions of these employees are of bank, insurance, central and state govt. employees, teachers, journalists etc. At the time managerial and office staffs were paid better salary, terms and conditions more perquisites because of their professional skills and education qualifications. However, of late blue-collar workers especially the high skilled categories, who are in greater demand, have higher wages incomes and perhaps better union protection and job security. This is not only because of the efforts by the unions but also because of government policies manifested in its labour legislations.

In general, in the industrial sectors, unions are mostly organized at three levels, plant level or local, the state and the centre. Every national or central federation of labour in India has state branches, state committees, from where its organisation works down to the local level.

**8.2 FUNCTIONS OF TRADE UNIONS**

Besides the main function of trade unions, which basically consists of organizing workers and improving their terms and conditions of employment, many trade unions provide a variety of services to their members and sometime undertake political activities. Hence the function of trade unions can be categorized into three types- (a) Inter-mural Activities (b) Extra-mural Activities and (c) Political Activities. Inter-moral activities include these activities which are carried on within the
organisation for the welfare of the members. These activities include the efforts to improve employment and working conditions within the organisation. Such activities are bargaining with the employer for better wages and working conditions for workers, getting share in profit, participation in management etc. The collective bargaining group discussions, gherao and strikes are some of the tools which help the unions in getting their functions performed. The Extra-moral activities are those which are performed for the general welfare of their members. These include the provisions of library, reading room, sports and recreational facilities etc. These activities very much depend upon the availability of funds. Some of the trade unions are also involved in political activities to safeguard their interests.

8.3 RECOGNITION OF TRADE UNIONS

One of the basic problems in industrial relations has been question of recognition of any registered union by the government machinery and its status in the eyes of the management of the said undertaking. A trade union may be stable and strong, but until it is given recognition as bargaining agents, legally or voluntarily. The collective bargaining process cannot start unless the union is recognized by the management. It is to be noted that the employers are not obliged to recognize any union. In the initial stages of the industrialization, the attitude of employers towards trade unions was hostile. In spite of changes in the industrial scenario, the attitudes of employers have not changed much. The employers many a time have refused recognition either on the basis that union consists of only a minority of employees or that two or more unions existed. The uniting of all workers with common interests in a single union is eminently desirable in their own interests, but it is a matter of them and for the employers. The Trade Union Act, 1926 the only Central Law which regulate the working of the unions does not have any provision for recognition of trade unions. Some attempts were made to include compulsory recognition in the Trade Act in 1947, 1950, 1978 and 1988 but these did not get materialized.
Prior to 1946, no provision existed in any state regarding the grant of recognition to trade unions. It was the Bombay Industrial Relations Act, 1946 which provided for the recognition of representative unions in the local area. This Act also applied to Gujarat and in modified form to Madhya Pradesh and Rajasthan. In the State of Maharashtra the State Government enacted legislation “The Maharashtra Recognition of Trade Union and Prevention of Unfair Labour Practices Act, 1971 which came into force in the year 1975. The Act provides for (i) Recognition of a representative union which would act as side bargaining agent and (ii) Prevention of unfair labour practices on the part of employers and trade unions. In the rest of country, recognition is given on the basis of criteria accepted at the Fifteenth Tripartite Labour Conference at Nainital in 1958. There are different methods used to determine union strength like election by secret ballot, check-off method, verification and rule of thumb.

8.4 MULTI-UNIONISM

The multiplicity of unions may pose a serious threat to industrial peace and harmony at both plant and industry levels. A situation of multi-unionism is said to prevail when two or more unions in the same plant, industry or occupation try to assert rival claims over each other and function with overlapping jurisdiction. The impact of multiple unionisms has far reaching consequences on the industrial relations system as a whole. It has both positive and negative consequences. From the positive point of view, it is sometime desirable for the healthy and democratic growth of labour movement. Further it enhances healthy competition among trade unions and the spirit of competition keeps the leadership alert, dynamic and innovative since it calls for effective decisions and actions to ensure better services and more benefits to workers. But the positive elements of multi-unionism are often eclipsed by the negative ones. The nature of competition, sooner or later, tends to convert itself into sense of unfair rivalry leading to inter-union warfare. One union would try and run down to other rival union by making extravagant demands. It has also resulted into existence of number of small and financially weak unions. V.V. Giri, the former President of India and a pioneer in the cause of labour for years, is a strong advocate
of “one union in one Industry”. The only, according to him “we can promote a strong and healthy trade union movement in the country.”

However, where legislation makes it so easy for the formation of a number of unions, it is difficult to enforce the concept of single union. Multiplicity of trade unions is a product of the political workers desire to increase their political influence through establishment of unions and also caused largely by the advent of political outsider leadership. However it must be noted that there are many organisations where multiple unions exists and the management does effectively negotiable and conclude agreements.

**8.5 LEADERSHIP ISSUES**

Trade unions leadership consists of two tiers, the outsiders and the insiders. The outsiders mean the trade union leaders who are not the employees of the concerned organization but the outside persons. While, insiders are the regular employees of the organisation. In almost every country, outside leaders have helped to guide the trade union movement in its early stages, but gradually the leadership passed on to the workers themselves. The National Commission on Labour, 1969 did not favour any legal ban on non employees holding positions as office bearers of union. According to the Commission, it favoured the development of internal leaderships, but stated that unless suitable conditions were created for building up of internal leaderships, complete ban on outsiders would weaken the trade unions.

Though the contribution of outsiders in developing trade unions at the inception stage is important, but now most of the outsiders are no longer selfless dedicated social workers. They are leaders of political parties or men with political ambition. Since political parties differ in their ideals, there cannot be one union in one industry and this has also one more reason for multiple unions. The time has therefore arrived to realise the dangers of multi-unionism and outsider leadership, there should be a strong movement required towards the concept of one union for an industry with
of course its plant level units acting without political bias and mainly in the interests of the workers.

8.6 TRADE UNIONISM IN SELECTED INDUSTRIAL UNITS

Till the development of M.I.D.C. industrial area, there was no congenial ground for the growth of trade unionism in Ahmednagar city due to existence of few industrial units, which were mostly small and medium enterprises. In 1971 there were 14 trade unions in Ahmednagar city with a total membership of 4633. These unions were mostly of government employees, bidi worker, handloom workers, employees of co-operative banks and employees of local self government. However since 1980 there has been continuous increase in number of large scale industrial units. The growing and concentrated industrialisation resulted into slow but steady development of trade union movement in Ahmednagar. These new industrial units started their operations mostly with unskilled and semi-skilled worker appointed on low wages as temporary workers at the beginning. Over the years, these industrial units became stable diversified with new products and expanded their operations simultaneously. The workers appointed initially became permanent and new workers were recruited as per the requirements. The setting up of large scale industries created conditions of widespread use of machinery, new lines of production and brought about changes in the working and living environment of workers. Workers realized that in the absence of collection action; they were exploited and had to work for long hours and under unfavourable working conditions and the protest by individual worker could have no effect on the employers because of the plentiful supply of labour. The workers of the various industrial units came forward to join together to improve their bargaining power against employers. Some of the political and social workers have also come forward to help workers to organize themselves. Over the years many unions were formed. The existing trade unions are mostly in large and medium scale industrial units. As already discussed about 90% of the industrial units in Ahmednagar city are small scale units employing very few workers in each of the units. Hence the trade unions could not be formed in these family owned small scale industrial units. The existing trade unions have come to stay now as permanent features of the industrial
society. The unions have achieved a remarkable status where their voices are heard by the employers and the government, they are now consulted on matters pertaining to improvement in working conditions, health & safety, job security, wages, productivity and other matters effecting the interests of workers. Table 8.1 gives the details of trade unions in the selected industrial units.

Table 8.1
Details of Trade Unions

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Industrial Unit</th>
<th>Name of Union</th>
<th>Year of Establishment</th>
<th>Leadership</th>
<th>No. of Union Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>CGL</td>
<td>Association of Engineering Workers, Ghatkopar, Mumbai.</td>
<td>1884</td>
<td>External</td>
<td>320</td>
</tr>
<tr>
<td>2</td>
<td>GKN</td>
<td>Ahmednagar workers union, Ahmednagar</td>
<td>1982</td>
<td>Internal</td>
<td>127</td>
</tr>
<tr>
<td>3</td>
<td>ISMT</td>
<td>Nagar Zilha Mazadoor Sangh, Ahmednagar</td>
<td>1983</td>
<td>External</td>
<td>577</td>
</tr>
<tr>
<td>4</td>
<td>KEL</td>
<td>Bhartiya Kamagar Sena, Sena Bhavan, Dadar, Mumbai</td>
<td>1976</td>
<td>External</td>
<td>825</td>
</tr>
<tr>
<td>5</td>
<td>KOEL</td>
<td>Kirloskar Kamagar Sanghatana, Ahmednagar</td>
<td>1979</td>
<td>Internal</td>
<td>200</td>
</tr>
<tr>
<td>6</td>
<td>L &amp; T</td>
<td>Bhartiya Kamagar Sena, Sena Bhavan, Dadar, Mumbai</td>
<td>1982</td>
<td>External</td>
<td>303</td>
</tr>
<tr>
<td>7</td>
<td>NEIL</td>
<td>Association of Engineering Workers, Ghatkopar, Mumbai.</td>
<td>1997</td>
<td>External</td>
<td>155</td>
</tr>
<tr>
<td>8</td>
<td>Sun Pharma</td>
<td>Sun Pharma Workers Union</td>
<td>1997</td>
<td>Internal</td>
<td>216</td>
</tr>
<tr>
<td>9</td>
<td>Videocon</td>
<td>Nagar Zilha Mazadoor Sangh, Ahmednagar</td>
<td>2003</td>
<td>External</td>
<td>245</td>
</tr>
</tbody>
</table>
Features and Weaknesses of Trade Unionism

A brief survey of the trade union movement in selected industrial units indicated the following broad features of its growth and the weakness from which it has suffered.

1. Every industrial unit has only one recognized union. In other words there is single union structure and not multiple union structure in the industrial units. The executive committee members and office bearers of the union are elected every 3 years by secret ballot. The workers and trade unions leaders are in favour of single strong union. Instead of forming a rival or another union, the workers would like to change the leadership on the occasion of next elections. There were few attempts in the past to break some of unions; however their attempts could not succeeded in their aim.

2. As there is single union in every industrial unit, all the workers have became the members of the union. Hence all the trade unions have recorded 100% membership.

3. Out of nine trade unions, three unions are working at the plant level or local unions. Four unions are affiliated to state level and two unions are affiliated to district level unions.

4. The leadership of six unions is vested in the hands of outsiders. While there units have developed internal leadership.

5. All these unions are registered as per the provisions of the Trade Union Act, 1927. However all the unions are not recognized unions but they are enjoying the status of representative unions. All the negotiations and settlement are made with them by the management.

6. The financial position of the unions is not sound. The only source for the income is the monthly contribution collected from the members. All the unions are collecting annual contribution of Rs.100. In addition an amount of Rs. 200 per employee is collected at the time of bonus agreement and Rs. 200 to Rs. 400 collected at the time of wage agreements from time to time.
7. All the unions have no separate office in the factory premises. However the management provides them certain facilities like telephone, computer, stationary, tea and breakfast as per their requirements.

8. The office bearers of the unions meet management authorities periodically depending upon the nature of complaints and issues. The small issues and problems are generally discussed in their monthly meetings. The frequency or the schedule of the meetings is not fixed but decided as per the need.

9. In regular meetings are meant to discuss small and routine issues like safety or workers’ welfare activities, individual grievances which are not resolved at the departmental level, and other issues. Whenever the important matters like wage, agreement, bonus negotiations, strike, agitations arise, special meetings are held and may be even continued for 2-3 days for detail discussion.

10. In the absence of sufficient funds, these unions are not much interested in undertaking welfare activities. However they co-operate and actively participate in welfare and social activities organized by the management.

11. All the activities of the unions are looked after by the local officer bears especially by the president and the secretary and no full time or part time office bearers have been appointed for the same.

8.7 INVOLVEMENT OF WORKERS IN TRADE UNIONS

8.7.1 Reasons for Membership

The workers reasons for joining a union have an important bearing on labour-management relations. To find out why workers joined the union in the selected industrial units, six alternative reasons were given to them and they were asked to choose three of them in the order of importance by ranking as 1, 2 and 3. Table 8.2 shows the ranking of the various reasons. The ranking was done by giving a score of 3 to the first priority, score 2 to second priority and 1 to the third priority.

It was found that the reason which ranked first by the workers was ‘To get increased monetary benefits’. ‘To safeguard against exploitation’ was given second
rank. ‘To solve industrial grievances’ was given third rank. ‘There is strength in unity’ was given fourth rank. ‘For better welfare facilities and working conditions’ and ‘To seek help after possible retirement’ were ranked fifth and sixth respectively. Hence it can be concluded that economic reasons and security reasons were the most important reasons given by the worker for becoming members of trade unions. As all these industrial units are well-known as well as financially sound, the workers were least bothered about possible retirement. Similarly as discussed in the earlier chapters, due to satisfactory welfare and working conditions in the industrial units, that alternative ranked fifth by the workers.

Table 8.2
Reasons for Trade Union Membership

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Reasons</th>
<th>First Priority</th>
<th>Second Priority</th>
<th>Third Priority</th>
<th>Total weight</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>To get increase monetary benefits i.e. wages, bonus etc.</td>
<td>167</td>
<td>112</td>
<td>83</td>
<td>808</td>
<td>1</td>
</tr>
<tr>
<td>2</td>
<td>For better welfare facilities and working conditions</td>
<td>13</td>
<td>16</td>
<td>30</td>
<td>101</td>
<td>5</td>
</tr>
<tr>
<td>3</td>
<td>To safeguard against exploitation</td>
<td>58</td>
<td>68</td>
<td>83</td>
<td>393</td>
<td>2</td>
</tr>
<tr>
<td>4</td>
<td>To seek help after possible retirement</td>
<td>07</td>
<td>11</td>
<td>26</td>
<td>69</td>
<td>6</td>
</tr>
<tr>
<td>5</td>
<td>To solve individual grievances</td>
<td>32</td>
<td>64</td>
<td>52</td>
<td>276</td>
<td>3</td>
</tr>
<tr>
<td>6</td>
<td>There is strength in unity</td>
<td>23</td>
<td>29</td>
<td>19</td>
<td>146</td>
<td>4</td>
</tr>
</tbody>
</table>

Source: Compiled from the questionnaires for workers
8.7.2 Workers Participation in the Unions

A large majority of the workers (94%) read notice boards of unions. About 70% of the workers were observed in attending the general body meetings of the unions and about 80% participated in voting for union leaders. However few workers accounted for about 15% over interested in canvassing supports for the trade union. Most of the workers were observed visiting trade union leaders occasionally as per their needs. The higher participation of workers in unions is due to single union structure of the industrial units.

8.7.3 Achievements of the Unions

Over the years, several agreements were reached between the managements and the unions on a number of issues like wages, bonus, working conditions and welfare facilities. Similarly many industrial grievances were solved due to initiatives of the unions. These unions have achieved a good success in protecting the interests of their members. The general feeling of workers had been that it was due to the pressure and influence of recognized union, that the managements were forced to negotiate with the unions. Almost all the workers favoured the single union structure than multiple unions. When asked about the success of the unions, in negotiating with the management, about 64% of the workers said that the unions were successful, while about 22% said that they were partly successful and rest of 14% considered failure. As regards the factors responsible for the success of negotiations between unions and managements, a majority of 65% workers agreed on the reasons ‘justified demands’ and ‘unity of employee’. About 25% workers strongly agreed about 48% partly agreed while about 27% disagree with the statement that ‘Only the strikes make the management to realize the employees are big force’.

8.8 OPINION SURVEY OF UNION LEADERS.

A survey of office bearers, i.e. President and Secretary was made to assess the opinions of the union leaders regarding attitudes of management towards trade
unions, multiplicity of unions, extent of bargaining power, issues before the unions. Their opinions regarding wage structures, bonus, working conditions, promotion, welfare facilities etc. have already been studied in the earlier chapters. Hence the number of union leaders interviewed is 18. The object of the survey is also to assess the overall success of the trade unions in the industrial units. Below is the brief summary of the survey.

A majority of union leaders said that the attitudes of the management towards the unions is cooperative and the managements took all steps to encourage trade unions especially in the matters of training, labour welfare, productivity, safety and health conditions etc. The managements were in favour of settlement of disputes through collective bargaining and negotiations. Generally all the decisions pertaining to workers are consulted in meetings with trade union leaders held as per needs and requirements. All the leaders had appreciated the attitudes of management authorities in favour of single structure union and their no attempts in dividing the existing unions. However, the leaders demanded that the management should take initiative in providing them a separate small office within the campus. Another demand was that the management should grant them a special leaves for the union work. The opinion of 13 (72.22%) out of 18 trade union leaders was that union often gets opportunities while 5 (27.785) leaders said that they get opportunities occasionally, to discuss the workers problems with the management. A majority 55% (10 out of 18) leaders said that the management authorities almost sympathetic to their demands, while 28 (5 out of 18) said that the management authorities were sometimes sympathetic and 17% (3 out of 18) leaders expressed that management were hardly sympathetic to their demands.

All the trade union leaders showed their resentment against the multiplicity of unions. The opinion of 17 (94.44%) of 18 trade union leaders was that the multiplicity of unions spoils the peaceful atmosphere in the plants. They opposed multiplicity or trade unions on the ground that it leads to rivalry among leaders, differences in ideologies, differences in their strategies, less bargaining power of unions, undue
advantage to management etc. The trade union leaders themselves do not like to form a separate union. They strongly believe on the concept of 'one industry-one union' to strengthen the trade unionism and to protect the interests of the workers in real sense. The workers are also accustomed to one union and they did not allow leaders to form a separate union. The existence and continuation of only one registered union in every industrial unit shows the unity and cooperation among union leaders and workers. Even it is to be noted that the managements have not made any attempt to break the unions.

The trade union leaders had certain expectation from the management authorities. Some of the important expectations are - conducting regular and timely meetings with union leaders, immediate implementation of the decisions taken in the joint meetings, holding joint meeting with the Assistant Labour commissioner at regular intervals, delinking wages and bonus from productivity, linking D.A. with price index, recruiting permanent workers than temporary or contract workers, providing immediate disposal of individual grievances, providing transportation facilities etc. Despite of the complaints 2 (11%) out of 18 union leaders rated bargaining power of unions as high. 9 (50%) rated it as moderate, while 7 (39%) had rated it as low. Thus more than 60% of the union leaders feel that they can negotiate confidently with the management authorities on the issue of labour problems.
References

3. Ambade V. B. Industrial Relations and Trade Union Movements, Nirali Prakashan, Pune, 2000, P.101