Chapter 3

METHODOLOGY

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”.

3.1 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 mandays lost, among the various States of India. Again, the mean duration of disputes in Kerala (during 1996-2000) 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. 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

---

2. www.indiastat.com
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.

3.2 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.

3.3 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.

3.4 Hypotheses

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

$H_{01}$. There is no difference in the nature and causes of disputes in the public enterprises in Kerala vis-à-vis private enterprises.

$H_{02}$. There is no variation in the role and involvement of employees in disputes in the public enterprises in Kerala vis-à-vis private enterprises.

$H_{03}$. 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.
H₀₄. 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.

H₀₅. There is no variation in the involvement of employees in trade union activities in the public enterprises in Kerala vis-à-vis private enterprises.

H₀₆. There is no difference in the union-management relations in the public enterprises in Kerala vis-à-vis private enterprises.

H₀₇. There is no variation in the performance of the dispute settlement machinery in the public enterprises in Kerala vis-a-vis private enterprises.

3.5 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.

3.5.1 Selection of Sample Units
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 (The list of the units are given in Annexure IV). 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 (Table 3.1). The details of the units selected for the study are given in Annexure V.

<table>
<thead>
<tr>
<th>Zone</th>
<th>Public sector</th>
<th>Private sector</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of units as on 31.3.2005*</td>
<td>No. of units selected as sample</td>
</tr>
<tr>
<td>South</td>
<td>20</td>
<td>2</td>
</tr>
<tr>
<td>Central</td>
<td>14</td>
<td>1</td>
</tr>
<tr>
<td>North</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>38</td>
<td>4</td>
</tr>
</tbody>
</table>

Source: KSIDC and Bureau of Public Enterprises, Government of Kerala.

*Medium and large scale manufacturing/trading units employing more than 100 employees with Rs.5 crore or more capital investment.

3.5.2 Selection of Sample Employees

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 (Table 3.2).

Table 3.2  
Employees Selected for the Study

<table>
<thead>
<tr>
<th>Zone</th>
<th>Public sector</th>
<th>Private sector</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of units</td>
<td>No. of employees as on 31.3.2005*</td>
<td>Employees selected as sample</td>
</tr>
<tr>
<td>South</td>
<td>2</td>
<td>447</td>
<td>45</td>
</tr>
<tr>
<td>Central</td>
<td>1</td>
<td>701</td>
<td>70</td>
</tr>
<tr>
<td>North</td>
<td>1</td>
<td>245</td>
<td>25</td>
</tr>
<tr>
<td>Total</td>
<td>4</td>
<td>1393</td>
<td>140</td>
</tr>
</tbody>
</table>

*Company records.

3.5.3 Selection of Sample Trade Union Leaders

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 (Table 3.3). 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.
### Table 3.3
Trade Union Leaders’ Selected for the Study

<table>
<thead>
<tr>
<th>Zone</th>
<th>Public sector</th>
<th>Private sector</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of units</td>
<td>No. of trade</td>
<td>Trade union</td>
<td>No. of units</td>
<td>No. of trade</td>
</tr>
<tr>
<td></td>
<td>selected</td>
<td>union leaders</td>
<td>leaders selected</td>
<td>as sample</td>
<td>leaders selected</td>
</tr>
<tr>
<td></td>
<td>as sample</td>
<td>as on 31.3.2005*</td>
<td>as sample</td>
<td>as on 31.3.2005*</td>
<td>as sample</td>
</tr>
<tr>
<td>South</td>
<td>2</td>
<td>44</td>
<td>9</td>
<td>1</td>
<td>50</td>
</tr>
<tr>
<td>Central</td>
<td>1</td>
<td>40</td>
<td>8</td>
<td>5</td>
<td>138</td>
</tr>
<tr>
<td>North</td>
<td>1</td>
<td>40</td>
<td>8</td>
<td>1</td>
<td>50</td>
</tr>
<tr>
<td>Total</td>
<td>4</td>
<td>124</td>
<td>25</td>
<td>7</td>
<td>238</td>
</tr>
</tbody>
</table>

*Company records.

#### 3.5.4 Selection of Sample Management Personnel

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 (Table 3.4). 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.

### Table 3.4
Management Personnel’s Selected for the Study

<table>
<thead>
<tr>
<th>Zone</th>
<th>Public sector</th>
<th>Private sector</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of units</td>
<td>No. of management personnel as on 31.3.2005*</td>
<td>Management personnel selected as sample</td>
<td>No. of units</td>
<td>No. of management personnel as on 31.3.2005*</td>
</tr>
<tr>
<td></td>
<td>selected</td>
<td>as sample</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>South</td>
<td>2</td>
<td>69</td>
<td>14</td>
<td>1</td>
<td>45</td>
</tr>
<tr>
<td>Central</td>
<td>1</td>
<td>85</td>
<td>17</td>
<td>5</td>
<td>411</td>
</tr>
<tr>
<td>North</td>
<td>1</td>
<td>55</td>
<td>11</td>
<td>1</td>
<td>40</td>
</tr>
<tr>
<td>Total</td>
<td>4</td>
<td>209</td>
<td>42</td>
<td>7</td>
<td>496</td>
</tr>
</tbody>
</table>

*Company records.
3.6 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 copy of interview schedules used is given in Annexure I, II and III respectively. 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.

3.7 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 chi-square 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.

3.8 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.
3.9 Variables Used for the Study

3.9.1 To study the nature and causes of disputes in the public and private enterprises in Kerala.

1. Important causes of disputes
2. Main type of strikes
3. Percentage of successful strikes
4. Reasons for the success of strikes
5. Reasons for the failure of strikes

3.9.2 To assess the role and involvement of employees, trade union leaders and management personnel in the public and private enterprises in Kerala.

1. Number of disputes
2. Number of workers involved in disputes
3. Number of man days lost
4. Dispute duration ratio
5. Dispute coverage ratio
6. Time loss ratio
7. Membership involvement ratio
8. Reasons for participation in disputes
9. Reasons for non participation in disputes
10. Extent of participation in disputes
11. Consideration regarding the purity of strike
12. Necessity of strike
13. Extent of pressure used by the unions in ensuring workers participation in strikes
14. Attitudinal change of union leaders during the period of dispute
15. Support of union leaders to the strikers
16. Attitude of management towards strikers
17. Action taken by the management against strikers
18. Extent of involvement in disputes and personal attributes of employees.
19. Extent of involvement in disputes and personal attributes of trade union leaders.

3.9.3 To study the participation of employees in trade union activities in the public and private enterprises in Kerala.

1. Reasons for employees joining unions
2. Reasons for employees not joining unions
3. Degree of involvement in trade union activities
4. Type of involvement in trade union activities
5. Activities of the union for the welfare of employees
6. Power of unions in solving labour problems
7. Relationship between employees’ personal attributes and their involvement in trade union activities

3.9.4 To study the union-management relations in the public and private enterprises in Kerala.
1. Necessity of union-management relations
2. Nature of union-management relations
3. Status of trade unions in the industry
4. Attitude of management towards unions
5. Attitude of unions towards management

3.9.5 To assess the performance of the dispute settlement machinery in the public and private enterprises in Kerala.

1. Most likely form of dispute settlement
2. Method of dispute settlement usually used
3. Level of management involved in the dispute settlement
4. Ability of the management in dispute settlement
5. Position of union, management and Government in dispute settlement
6. Bargaining power of unions in the dispute settlement
7. Level of satisfaction in the performance of dispute settlement machinery.
8. Reasons for the success of dispute settlement
9. Reasons for the failure of dispute settlement

3.10 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.