Research Paper Management

An Empirical Study on Relevant Industrial Relations Factors in Kerala Rubber Products Manufacturing Industry

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ABSTRACT

Purpose - There is considerable debate in the literature about the defining characteristics of Industrial Relations. As Industrial Relations(IR) vary from country to country across various economic and geographical zones, from industry to industry within a country and from plant to plant or branch to branch within a company. Such variations are not arbitrary and need be studied carefully and hence the purpose of this study is to identify the relevant IR Factors in Kerala Rubber Products Manufacturing Industry. Design / Methodology / Approach – sample size of the study was 80 top level managerial personnel, who are currently working in unionized and non unionized environments, belonging to Automobile tyres and tubes , Rubber compounds, Rubber footwears, rubber mattings manufacturing industrial units of Kerala. Findings – Study shows that Methods/Process factors of IR are more significant than institutional or employment conditions as factors of IR.

KEYWORDS Industrial relations, Collective Bargaining, Factors of IR.

1. Introduction

The business environment in the world is turbulent and dynamic. Today's managers are faced with the difficult challenge of continuously improving the performance of the unit or company they are managing. It's no longer sufficient for managers to produce steady organizational performance most of the time; they must do so all the time. The challenge is all the more daunting because the competitive environment that the managers are facing is also becoming increasingly demanding. As a result, companies have been bombarded over the last few years with advice on various ways on improving performance. IR factor is one among the various factors which affect the organisational performance and has gained importance as a research issue because of the current business environment scenario.

2. Review of Literature

There is considerable debate in the literature about the defining characteristics of IR. The studies in the field of IR show that the variables of IR is classified in to various groups based on certain parameters. Firstly, Katz and Webber (1985) have classified the IR variables in to two ,namely institutional level and individual level variables. One of the institutional level IR variables taken by the authors is conflict management systems, while individual level variables taken are participation and cooperation. In the Second categorization, the IR variables are divided into three, namely, Management related variable, Union related variable and individual related variable (Derry & Inverson, 2005). In the third categorization, which is based on the inter-relationship among various dimensions of industrial relations, the IR variables are classified in to three, namely, recognition factor, relational factor and job factor. The factors, trade unions and strikes are named as 'Recognition factor', factors relating to dispute settlement are termed as 'Settlement Factor' or 'Relational Factor', while Pay and allowances, labour welfare facilities and work environment are relating to job and hence are termed as 'Job factor' (Nehru, S.,2009).

2. a. Studies conducted in India

The studies conducted in India are arranged in the chronological order.

Saxena (1964) in his study has brought it to the forefront the fact that the problems of industrial relations should not be tackled merely on economic front. Singh (1966) has observed that there is no initiative on the part of employers willfully to provide welfare facilities to workers. Chand (1989) designed a study of industrial relations in the public sector concern in Andhra Pradesh State. Gani (1990) has suggested the need of a good infrastructure for the management of industrial relations in the state before the situation goes beyond limit. Ilamathian , E. (1993) compared the perception of supervisory and non-supervisory personnel regarding industrial relations .

2.b. Studies Conducted in Kerala

The first comprehensive study on industrial relations in the context of Kerala is conducted by Nair in1973. It was projected in that study that Kerala had forged ahead in the matter of evolving a system of labour management relations. In the late 70's, studies were undertaken on agricultural labour. The other studies in the context of Kerala include 'Industrial Strike Activities in Kerala' (Pillai, G .C.,1974), the 'Impact of Welfare Measures on Industrial Relations'(Dilip Ranade,1974) , 'Impact of Multi-unionism on Industrial Relations in Kerala' (Sivaraman, M,1977) etc.

Comparative studies were also conducted in the context of industrial relations scenario of Kerala. George, M. (1993) conducted a comparative study on the "Impact of Trade Unionism on Industrial Relations in the Textile Mills of Kerala". As the poor industrial relations in Public Sector Undertakings(PSUs) have adversely affected their performance and efficiency in Kerala, the industrial relations climate has been one of the major areas of studies for many research scholars (Jacob K K ,2002) .

The main causes of dispute in public and private enterprises in Kerala were wages ,allowances bonus and workload while violations of Agreement was an important cause for disputes in public enterprises(Vasanthagopal R and Venugopalan K. V,2008). The recent studies in this area is by Rajesh, S. ,& Manoj, P.K. (2013), which is only an analytical study based on secondary data. The authors have identified a high degree of association between industrial dispute facts and challenges to cordial industrial relations in the state.

From these review it is clear that, in India, quite a large number of research studies have been carried out on industrial relations systems in various states and industrial centers of the country. But unfortunately no such compressive study, has been undertaken in the state of Kerala , especially on the link between industrial relations and organizational performance.

As there is no systematic evidence for evaluating the effects of shop floor industrial relations practices on organizational performance, the present study concentrates on it, by selecting a single industry, which has got a prominent role in the economy of the state. In addition to this, there is no consensus on the defining characteristics of IR, it is identified that an expert opinion survey among top level managerial personnel enable the researcher to provide a better understanding and detailed analysis of different factors of Industrial relations and their relative importance in selected industrial sector.

3. Research Methodology

3.1.Procedures to identify relevant industrial relations factors

3.1.1 Criteria for Selection of Industrial Units

The scope of the research is restricted to rubber products manufacturing industrial units whose consumption of natural rubber exceeded 1000 tonnes, consistently during the financial years 2012-2013 to 2014-2015 (Refer table No.3.1)

3.1.2 The geographical location of the Study

The selected industrial units were spread physically across the state. The profile of the selected industrial units are explained in the table No.3.1

Table No.3.1 Profile of the Industrial Units
(Manufacturers whose consumption of natural rubber exceeded 1000 Tonnes in the state of Kerala during the Financial Year 2012-13)

S.I	Name of the unit	Products	District
1	MRF Ltd.	Automobile Tyres and tubes	Kottayam
2	Apollo tyres	Automobile Tyres and tubes	Ernakulam
3	HLL Life Care Ltd	Surgical & Healthcare Products	Kottayam
4	TMMC Ltd.	Rubberised Mats	Trivandrum
5	Prudential rubber (P)Ltd	Precured Tread Rubber	Ernakulam
6	Midas Treads(India) Ltd.	Precured Tread Rubber	Kottayam
7	General Rubbers	Precured tread rubbers	Kottayam
8	Standard treads (P) Ltd.	Precured Tread Rubber	Alappuzha
9	Paragon polymer (P) Ltd– pvt.sector-	Foot Wears	Kottayam
10	Tollin Tyres	Automobile Tyres and tubes	Kottayam

(Source Statistics & Planning Department, Rubber Board of India, 2013)

3.2. Population of the Study

The total number of managerial personnel of sample industrial units were 813.

3.3 Sampling Frame

The official list that the 'Rubber Board, Kottayam' maintains on rubber products manufacturing industry in India was used.

3.4 Sampling Unit

The focal construct of the research is the organisational performance in rubber products manufacturing industry. So the sampling unit is an individual rubber products manufacturing industrial unit.

3.5. Key informants and Selection of Respondents

The industrial unit related information, called the 'company profile' was collected from General Managers (GM) / Plant Heads (PH), being the top level authority to disclose industrial unit related information.

3.6. Sampling Method

Judgement sampling method' was used in the study.

3.7. Sample Size

'Total managerial personnel in the selected industrial units altogether were 813, out of this 10% ie, 80 managerial personnel were selected

3.8.Survey Procedure

The target population of the study was the management cadre employees.Primary data was collected, with help of a structured Questionnaire covering entire aspects of IR variables using judgement sampling techniques. Out of 100questionnaire distributed at top level, the final response was 80 from 10 companies

4.Data Analysis

For data analysis, mean, median and standard deviation were applied. Statistical Package for Social Sciences – SPSS be used for data analysis. Scale reliability test was applied; the results of reliability test and descriptive statistics are shown below in Table 2 to Table 5, bel

Table. No.2 Reliability Statistics	
Cronbach's Alpha	No. of Items
.829	29

Source : Compiled The Value of Cronbach's Alpha is 0.829 ,which implies high reliability. It shows that the data is symmetry.

Table No. 3
Descriptive Statistics
Relevance of 'Various Methods' as factors of IR

	Collective Bargaining	Workers Participation in Management	Disciplinary Procedure	Grievance Redressal	Dispute Settlements	Rules & Regulations	Cooperation	Conflict Management
MEAN	5.4500	3.1000	3.9375	3.2875	5.1800	3.540	4.8500	3.0253
N	80	80	80	80	80	80	80	79
S.D	2.46443	2.68894	2.00217	2.09396	2.03389	2.12817	2.07517	2.41244
MEDIAN	3.0000	4.0000	4.0000	5.0000	4.0000	2.0000	2.0000	4.0000

(Source : Compiled)

Table No.4
Descriptive Statistics
Relevance of 'Institutional' factors of IR

	Govt	Employee - Management related variables	Trade Unions	Labor Courts, Tribunals
Mean	2.9465	1.5625	3.5375	2.8375
N	80	80	80	80
S.D	1.33069	.76048	.76214	1.25732
MEDIAN	3.0000	2.0000	1.0000	3.0000

(Source: Compiled

Table 5
Descriptive Statistics
4.c.Relevance of 'Employment Conditions' as factors of Industrial Relations (IR).

	Pay	Hours of work	Working condition	Leave	Health	Safety	Lay-off	Dismissals, Retrenchments
MEAN	4.9125	3.8750	4.2000	4.1875	3.95000	3.7250	5.8750	4.7625
N	80	80	80	80	80	80	80	80
S.D	1.16046	1.83341	1.30627	1.86977	1.43200	1.71350	3.00790	3.15123
MEDIAN	1.5000	3.0000	2.0000	5.0000	4.0000	4.0000	7.0000	8.0000

(Source: Compiled).

5. Discussions and Managerial Implications

The importance of various Industrial Relations factors are not the same in Kerala Rubber Products Manufacturing Industry. From the study , it is clear that the 'Process/methods' factor of Industrial relations play a significant role in this industrial setting than the 'Institutional factors' or Employment Conditions as factors of IR.

6. Findings of the Study

It is observed that the importances of various Industrial Relations factors are not the same in Kerala Rubber Products Industry when it is compared against empirical research in other industrial sectors. Data show that among all the factors on 'methods of industrial relations', factors like, Collective bargaining, Dispute Settlements, Cooperation, and Disciplinary Procedure are the relevant factors in this industry. The variable ' trade union' is identified as the only relevant institutional factor of industrial relations, while when we consider **'Employment Conditions'** as factors of **IR,** , the relevant variables of IR , is identified as variables like pay, Lay-off/ Dismissals/Retrenchments, Working conditions and Leave & Health.

7. Suggestions

Methods of Industrial relations like Collective bargaining, Dispute Settlements, Cooperation, and Disciplinary Procedure are the relevant factors in this industry and hence they are identified as strong factors of IR where the rubber based industrial units would be advised to capitalize on'

8. Conclusion

There is a significant difference in the relevance of different categories of industrial relations factors as far as the selected industrial units are concerned. The importance of various Industrial Relations factors are not the same in Kerala Rubber Products Industry when it is compared against empirical research in other sectors.

9. Scope for Further Study

The implication of the study is that it provides a better understanding and detailed analyses of different factors of IR and their relative importance in Rubber products manufacturing industry. The study need to be conducted in in all other industrial sectors in Kerala. Also, the difference in the operationalization of IR practices in the unionized and non union companies can be studied in detail.

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