



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

LATHA.K

Research Scholar, Karpagam University, Coimbatore & Associate Professor Girideepam Institute of Advanced Learning (GIAL), Kottayam, Kerala)

Dr. ROJI GEORGE

Dean & Professor in Finance, Saintgits Institute of Management-Pathamuttam, Kottayam, Kerala

ABSTRACT

Purpose - There is considerable debate in the literature about the defining characteristics of Industrial Relations(IR). IR varies 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 to 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 were currently working in unionized and non unionized environments, belongs to Automobile tyres and tubes , Rubber compounds, Rubber foot wears, rubber matting manufacturing industrial units of Kerala. Findings – Data show that Methods/Process factors of IR are more significant than institutional or employment conditions 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 continuing to improve over time 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.

Most of the studies on IR have been undertaken in U.S automobile sector and little empirical research to test the relationship between IR factors and organizational outcome has been conducted in other settings. No attempt has been made to evaluate the extent of IR factors in a systematic way in the rubber products manufacturing industry. To fill this gap, the present study is undertaken to explore the relevant industrial relations factors in Kerala rubber products manufacturing industry

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 in to 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 'Settle-

ment 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.Review of Literature

According to Osama Lari (2010), a few important factors of IR are ,firstly, **Process or Methods of IR**, which includes the collective bargaining between both the employer and employee ,the participation of workers' in the IR schemes ,disciplinary procedure, grievance readdress machinery, dispute settlements, revisions of existing rules, regulations, policies, procedures, hearing of labor courts, tribunals etc. Secondly the **Contents of IR** ,which includes the matter pertaining to employment conditions like pay, hours of works, leave with wages, health, and safety, disciplinary actions, lay-off, dismissals/retrrenchments etc., and thirdly, **Institution / Establishment of IR**, and it includes government, employers, trade unions, unions federations or associations, government bodies, labor courts, tribunals and other organizations.

A number of studies have examined the link between selected factors of IR on organizational performance. Among these the most relevant studies in the area are by Trist & Bamforth (1951), Goodman (1979) , Rosenberg & Rosenstein (1980), Katz,Kochan and Gobellie (1983), Kochan, Katz, Webber (1983), Katz,Kochan and Webber (1985), Shuster (1985), Norsworthy and Zabala (1985) Kochan, Katz, and Mckersie (1986), Arthur (1994), Huselid (1995), Kochan & McGrath (1996), MacDuffie (1995), Cutcher & Gershenfeld (1993), Cameron, Whetten (1983), Derry and Inverson (2005) and Comboh,M.A. (2014).

As 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 analyses of different factors of Industrial relations and their relative importance in various business settings.

3. Research Methodology

This study purports to an identification of relevant Industrial relations factors of selected industrial units, both the unionized and non-unionized, in 'Rubber Products Manufacturing

Industry'. The industrial units selected for the study include all the units in Kerala, whose consumption of natural rubber exceeded 1000 tonnes in the year 2012-2013. This criterion is adopted for the selection of industrial units in this industry because of the reason that, the consumption ratio between natural rubber and synthetic rubber in India is nearly 73:27 against the world ratio of 44:56, which shows over dependence on natural rubber in India (Rubber Board of India,2013).

The target population of the study was the management cadre employees i.e. top level business executives. Primary data was collected, with help of a structured Questionnaire covering entire aspects of IR variables using random sampling techniques.

An expert opinion survey was conducted at the top level managers to rate the various factors of IR, based on their relative relevance in their organizations. Out of 100questionnaire distributed at top level, the final response was 80 from 11 companies.(See the Table No.1). The research design followed is a cross-sectional study

Table No . 1
Manufacturers whose consumption of natural rubber exceeded 1000 Tonnes in the state of Kerala during the Financial Year 2012-13

	Name of the Industrial Unit	District
1	MRF Ltd	Kottayam
2	Apollo Tyres Ltd	Ernakulam
3	Paragon Polymer Products(P) Ltd	Kottayam
4	Rubfila International Ltd	Palakkad
5	Hindustan Latex Ltd	Trivandrum
6	Tolin Rubber (P) Ltd	Ernakulam
7	Midas Treads (India) Ltd	Kottayam
8	General Rubbers	Kottayam
9	Travancore Mats & Matings Co.,	Alappuzha
10	Standard Treads(P)Ltd	Kottayam
11	Prudential Rubber (P) Ltd	Kottayam

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

4.Data Analysis

For data analysis, mean, median and standard deviation were applied. Statistical Package for Social Sciences – SPSS was 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 6, below.

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

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

4.a.Relevance of 'Various Methods' as factors of IR

	Collective Bargaining	Participation in Management	Disciplinary Procedure	Grievance Redressal	Dispute Settlements	Rules & Regulations	Cooperation	Conflict Management
mean	3.4500	3.3300	3.9575	3.2875	5.1800	3.3400	4.8500	3.0233
N	80	80	80	80	80	80	80	79
S.D	2.46443	2.66594	2.00217	2.06956	2.03389	3.12815	2.07517	2.41244
MEDIAN	3.0000	4.0000	4.0000	3.0000	4.0000	2.0000	2.0000	4.0000

The present research highlights the factors like, Collective bargaining, Dispute Settlements, Cooperation, Disciplinary Procedure and Rules & Regulations as the relevant IR factors

as far as the methods of IR is concerned.

Table No.4
Descriptive Statistics
4.b.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

Based on the mean values, the most relevant Institutional Factor of IR is identified as 'Trade Unions'.

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

	Pay	Hours of work	Work-ing condition	Leave	Health	Safety	Lay-off	Dis-missals, Re-trench-ments
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
ME-DIAN	1.5000	3.0000	2.0000	5.0000	4.0000	4.0000	7.0000	8.0000

When we consider 'Employment Conditions' as factors of IR, , the relevant variables of IR, is identified as factors like Lay-off ,pay,. Dismissals, Retrenchments, Working conditions, Leave and Health (3.9500).

4.d. Dependent Variable - Organizational Performance
Measurement of organizational performance is a highly complex and multidimensional phenomenon.(Lenz, 1981;venkataraman and Ramanujan 1986 , Steers 1975). However there is no agreement on measures of organizational performance (Huselid et al, 1997) Studies have measured different outcomes ranging from financial performance or firm productivity (Guthrie 2001)to employee commitment absenteeism(Guest and peccei 1994), and customer satisfaction (Rogg et al 2001). Hence there is a need to identify the relevant variables.

Table No.6
Descriptive Statistics
Relevant ' Organizational Performance' variables

	Grievance rate	Labor cost	Product quality -scrap	Process quality	Managerial Efficiency	Accidents rate	Absenteeism rate	Labor Turnover (L.T.O)
mean	4.1125	3.5375	2.6625	2.8875	3.2625	4.1750	5.1875	4.3625
N	80	80	80	80	80	80	80	80
S.D	2.30571	1.74257	1.65310	1.58369	2.15679	2.28146	2.52127	2.80255
MEDIAN	4.0000	4.0000	2.0000	3.0000	3.0000	5.5000	4.0000	5.0000

The relevant ' Organizational Performance' variables are identified as Absenteeism rate,Labor

Turnover,.Accidents rate and Grievances rate.

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 Factors of working conditions.

6.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. Data show that among all the factors on 'methods of industrial relations', factors like, Collective bargaining, Dispute Settlements, Cooperation, Disciplinary Procedure and Rules & Regulations as the relevant IR factors as far as the methods of IR is concerned, in this industry. 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 other business settings also.

REFERENCES

1. Comboh, M.A., (2014). Examining Conflicts in Industrial Relations & Collective Bargaining context and its impact on Workers & Organization Performance. *Academy of Contemporary Research Journal*. Vol.3 No.1. pp.14-25. | 2. Cooke, (1995). The influence of Industrial Relations Factors on U.S. Foreign direct Investment Abroad'. *Industrial and Labour Relations Review*, 51(1), pp.3-9. | 3. Carl, F. F., & Daniel, R. D., (2003). Organizational Culture and Effectiveness: Can American Theory be Applied in Russia? *William Davidson Institute Working Paper Number 598*. pp. 349-356. | 4. Derry, S.J., & Iverson, (2005). *Labour Management Cooperation : Antecedents and Impact on Organizational Performance*. *Industrial and labour relations review*: 58(4), pp.10-15. | 5. Denison & Mishra, (1995). Towards a theory of organizational culture and effectiveness. *Organization Science*: 6(2), 204-223. | 6. Gittel, Nordenflycht, A.V., & Kochan, T. A., (2004). Mutual Gains or Zero Sum? Labor Relations and Firm Performance in the Airline Industry, *Economic and political weekly*, 4(11) pp.6-14. | 7. Guthrie, J. P. (2001). High involvement Work Practices Turnover and Productivity : Evidence from New Zealand, *Academy of Management Journal*: 44, 180-90. | 8. Guest, D.E. & Peccei, R., (1994). 'The Nature and Causes of Effective Human Resource Management', *British Journal of Industrial Relations*, 2(32): 219-41. | 9. Huselid, Mark A. (1995). Impact of Human Resource Management Practices on Turnover, Productivity, and Corporate Financial Performance, *Academy of Management Journal* 1995, Vol.38, No.3, 635-872 | 10. International Labour Organization (ILO), (1994). 'Labour Relations in Plantations in Relation to Productivity Improvements : Committee on work on Plantations', 10th Session, Geneva. | 11. Katz, H.C., Kochan T. A., & Weber, M.R., (1985). Assessing the Effects of Industrial Relations Systems and Efforts to Improve the Quality of Working Life on Organizational Effectiveness, *The Academy of Management Journal*: 28(3), pp.15-19. | 12. Lenz, R.T. (1981). Determinants of Organizational performance-An interdisciplinary Review. *Strategic Management Journal*: Wiley Online Library. pp.25-40. | 13. Nehru, S. (2009). *Industrial Relations in cooperative Printing presses in Tamil Nadu*. *Indian Journal of Industrial Relations*, Shri Ram Centre for Industrial Relations and Human Resource, 45(2), 9-11 | 14. Osama, L., (2010). *Industrial sociology :A comprehensive approach*. Sanbun publishers, pp.105-106. | 15. Powell, (1992). Organizational alignment as competitive advantage. *Strategic Management Journal*: 13(2) pp.119-134. | 16. Sen, R. (2000). *Industrial relations in India: Shifting paradigms*. MacMillan India Ltd. pp. 13-15. | 17. Steers, R.M., (1975). Problems in the measurement of organizational effectiveness. - *Administrative Science Quarterly*, 20 (4), (1975), 546 -558. | 18. Venkatraman, N., & Ramanujam, V. (1986). Measurement of Business Performance in Strategy Research: A comparison of approaches. *Academy of management review*, 11(4), pp.801-814