

The New Human Resource Policies: A Ploy to make Trade Union Redundant- an Overview.

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Abstract: As the business is growing things are being broken down into pieces and the role of HR has become to monitor each and every activity, the primary role being getting with people and dealing with people. Today, HR acts as a spokesperson, a mediator between staff and management, he understands the legal obligations, the concepts, reasonable and extenuating circumstances above all an HR represents effectively the legal and best interests of all parties while leaving lesser need for Trade unions in the organizations. Gone are the days when the role of professional managers was to punish the lazy employees also to those who have unmet the targets which has led to the emergence of Trade Unions and labour movements across the world. But today the rise of HRM with the later 20th century has coincided with the decline of union membership as a result we are living in an era where the employees with current trends are walking away from unions because they feel that they are not genuinely represented.

The present is based upon secondary data with an attempt to identify the extent to which a good HR makes the Unions redundant. The extent to which an HR handles the unions above all to study the reasons behind which the role of HR has shifted to its primary role from mere administration to negotiating and liaison with the unions. This study would further help in the emerging trends in HR policies that have led to the decline of trade unions.

Key words: Human Resource, Trade Unions, Negotiations, Labour Movements.

1. INTRODUCTION

Human resource management is concerned about people at work. It has to create relations and then it has to be maintained at one end and get the work done on the other end for which human efforts are required. Hence getting things done through people becomes an essential part of every manager's responsibilities. But while dealing with people issues one important thing that need to be taken care of is that the Human resources are not mere factor of production, they do have their own emotions, feelings, perceptions, attitudes, values, judgments, backgrounds, educations etc which has to be taken care of, the absence of which, would lead to conflicts and trade unions involvement.

Gone are the days where with rapid industrialization people used to understand only two terms labour and management but today the concept has changed. People started realizing that organizations in which they work are not just offices but their second homes where they spend majority of their time. So if the workplace is turned into happy place where people enjoy their work, enjoy working with their superiors and subordinates, enjoy being engaged in the work setting then there would be no problems and no involvement of trade unions and no hassles at all.

Thus human resources are the most important part of any organization having a pool of knowledge, skills, creativity, abilities, talents, and aptitudes which are to be taken care of for organizational excellence and in order to achieve the goals a well-run organization works out a set of rules sometimes called policies, programmes, regulations, procedures or guidelines and sanctions. Hence, It is apt to mention that the era where we live in an, the relationship between the labour and management has changed drastically; a wave could be seen towards participation from confrontation, self grievance Redressal rather than through union representative, faith upon the management but lack of trust towards the trade unions by the people and so on. Hence the implementation of these new Human Resource policies could be considered as the new strategies to reduce the dominant role of trade unions.

The basic idea behind such implementation is to reduce the involvement of trade unions further to increase the cooperative approach between labour and the management for organizational effectiveness. Thus the study on new human resource policies for trade union redundancies assumes significance for the following reasons:

- Participative approach of management towards human resources.
- Fragmentation of trade unions as a cause for its own decline.
- Rapid change in technology – adverse impact on trade unions causing docile who were reluctant to change.
- Mutual understanding between labour and management for better productivity and career advancement.
- Intensification of trust towards the management and lack of trust towards the trade unions.

2. OBJECTIVES OF THE STUDY

- To examine the emerging trends in Human Resource Policies.
- To probe on the challenges faced by trade unions in the era of globalization.
- To analyze the strategies followed by the management to reduce the involvement of trade unions in the business setting.
- To examine the causes behind trade union's redundancy.

3. METHOD OF STUDY

The study is based on descriptive analysis of highlighting the recent trends in Human resource Policies, the challenges faced by the management and trade unions, the strategies followed by the management to make trade unions docile and its adverse impact on the management/ employer, trade unions and the employees of the organization. The study would also focus on the perceptions of the management and the employees towards trade unions redundancy and the reasons behind the collaborative approach of the management and the employees in the era of globalization.

It is a content study done on the basis of secondary data gathered from the articles, books and websites. The main purpose of the study is to identify the new Human Resource policies which were a ploy for trade unions redundancy and adverse impact on employers, trade unions and the employees.

4. EMERGING TRENDS IN HUMAN RESOURCE POLICIES

By transformation of economic environment, the information explosion, advances in technology and the intensely competitive global and domestic markets have created enormous pressure on organizations to change or perish. Against this challenging scenario, by choice or by default a new era of human resource management policies, practices and philosophy is emerging and assuming significance in modern organizations. Some of these are highlighted below:

- 4.1 Restructuring:** This considered as an action taken by the company to significantly modify the financial and operational aspects of the company, usually when the business is facing financial pressures. It is a painful process as the internal and external structure of a company is adjusted and jobs are cut to some extent depending upon the prevailing situation of in the company in terms of profits, business functioning and economic condition.
- 4.2 . Technological Innovation/ Modernization:** From videoconferencing to the internet, technology has made our world smaller and faster. Ideas and massive amounts of information are in constant movement. The need of the hour for management is to be upgraded with the latest technology and to figure out how to make technology a viable, productive part of the work setting so that it can have its impact on the way work gets done.
- 4.3 Manpower training and skill up gradation:** Another important policy is considered to be training which acts as a mechanism for building direct relationship with the workers. As the management focuses more upon upgrading the skills and knowledge of its employees so that they may be adjusted with their job in the changing environment where old technology, and existing knowledge and skill are gradually becoming obsolete and redundant. This approach of management has further created a negative impact on Union- Management relationship.
- 4.4 Relaxations of the state control by introducing adequate legislative reforms** were included in the new policy packages.
- 4.5 Intellectual Capital:** As knowledge has become a direct advantage for companies selling ideas and relationships (think of professional service, software and technology- driven companies) and an indirect competitive advantage for all companies attempting to differentiate themselves by how they serve customers every company is trying to attract, develop and retain individuals who can drive a global organization the management makes its efforts to find capable people, assimilate, develop, compensate and retain such talented employees (Arun Prakash, 2014)¹.

5. CAUSES FOR TRADE UNIONS DECLINE

Trade unions view the worker as not only mere factor of production but also an individual whose total life situation is a matter of concern for the trade unions. Traditionally, trade unions have been resistance organizations defending the interests of the workers and see to it that they are not exploited. They were also considered as instruments of change in the socio-political system so that they may have their own government and prevent them from exploitation (Punekar, 2007)² but this is a way back story since the scenario had changed entirely. Today's organizations are more flexible, encourages open door policy, maintains industrial relations, ensures better communication, enlarges job opportunities, involves employees in the system of participation above all empowers its employees by way of rewards and recognition. If all these are some reasons that had some adverse impact on trade unions docile the other major causes are being recognized as by the trade unions itself for their decline in the present business scenario. Some of these causes or the challenges are outlined below.

5.1. Internal challenges

Indian trade unions at present, suffer from number of weaknesses. Notable among those are mentioned below.

5.1.1. Uneven Growth of Unionism: Despite of growth of trade unions across the world it has not influenced a variety of industries. Further the activities so covered have concentrated in the large-scale industry sector and mainly focuses on a few states and a bigger industrial centres in those states (Mamoria, 2013)³. Further, (Sharma, 1971)⁴ had rightly observed that *"The history of The Indian Labour movement is to a great extent, the story of labour in the organized industry, and there has been no movement amongst the vast mass of labour in the primary and the small establishment"*.

5.1.2. Low membership density: Another very important reason behind the decline of trade unions is the low union membership density. The workforce is declining due to non filling of vacancies both in public and private sector undertaking leading to shrinkage of employment opportunities in these sectors. The scenario is more prevalent in private sector undertaking mostly the service and software sector with the new, young, and female workers showing less eager to join unions. In addition, the inability of the trade unions to come up which new strategies to make unionism relevant and appealing to these new and diverse workgroups is another reason for its low union membership (CS Venkat Ratnam, 2009)⁵.

5.1.3. Financial weakness:

Over the years the one noticing fact about trade unions is that they suffer from financial weaknesses in fact the yearly income of a union has been rather low and adequate.

Figure.1. Income and Expenditure of Workers' Union in India (2001-2013)

Year	No. of unions Submitting returns	Income (Rs. Lakh)	Expenditure (Rs. Lakhs)
1	2	3	4
2001	6513	5558.52	4895.56
2002	7734	6254.54	5340.46
2003	7229	9432.81	6733.15
2004	5217	6983.41	5627.83
2005	8255	8521.84	6182.51
2006	8411	11565.82	8980.36
2007	7405	10294.95	8437.25
2008	9702	11380.82	8098.74
2009	3861	4861.12	3868.19
2010	2936	3763.53	3417.55
2011	2769	4638.55	4043.20
2012	4785	6699.44	6275.46
2013	2534	2901.52	2608.32

Source: Annual returns received under Trade Unions Act, 1926⁶.

Looking at their growth their income is exceptionally low which is eroded by their increased expenses. There has been drastic decline in terms of unions submitting returns from 2001 (6513) to 2013 (2534) and in terms of income and expenditure we could see a drastic decline.

The average income has been low not because of poverty but because of the other factors such as:

- Apathetic attitude of workers towards trade unions from contributing their hard earned money.
- Lack of commitment of the members to the trade unions at the time of disputes leading to hoc payments instead of regular payments.
- For increasing the union membership unions at times keeps the subscription rate unduly low in fact does not collect subscription at all which is another major cause for poor finances.

This poor financial position adversely affects their working hence failing to take any welfare activities for their members or undertake any strikes or could publish any periodicals (Mamoria, 2013)⁷.

5.1.4. Inter Union Rivalry: Another vexing reason behind the decline of trade unions is that of inter union rivalry which sometimes pervades the entire industrial scene in India. As Allan Flanders mentioned in his quote *“most trade unions split off a dissident section of a union to form a new organization. This is one of the deadly sins against trade unionism”* (Chatterjee, N.N., 1980)⁸.

5.2. External Challenges

Several external factors are also responsible for the decline of trade unions. These are mentioned below.

5.2.1. Global Composition: with the rapid change in technology there has been paradigm shift in the workforce and significant changes in the demographic profile of workers meant that the blue color workers are replaced by the white color knowledge professional employees. Further the focus has shifted from collective to individual rights, from union involvement to employee participation, and from union as a mediator to employee communication. With the explosion of knowledge employees the focus has shifted towards expansion of information and consultation rights of individual employees thereby leading to less involvement and weakening of trade unions (AM Sarma 2013)⁹.

5.2.2. Rapid Changes in Technology: Besides the above mentioned aspect the erosion in membership of trade unions takes place when the employers undertake technology upgradation for increasing the productivity and improving quality. With the changes in technology the skill composition of workers alters in favour of workers with the new and improved skills. These workers further are less inclined and motivated to associate with group interests (Punekar, Deodhar, Sankaran, 2007)¹⁰.

5.3.3. Shifting attitudes of government: With the shift in state policies worldwide from being labour friendly to investor friendly has led to the decline of unions and unionism in the sense that when the governments are unions friendly, unions grow, when they are neutral, unions and unionism stagnate and when they adopt anti-union policies, the unions and unionism decline. As the government attitude is investor friendly, they are neither labour friendly nor neutral which results to decline in trade unions (C.S. Venkata Ratnam 2011)¹¹.

Other than the above the main contributory factor for the decline of trade union may be the loss of bargaining strength by the trade unions (IVANOVA, 2019)¹². Now a day, employees feel that unions often seem irrelevant because in better times, workers do not need the support from the unions to secure increases in wages and benefits because everybody profits from economic prosperity or growth earned by the company. Likewise, in tough times also employee feels that unions cannot protect them from layoffs, wage and benefit reductions and tougher working conditions. In-fact, most of the times when it comes to practical grounds, union contracts often seem to make things worse. The high cost of union labor is often cited as a contributing factor to the demise of many companies (Tom Turner, 2013)¹³.

There are other several reasons as mentioned by G. R. Preena (2019)¹⁴ for the decline of trade unions, these are mentioned below:

- People now are more individualistic with individualistic mindset and not collective than they used to be.
- Most of the time they are selfish and always want to satisfy their own needs by going with an individual arrangement followed with a private conversation with the company's management rather than get unionized and demand for rights as a group to entitle it for the all employees at large.
- Not only that now day, employee can get the protection and relief from the labour tribunal and labour department for any unfair labour practices that hinder their employment rather than going via trade unions.
- Further, employees or the workforce at today's work context are much more competent than the workforce that was used to be, as a result they are not fear about losing of their job as they have much confidence in themselves that they can find a good job offer in the job market. Due to this employees are now not bother about their employment conditions like salary and benefits and demand them through trade unions, instead they find another job that pay them well and meet their expectations.

All the above mentioned reasons have led to reduce the existence of trade unions in 21st century and reduce their suitability for the organizations in 21st century.

6. MANAGERIAL STRATEGIES AND HRM POLICIES:

The modern technology has reduced labour intensity in many ways leaving unskilled workers redundant and skilled workers prosperous. Further with the changing age- skill mix of people, managements have begun to adopt human resource practices that emphasize on

- Individualism rather than collectivism.
- Direct participation rather than indirect representation.
- More of decentralized rather than centralized collective bargaining.

The above mentioned aspects have further weakened union power and enhanced the managerial power (C.S. Venkata Ratnam 2011)¹⁵.

7. HUMAN RESOURCE POLICIES: A PLOY FOR TU REDUNDANT

"If you pick the right people and give them the opportunity to spread their wings and put compensation as a carrier behind it, you almost don't have to manage them." Jack Welch¹⁶. As rightly said the new corporate mantras productivity, performance, efficiency and survival of the fittest have virtually pushed trade unions to the wall where their very survival looks uncertain. If these were some factors responsible for the decline of trade unions the other factors responsible were the trade unions itself sometimes due to their ignorance, due to their inefficiency to collaborate, influence and convince the workforce to join union and many a times due to lack of leadership qualities, education and above all less adaptive to changing technology. All these aspects together have brought an adverse impact upon the employers, the trade unions and the employees too which could be considered as management strategies or a ploy for trade union redundancy.

7.1. Adverse impact on employers: The employer demands for better wages in return for improved productivity. Adopted new strategies to deal with individuals giving less importance to the trade unions. Training and development has been considered as a mechanism for building direct relationship with the workers showing a positive impact on productivity. They take decisions more quickly in resolving the disputes by convincing employees and at times by bringing people together for a common understanding and lesser stress due to trade unions.

7.2. Adverse impact on Trade Unions:

As the impact is more positive for employer and employee more or less the impact is negative towards the trade unions because the trade unions are less considered in the organizational activities this leads to

- Increase in intra union rivalry as the major workforce is in support of management.
- Suffer from membership losses.
- Their roles are under challenged

7.3. Adverse impact on Employees: As the majority of the workforce is educated they demand more challenging, interesting work, greater involvement in decision making processes and autonomy at their workplace individually. The

employees have started to modify existing work practices to achieve their personal objectives while in collaboration with the management.

8. CONCLUSION

Newer forms of employee representation and participation are adding an additional dimension to the labour relations picture in a number of countries. A labour relations system sets the formal or informal ground rules for determining the nature of collective industrial relations as well as the framework for individual employment relationships between a worker and his or her employer. Although there is no doubt that Trade unions represent the political interests of poor and disadvantaged people. Most of the trade unions have monopoly power which they use to raise wages above competitive levels. This reduces economic efficiency and increases inequalities by raising the wages of highly skilled workers. Also over the years management have been trying to solve all the issues of its employees giving equal priority to each one of them and as we all know that "A workplace that fosters good relationships between management and employees and addresses employee concerns is much less likely to force employees to union representative for assistance". If this is one reason for the lower preference to the trade unions then the other major reason being poor functioning of the trade unions itself which had become cause for their decline. However, trade unions did not disappear they still exists helping the needy but not in big ratio.

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