

# CHAPTER SEVEN

## Employer-Employee Relations.

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### Employer - Employee Relations

A harmonious employer-employee relationship is essential for the effective functioning of the Co-operative Banks. Since Co-operative Banks consist of groups of human beings, each of whom is activated by varying motives, no co-operative administration can fulfil its obligations, if it is not supported by the employees at all levels. The success of co-operative bank depends on the enthusiasm and ability of all categories of its employees, managers, book-keepers and other skilled and unskilled workers.

#### 7.1 Historical background of labour - management relations in Co-operatives.

In earlier years, the belief was that the co-operatives belonged to the working class and, therefore should have best working conditions for their employees. S.L. Goel and B.B. Goel rightly observed " There was no problem of employer-employee relations in the earliest co-operatives as the co-operatives were managed by the members themselves "1

Later, as the co-operatives expanded in size and diversity, it became difficult for the members to manage by themselves. The interests of employees were distinct from the members. This created the problem of employer-employee relations.

But later on, a stage came when employees of co-operatives organised themselves as a fighting force and co-operatives realised that industrial peace could not come spontaneously

but had to be established with the help of trade unions. The main reason for such a change in perception and behaviour is because the wage and service conditions of employees in majority of the co-operatives lagged behind their counterparts in private and public sectors. Thus, the workers' unions have now come to be developed in banking institutions and other co-operative societies.

### 7.2 Unionism in the selected Urban Co-operatives Banks.

Employees' unions are necessary and can be a contributory force in urban co-operative banks. After all unions are the mediators who bridge the gap between the employer and the employees. A good employees' union will play vital role in securing fast growth by keeping work-force co-operative to contribute their best for organisation. However, it was observed that urban bank employees did not seem to be attracted towards unionism. 4 banks out of 6 banks had employees' unions. Further, out of 4 unions, 2 unions were related to branch banks ( i.e. employees' union of K.V.C.B. and S.T. C.B.), one union was only for the sake of name ( i.e. union of R.S.C. Bank ) and hence Prathamik Shikshak Sahakari Bank employees' union was only one sound and active employees' union in the selected urban Co-operative bank.

### 7.3 Employees' Unions, their Affiliation and Membership

In all, there were four bank employees' unions and three unions were affiliated to the local co-operative employees' union. (i.e. Bank Employees' Union, Kolhapur), S.T.C Bank Employees' Union was affiliated with Bombay Co-operative Bank Employees' Union. Urban co-operative Banks employees' unions are neither affiliated to any national trade union nor to any political party. Management

attitude towards employees' unions was indifferent. It was observed that there was no dearth of membership, where employees' union existed, Majority of the bank employees were members of their unions. Table 7.1 shows the union-membership position in selected urban Co-operative banks.

Table 7.1 Representation of Employees on Employees' Unions.

Name of employees Union	Eligible Strength of total employees	Total membership	Percentage
1. Employees' Union of R.S.C. Bank	57	38	67
2. P.S.S Bank Employees' Union	112	112	100
3. K.U.C. Bank Employees' Bank	14	13	93
4. S.T.C. Bank Employees' Union.	15	14	93

Source : Data compiled from official records of Employees' Unions of selected urban banks.

Table 7.1 shows that except employees' Union of R.S.C. Bank, union membership was more than 90 percent of the total employees. However, membership in Employees' Union of the P.S.S Bank was the highest ( i.e., 100 percent ). R.S.C Bank had employees' Union but 33 percent of employees remained aloof from employees' union and its activities. But it was also revealed that two urban

Co-operative banks under study out of 6 banks ( i.e. 33 percent ) had not employees' unions. Moreover, bank employees' unions were not powerful except employees' union of P.S.S. Bank. Unionism was not so popular amongst urban bank employees.

#### 7.4 Reasons of Unpopularity of Unionism in Urban Banks.

Unionism is unpopular in urban co-operative banks due to the following reasons:

- 1) Unfavourable attitude of management.
- 2) small size of urban co-operative banks.
- 3) Majority of recommended employees.
- 4) Personal relations with management.
- 5) Quick settlement of grievances through open-door- Policy.
- 6) Conflict for union leadership.

It was observed that main hindrance in the development of idea of trade unionism among bank employees was traditional and conservative attitude adopted by bank management. Because no management want to see that their employees get organised and become strong, It was confirmed the unfavourable attitude adopted by Janata Sahakari Bank Management towards employees' union. During the discussion with bank employees, it was revealed that some years ago, 10 employees were tried to form their union but soon after this, these employees were terminated from the service and thus, unfortunately bank management was succeeded in the suppression of the union activities. This is common practice followed by the employers everywhere. In this context Vikram rightly states "Management in India are not known for taking kindly to unionism. Management see that

those who are active in the trade unions are got rid of in one way or the other".<sup>2</sup> The result of this, the employees of J.S.B could not succeed in the formation of their union.

#### 7.5 Members' Involvement in Union Activities

The success of employees' union depends upon involvement of members in union activities such as attending regular unions meetings, taking part in discussion, voting in election and paying regular subscription. In order to study members' involvement in union activities, the respondents were asked the question "Did you ever come in contact with the Union Leaders? if yes, how often? a) very often, b) Often c) rarely ", In response to this question, respondents were expressed their different views in respect of involvement. Table 7.2 gives clear idea about respondents' involvement in union activities.

Table 7.2 Members' Involvement in Union Activities

Category	No of respondents			Total
	Very Often %	Often (%)	Rarely (%)	
1. Officers	1 (11)	1 (11)	7 (78)	9
2. Clerks	2 (5)	12 (32)	24 (63)	38
3. Subordinate staff	- -	1 (17)	5 (83)	6
	3 (6)	14 (26)	36 (68)	53 (100)

Note : Excluding respondents of non-union banks.

Table 7.2 indicates that 11 percent of officers and 5 percent of clerks interviewed were 'very often' attending union meetings,

whereas no subordinate staff was attending the union meetings very often. 11 percent of officers, 32 percent of clerks and 17 percent of subordinate staff reported that they were often participated in union meetings and activities, while 78 percent of officers, 63 percent of clerks and 83 percent of subordinate staff were 'rarely' participated in union activities. In all, 6 percent of total respondents were regularly participated in union activities, while 68 percent of total respondents were rarely attending meetings. Reason for low participation in union activities was that nearly 34 percent (i. e. 18 out of 53 ) respondents were belonged to branch banks. Generally, unions arranged their meetings at Head Office and hence branch employees (members) would not in a position to attain regular meetings.

Categorywise, a large proportion of staff in P.S.S.B and R.S.C.B were reported active participation in union activities. In this study, it was revealed that very few ( i.e. 6% ) respondents were active participants in union activities. It is not good sign for the development of employees' unions.

#### 7.6 Employees' Opinion About Helpfulness of Union Leaders

Effective and helpful leadership is of prime importance for employees' union. The management's viewpoint, everywhere and for all times, the employees' union lacks an effective and genuine leadership. They allege that the union leaders are self-centred, their sole objective is to grind their own axe"<sup>3</sup> On the other hand, employees seem to be quite optimistic about their leadership, as is evident from their replies to the relevant question "Do you think

that your union leaders are helpful to you"? Respondents reactions are listed in Table 7.3

Table 7.3 Employees' Opinion about helpfulness of Union Leaders.

Bank	Helpful	Not so Helpful	Useful in no way	Indifferent	Leaders for names sake	Total
1. R.S.C.B	11 (85)	1 (8)	1 (7)	-	-	13
2. P.S.S.B	17 (85)	1 (5)	-	2 (10)	-	20
3. K.U.C.B	6 (60)	2 (20)	-	2 (20)	-	10
4. S.T.C.B	8 (80)	1 (10)	-	-	1 (10)	10
Total	42 (79)	5 (9)	1 (2)	4 (8)	1 (2)	53 (100)

Note : Figures in brackets show percentage.

An analysis of the employees' perceptions, as shown in Table 7.3 confirms that the Union leaders were not self-centred. That is why, 79 percent of the respondents felt that the union leaders were 'helpful' to them. 9 percent of total respondents said that the union leaders were 'not so helpful', while 8 percent of the respondents did not make any comment. However, 2 percent of respondents said that leaders exist only for name sake. Bankwise, the respondents perception was overwhelmingly positive in P.S.S.B and in R.S.C.B. In all respondents' opinion confirmed that union leaders were very useful for the solution of individual as well as collective Problems.



### 7.7 Employees' Participation in Strike

Existence of employees' union depends, not only having large number of members, but upon their active participation in strike and wholehearted support to the calls of their union leaders. Aspect of employees' participation in strike was considered in the study and respondents were asked relevant question.

Replies of the respondents are listed in Table 7.4

Table 7.4 Employees' Participation in Strike

Category of employees	Total respondents	Number of respondents in strike	Percentage to total respondents.
1. Officers	9	4	44
2. Clerks	38	25	66
3. Subordinate staff	6	2	33

Table 7.4 reveals that 44 percent of officers, 66 percent of clerk and 33 percent of peons were participated in strike, percentage of employees' participation in strike was low; because in two banks, so far, strike was not occurred. However, strikes were reported to have occurred in two banks ( i.e.P.S.S.B. and K.U.C.B. ) during the last five years. The employees' Union of P.S.S. Bank made six agreements with management during 1981 to 1987. Main items of agreements were wages, bonus, allowances, promotions etc. Similar agreements were done by the K.U.C.B employees' Union with its management. It was further observed that there had never been any over conflict between employees' unions and management of urban co-operative banks. In this sense, there was harmony between the employees' union and management of urban banks under study.

7.8 Employer - employee relations after strike.

Enquiry was also made during the study about the perception of employees on employee-management relations after the strike. Employees responses are as follows, Table 7.5, Employer- Employee Relations after strike.

Category of employee	(No of respondents).						Total respondents.
	Improved	Stabilized	Deteriorated	No change	Undecided		
1. Officers	3 (75)	1 (25)	—	—	—	—	4
2. Clerks	15 (60)	3 (12)	2 (8)	5 (20)	—	—	25
3. Subordinate staff	2 (100)	—	—	—	—	—	2
Total	20	4	2	5	—	—	31
Percentage	(65)	(13)	(6)	(16)	—	—	(100)

An analysis of the Table 7.5 reveals that 65 percent of the respondents felt that employee- management relations were improved and 13 percent of respondents perceived labour-management relations to have stabilised after the strike, while in the opinion of 16 percent of employees, there was no change in relations. However, 6 percent of employees said that employee-management relations had deteriorated after the strike. 75 percent of officers, and 100 percent subordinate staff had the opinion of improved in relations, whereas 60 Percent of clerks perceived employee-management relations had been improved. Thus, employee-management relations had not deteriorated after the strike.

### 7.9 Employees' Unions from Management Point of View

Maintenance of good industrial relations depends upon the attitude of management towards employees' unions. Generally, management's attitude towards employees' union is cold and passive. The study of urban bank management's attitude towards employees' union is, therefore, of utmost importance. In view of this, few questions were asked to the managements to express their the opinions about employees' unions.

It was observed that 2 out of 4 banks management had good opinion about employees' unions. These banks were P.S.S. Bank and K.U.C. Bank and employees' union of these banks had gone on strike during the five years and negotiated settlement for wage increase. In spite of strike, management of these banks had good opinion about union leaders. On the other hand, management of R. S.C. Bank had bad opinion about employees' union leaders. Manager of R.S.C Bank stated that "Union is useless, and union leaders are self-centred and they are not doing anything for the well-being of their members". Manager of S.T.C. Bank had neither good nor bad opinion about union leadership. He told that " Our attitude towards union leadership/leaders depends upon what they do "

The above study brings to light the fact that there is a wide gap in the perceptions between the management and the employees. There is an imperative need to bridge this gap. It will help to develop mutual respect and understanding for each other which is precondition for harmonious employer-employee relation in urban banks. This calls for a change in the attitude of the management

which should try to understand the human behaviour through employees' perception. The management should not only show a sympathetic and helpful attitude, but, should also give a patient hearing to their grievances.<sup>4</sup> At the same time, employees should consider co-operative banks as their own organisations and adopt constitutional methods for the redressal of their grievances.

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