

Course Name: Labour Welfare and Industrial Relations

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Week – 02

Lecture – 07

Hello students, welcome back to the course on labor welfare and industrial relations. We move to the second lecture of the second module where we were actually trying to understand trade union. If you had looked into the previous module altogether, we have tried to introduce you to trade union. In module 2 specifically, we have attempted to go deeper into trade unions and as part of that in the first lecture if you have gone through that we have actually tried to introduce the concept of trade union in a detailed manner.

Today we'll take you through the objectives, some of the theories that have gone in the success of trade unions, and also some of the basis of the trade unions we'll discuss. I'm Dr. Abraham Cyril Issac. I'm a faculty at the School of Business, Indian Institute of Technology, Guwahati. So, when we look into trade unions, we have to understand the theories behind trade unions specifically.

The first and the foremost one that comes to my mind would be the Webb's theory. Now, Webb's theory, on a clear note, I had actually tried to introduce you to the concept of trade union and the definition by Webb. Now, when we look into the Webb's theory specifically, a trade union is understood as a continuous system. association of vaginas. So there are two functional words which are being underscored here.

The first one obviously being the continuous association. So it is something which is formed for a purpose and that purpose is consistent and continuous. It is not that For one particular objective, one association or something like a committee is formed, there are certain office bureaus of the committee. Once that objective is achieved, the committee itself is disbanded.

So many a time in our organizations or in our workplace, we see that for some object oriented aspects or something which is relevant to be taken a decision at a particular time. Maybe the authorities form a certain committee having equal representation or or sometimes representation from different strata within the workforce. But when you consider trade union, it is not a certain temporary arrangement. It is not a makeshift arrangement.

Rather, it is more of a continuous association. So I would like to stress this word. It is a continuous association and web has continued. You know, categorically established the trade union as a continuous association of wage earners. So it could be anybody.

It is not necessarily rather than just bringing in employees or putting the word employees or maybe bringing in workforce or maybe bringing in workers. It has a broader connotation if we actually use the word wage earner. So anybody and everybody who is a wage earner will be a part of a trade union and this is the spirit of the entire understanding. So if you look into the entire Webb's theory of trade union, The special function of a trade union is in a democratic administration of the industry.

So every consensus or every single decision is based on consensus or there might be a certain background or there might be a certain platform whereby every single individual will have the say in his or her company. There will be every decision that will be deliberated upon. No single decision will be taken up in an autocratic way. So when you are looking into the WEBS theory, the labor organization utilizes typically mutual insurance, collective bargaining and legal enactment. So when we are discussing trade unions, we should understand that it is not legal.

Acting in silo. There are certain interactions and deliberations continuously going on, which is underscored here. More than that, there is a mutual insurance that we are having your back. We are trying to support you. There is some level of buffer that we are going to create.

any oppression or any exploitation will not happen just like that or in a very autocratic way. So this is some assurance that is being given. There is a level of collective bargaining that is coming in when there is an association like trade union working or

talking on behalf of you and also there are possible legal enactments that govern trade unions. They have certain specific powers. They have certain representative powers.

So all these actually make The trade union, more of a formidable force within the workforce arrangement, within the workforce setup. That's it. As every theory will have its own criticisms. The Webb's theory about trade union is also not devoid of any criticism.

It has its own share of criticism and let's discuss it. Webb's have not paid adequate attention to the specific factors and forces contributing to the emergence of labor organizations. So this is one of the critic, one of the criticism against the theory that specific attention is not given to forces contributing to labor organization and also the theory does not specify the conditions providing stimulus to the development of the trade union so Though it talks about what the trade union can achieve, though it talks about what the trade union is, it is silent.

The theory is silent on the formation, on the evolution part of the trade union. So when we are discussing trade union from the scratch, it would have been ideal if the entire stimulus of why trade you know, the development of the trade union in the first place has emerged or has been received, this would have been underscored. But unfortunately, that particular region is undermined within Webb's theory. Now comes one of the most critical theory when it comes to trade union, which is a Marxian theory.

I've already thrown some light into it in the first module, just introduce you to concept. When we looked into, if you recollect, when we looked into different approaches and models, when we looked into different approaches and models of welfare industrial relations, then we tried to understand or at that point we tried to look into the Marxian approach, mainly more of us a radical approach. Now let's understand this, the Marxian theory. Now, when you go deeper into it, there is always a possibility of conflict. There's always a possibility of radical approach, which we had introduced in the module one.

So when we look into Marxian approach, Karl Marx explained the emergence and growth of trade unions. Our trade unionism in generally as a result of the rise of two opposed classes. So one is the capitalist, which he terms as the bourgeoisie and second, the free

laborers. whom he calls the proletariat. So basically, the critical fundamental block of Marxian theory is the understanding of two sects or two classes of people.

One is the capitalist, what he calls them as bourgeoisie, and second is the proletariat. So there is an imminent tussle, imminent conflict, imminent fight, if I can put it like that, going on between these two classes of people every time. Every single second, every other alternative positions they make, there's a possibility of conflict. So this is more of a tussle between haves and have-nots, a tussle between bourgeoisie and proletarians. So when you look into Marxian theory specifically, Marx has categorically said that the struggle was first carried on by individual labor.

So this was the beginning. This was where it all got initiated. Then by work people of a factory, the second segment of the fight or the conflict that was that emerged here or the struggle that emerged here. And last by the operatives of one trade union and one locality against the individual Bursas who directly exploited them. So it is not something that has happened just like that or within a day.

It has certain history associated to it. It has certain past associated to it. Once it started with individual labors, as I've already mentioned, it went on to on a bigger scale to work people. And then finally, one or the other trade operatives, they took up the fight. And that's how, you know, the fight against first individual Bursa and later the entire class of Bursa came up from the part of the proletariat.

So in the next stage, Along with the development of industry and growth in laborers, numbers, they started clubbing together and formed permanent associations. So the crux of Marxian theory is all about numbers. You know, as and when you have a strong, larger workforce. what we call as the proletariats or what we call as Hamnons, they are there for their existence.

They are there for fighting, there to fight for their rights, the rights which otherwise should have come to them. So this class struggle, this is the fundamental block of the Marxian theory and that is what gives rise to the trade unionism or the approach of association representing the Hamnons and as a result or as a consequence, the trade unions. Now, when we look into another theory or another significant theory would be

Perlman's job consciousness theory. This is very critical from an OB angle also, organizational behavior as well as HRM angle also. So, Perlman's job consciousness theory, according to Perlman, the trade union is the outcome, please note, is the outcome of the pessimistic outlook of manualist worker.

This is a very sweeping statement if I can say. This outlook emerges when the worker becomes conscious of the scarcity of job opportunities. So there is a stand that is taken against the worker in some spirit of the entire statement. The sweeping statement or the statement itself is sweeping statement for a reason that it terms the labor as a pessimistic person. So whenever there is a dearth in opportunity, when there is a shortage of scarcity of job opportunities, there is certain level of entropy that comes into certain level of chaos that sets in.

And because of this chaos, you know, this chaos is outcome or a consequence of the insecurity. And this insecurity is what? drives or triggers the entire fight or entire clash with the capitalists or with the people who are holding the capital or with the people who are running the organization or running the factory or the firm, whatever it is. So this pessimistic outlook, this pessimism and specifically the pessimism of scarcity, The pessimism of scarcity eclipsed the optimism of the abandoned period.

So time is unlimited. The opportunities or the availability of the workforce time period is humongous. But still there is this pessimism of scarcity that whether they'll be getting the job or the scarcity of job or maybe it is intentional, maybe it is deliberate. Trade unions started to form at the same time that such a circumstance did. So this was one of the initial triggers why trade unions came up in the first place.

So according to Perlman, the objective of organic labour. Organic labor became clear as communism of opportunity. So please do understand he has termed it as communism of opportunity. And intellectuals classified it into three categories. One is ethical.

Second is efficiency expert. And the third is determinist revolutionary. So when you are looking into the Perlman's theory, he is more of looking into the negative side of the proletariat. by underscoring the pessimism of scarcity. And this is being categorized on different notes, mainly as ethical, efficiency expert and determinist revolutionary.

So when you look into the major theories, you understand that every single theorist have their own viewpoint here. They have their own theories coming in because of some underlying assumptions they are making. So please note, as in case of any other theory, any mathematical theory or any theory in physics or any other subject or any other discipline, you tend to understand that every theory is made on the basis of certain assumptions. So all these theories are different or differing In nature, because there is some inherent assumptions and sometimes these inherent assumptions are in counter purpose and cross purpose with each other.

That's why the resultant theory also would take a different or a diametrically opposite stand from one to another. Now let's closely look into the objectives of trade union. We have seen trade union on a very peripheral front. Now let's look deeper into that. What are the objectives of the trade unions?

The primary function without any doubt of trade unions is to protect workers. Period. So, I repeat, the primary function of trade unions is to protect workers. There is no denying the fact against the excesses committed by the employers and to meet the economic, social and political needs of workers. So, it

becomes a more of a holistic definition when you bring not only a subjective interpretation of needs rather you make it objective by bringing in three essential aspects one the economic need of the worker second the social need of the worker and third is a political need of the worker so many a time trade unions generally emerge generally work generally manifest because of these three existence existence or the way they want to meet the These three needs specifically. So this is more objective in nature. The objectivity within the objective is clarified here. So the generic goal, the generic goal of protecting and promoting workers interest consists of many, many specific objectives.

Let's look into that. When you look into specific objectives, the first and foremost one is obviously to improve the economic status of workers. When you're looking into economic status of workers, the primary need of the person who has come for work is money, is the monetary reward, is his wage or salary, whatever it is. Whatever said and

done, if the salary or the wage is not coming on a regular basis, it will create an undue pressure for the worker.

And that is supposedly the one of the specific objectives of the trade union that how to improve, let's say consistently the wage is coming, but to improve the life conditions, improve the living conditions of the individual, the improvement of the economic status of the worker is very much essential. So that happens to be The foremost specific objective of the trade union. Now, when you look into the second segment, shorter working day, there are certain possibility that the workers are getting exploited for a lot of time. They have to put in their effort for extra time as they are working, otherwise not specified.

They are not compensated. So there is an angle of exploitation coming into picture. So it's always a concern from the beginning. So shorter working day is a solution for that. And that would be yet another important objective of the trade unions in promoting and protecting the workers interest.

The third one would be improvement of working and living conditions. So this has been discussed specifically in the module one also. So not only working, but also the living conditions, because that has a reflection in the working conditions. If I come from a poor living condition, my work will be affected, no doubt about it. The efficiency with which I work, the attention to detail, the quality of being careful, all those things get affected.

There could be detrimental effect on even the efficiency and effectiveness of my performance. So please note. Improvement not only in the working condition but also in the living condition is also becoming quite a significant objective when it comes to the trade union. Another important aspect could be the welfare aspect, the income security in terms of the pension, provident fund, compensation for work injuries, unemployment. protection against layoff, retrenchment, victimization, etc.

So, if there is a certain level of social buffer, some social security schemes running through the workplace, running through the organization, then the employees or the workers also feel that they are quite motivated and they have that assurance that, let's say, even if some untoward incident happens, even if something wrong happens, even if there

are some clashes or conflicts, it will not affect their livelihood. At least their life is secure because there is a pension or there is a provision of provident fund. There are compensations for work injuries. Some untoward accidents happen, some critical injuries happen which would make the worker not able to work for let's say some period or maybe the entire lifetime.

Some level of compensation, some level of salary or wage as a benefit so that he can pull off, the family can pull off. That would be part of the social buffer, even if like protection against layoff. There could be situations that demand layoff. let's say economy has gone into a recession some external factors or extraneous variables like war or conflict or something like that or maybe a change in policy of the government or authorities all these things can actually have an impact on the labor workforce so basically the employers would be the first one to take a decision for the company to be successful they may they may chart out a plan and Obviously, the significant detail in the plan would be to fire a set of people or a large number of people to make the company sustainable or to make the company holding up in tough times.

So this would actually put a large amount of pressure on the workforce. And this is where such associations or trade unions come into picture. And thus, it happens to be one of the primary objectives. Now, when you're looking into welfare, you have to also be concerned about health, safety. And this is yet another objective of the trade union, which is better health, safety and welfare standards.

So rather than just putting it in paper. What is the company doing for that? What is the organization doing for achieving better health, safety and welfare standards for the organization? That would be one of the specific objectives of the trade union in protecting and promoting workers' interests. No doubt about it.

Now, yet another important objective would be to respect and humane treatment practices. From colleagues and supervisor. Now, a lot of these things have been covered in my course in organizational behavior to just give you a brief about it. Your work productivity, your work efficiency. And the way you are being motivated or driven in the work certainly depends upon your co-workers to a large extent.

So when we look into the working condition, we have to also consider the elements within the working condition. And that essentially include or one of the major stakeholders, if I can use the word, is the co-worker. So if the co-worker is not behaving properly with you, if the colleague is not behaving properly with you, if the supervisors are having some predefined notions, maybe positive, negative, but whatever it is, if it is negative, it is more harmful. If they are having, then it will be a difficult place to work altogether. So this is where the worker will suffer, not only physically, but also mentally.

Definitely it will take a physical toll. There is no doubt about it. But If the working condition is not conducive, if the supervisor is lopsided, he's taking sides, he's not even in support, let's leave out support. Even if he's not in a neutral position, he's taking some sides, creating antagonistic remarks, exploiting people, then it would be a difficult place to work.

Things could happen that people will try to move away. People will try to first attempt to solve whether it can be solved at their own level. But still, they would need some representation. And this happens to be one of the core objective of trade union. And finally, we have greater voice in industrial administration and management.

If you see us and when the association of trade unions come up, One positive aspect is that the workers get the voice otherwise, which they were not having. Now, when you are as an individual, it is very hard to fight against the system. Let us be very honest. You as an individual, whatever be the level of exploitation that has been done to you.

Whatever be the problems that has been dumped on you, whatever be the unnecessary, unwarranted decisions taken on you, you are not in or you will not be in a position to fight against the larger entity, which is the organization, which is the company. But what you can do in those situations would be to go for a legal representation. But that's it. If you are more coordinated, if there is an association representing you, if there is some particular union that is taking cognizance of the entire situation and is trying to fight on behalf of you, it is setting a facade. It is setting a wall whereby you have some buffer.

You are not exposed directly, but your ideas, opinions, aspirations, concerns, problems, issues, everything is being communicated to the higher authority. So this is, to me, one of

the most critical function of a trade union to give authority. The voice to the person or worker. So this is otherwise not possible by individualistic representation. We can understand that or we have seen that in module one.

So these are broadly the objectives of the trade union. I have looked into some of the specific objectives of the trade unions also. Now, let's look into the methods, methods of trade unions, what they generally use. Very quickly, the first one is mutual insurance. Second is collective bargaining, which we have just introduced you in the previous module.

And the third one is political action or legal enactment. Let's quickly understand each of them in detail. The mutual insurance factor, the methods involved. From their very inception, trade unions have spent a part of their income providing insurance and other welfare benefits for improving the conditions of their members. So it happens to be a caring organization.

It comes out to be an organization which walks and not only talks, but also walks for the organization, which is meant for the organization and which also works for the workers. So basically, from the beginning, trade union happens to be an organization which not only talks for the worker, but also walks for the worker. So it has been quite interesting to note that trade unions. Not only look into the working conditions, it also throws light into the welfare benefits. It's also concerned with welfare benefits like having insurance, giving some assurance to their work and even if they are facing some concerns or in future they may have to face some untoward incident.

There is somebody to have a cushion. There is somebody to lend a certain support. And this is what mutual insurance is all about. So even prior to 1880, specifically, many trade unions in many trade unions in Great Britain provided insurance to their members against such risks, such as, let's say, sickness, accident, disablement, old age, death. also against unemployment so these are some of the critical factors which mutual insurance takes care of and this has a certain level of advantage to the entire labor welfare scheme because once the trade unions are coming into picture they will have more concerned or more

serious concern towards the critical issues rather than just going on a peripheral manner they will be more concerned about

And they will be they will be more interested in solving the problem. When we look into the second method, it would be the collective bargaining. We have seen what collective bargaining is. The trade union representatives bargain with the employers over the terms and conditions of the employment. Now, this is vital.

When we discussed collective bargaining, we discussed in a very peripheral way. Looking into the generic needs, but when it comes to employment, there is a possibility with respect to collective bargaining that employers are being discussed or deliberated regarding the terms and conditions of employment. So this happens to or this facilitates a platform whereby individuals can come together. The workers can directly discuss with the employers regarding the terms and conditions of the employment and enter into agreement with them, which clearly underscores a certain level of clarity in the employment. So a wide variety of subjects has come to be included in the collective agreements and this happens to be or this makes the entire collective bargaining a very successful and fruitful method when it comes to trade union.

Another important method could be The political action or legal enactment. So exerting pressure for securing protective or other pro-labor legislations. So there are certain limitations whereby, you know, pressure tactics like collective bargaining, they might fizz out at some point in time. They might lose their steam at some point in time because at the end, it is all that the managers or the organization or the federation of employers want that will happen.

But collective bargaining is more of a more of a approach that is deliberate, more of an approach that that is compulsive in nature. But when it comes to political action or legal enactment, it is more systematic. It is more labor friendly. Legislations can come up and actually create a mandate. which will stop any sort of exploitation.

And this is the basic fundamental purpose behind political action and legal enactment. It has been extensively used. So in some countries, trade unions have also formed independent labor parties or come into relationship with other political parties of their

choice. All over the world, if you look into trade unions, they are developing political wings, no doubt about it. Nothing new in India too.

And links both for the purpose of securing reforms within the capitalist economic structure. So if you ask me, mutual insurance is more for the welfare. We have collective bargaining as more of a persuasive step. And finally, if you look into the political action or legal enactment, this is more of a mandate.

It sets in more of a mandate. And I will term it as one of the most powerful ways method for trade unions to actually bring in some level of sanity. So once we have looked into methods, we have to also understand the basis of trade unions. Now since trade unions are organizations of workers for the protection of their common interest, it is the commonality of interest that constitutes the base of their formation.

So every single organization, every single trade union will have one thing in common and that would be That would be essentially the interest of the worker. It could be anything. It could be welfare. It could be, let's say, the wage structure.

It could be the working condition. Whatever it is, the interest of the worker is the background of any single trade union. And this is the commonality. Whatever be the political affiliations, but whatever be the theoretical backup or theoretical hook, On which the entire trade union is based on.

Whatever be the ideological anchor on which the trade union is based upon. The basic notion of any trade union would be actually the interest of the work. On this is what workers may have divergent interests and objectives. And thus we see a variety of structures in union organization. So whatever deviations, whatever anomalies, if I can use the word, whatever differences in structure of organization within the trade union, it is only based on the differences that they reflect, maybe in ideology, maybe in the political background, maybe in terms of the theoretical hook.

All these things will actually tend to bring some uniqueness into every single trade union. Now let's look into what are the types of trade union quickly. There are three different types of trade union. One is craft union. Second is the general union.

And the third one is the industrial union. So when you look into the three union, craft, general and industrial, craft versus industrial union would be an interesting initial comparison what we'll do. The first, let's look into the strength of craft union. And crafts are conducive to compact groups. Please understand, long training and apprenticeship groups.

Develop cohesiveness in attitude, outlook and perception of the problem. So a craft union has a stronger bargaining position. Please remember this. Whereas if you look into the weakness of a craft union, the main weakness of craft union is that In many cases, it is easier for an employee to break a small craft union.

So basically, if it is the smaller structure, which will not yield that much of weight because of the smaller structure, and it will be relatively, I am using the word, relatively easier for an employer to break a small craft union. So it is only in a relatively stable state of technology that crafts can acquire fixed demarcation. So rapidly advancing technology, let's look into that, what we are seeing nowadays. leads to the displacement of the traditional crafts. So, crafts might not be just existing as, let's say, a certain intellectual property or, let's say, having a certain hold over certain things or certain methods of doing things.

Rather, as the technology is improving, newer and newer methods of doing the thing or making the product or taking off the service is coming in, which essentially means acts or reflects as the weakness of these crafts and essentially as a consequent weakness of the craft union. When you look into the craft as industrial union, when we specifically understand the industrial union, we see the main strength of an industrial union lies in the fact that it cuts across skill and craft distinction. So there is no specific distinction that this is for the craft only, this is for the skill only. So this

will essentially bring in an industry altogether and it attempts to solidify them into one union. So more than just a craft, it is trying to bring in the entire industry together. Its organization parallels that one of the industry and therefore creates typical conditions under which demands for a new economic order may be further. So this is categorically the strength of the industrial union. But when you look into industrial unions carefully, in

everyday situations when workers employed in industry fall into different wage groups, effectively, they are not a homogeneous group.

There are classifications. There are internal differences. There are internal silos in which they are working. It could be in terms of wage groups, grades. They occupy a hierarchical class.

order and their interests may well differ somebody who is you know on a high pay grade the organizations might be keen to fight for them or the organizations industrial unions may align themselves according to their interests somebody who is in the lower pay grade might not see that similar treatment is vested on them or similar treatment is given to them so industrial unions succeed in maintaining a facade So it is not a real unity while hiding conflicting economic interests among its members, but only to a certain extent. So we have seen craft unions specifically. We have seen industrial unions also specifically. So in this lecture, I tried to introduce you to the basis, to the different theories that make trade unions.

One thing I would like to ascertain again. There might be different theoretical hooks on which the trade unions are based. There might be different ideological positions or political affiliations each trade union might have. But there is one thing, there is one thing that is common to every single trade union and that is nothing but the interest of the worker. So if the interest of the worker is not in the center stage for every single trade union, then the trade union is not successful.

It's not an exact representation of the need and wants of the workers. That's all from today's class. We'll see you with another important segment on trade union in the next class. Till then, take care. Bye-bye.

Thank you.