

Course Name: Labour Welfare and Industrial Relations

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Week – 02

Lecture – 08

Hello learners, welcome back to the course on labour welfare and industrial relations. We move to the third lecture of the second module, we'll look into trade unions more specifically. We'll look into trade union federations, the presence of local trade unions. We'll also try to cover some of the reasons for the growth of the trade unions and specifically compulsory unionism.

I'm Dr. Abraham Cyril Issac. I'm an assistant professor at the School of Business, Indian Institute of Technology, Guwahati. So, let's look into the trade union federations. We have tried to understand trade unions very closely. We have tried to underscore the significance of the formation and evolution of trade union.

Now let's go one step further in understanding trade union federation. Let's define it. The definition of trade union federations are something like an umbrella organizations. They are umbrella organizations that unite multiple trade unions. Under a common framework to collectively represent workers in labor relations.

So what we understand as trade union federations, we have thrown some light into employer federations on a similar ground. When you have a large number of local trade unions or localized trade unions or some associations, they might be even not unions or associations, they might be just some informal setups or informal association type arrangements. So all these unions, they come together and form what is called as a trade union federation. Now, it's an umbrella organization, which has, again, I start from where I stopped in the previous lecture, if you remember. It has the workers' interest in the center stage.

They might not be in one single line or in the same page with respect to the ideology, the political ideology or the political aspiration of every single union, or maybe with respect to the basic structure of the setup. But still they are all same in terms of the interest of the workers. That's why the basic understanding of them coming together and forming an umbrella organization which would come out as a trade union federation. What is the role of trade union federations in labor relations? Now let's look into that.

Trade union federations play a very vital role in negotiating with employers on behalf of their member unions to secure better wages, working conditions, and benefits for workers. So categorically, the requirement of these unions remain the same. They are standing there for better wages, working conditions, and benefits, worker benefits, no doubt about it. But more than that, they play a crucial role in negotiating with the employers on the behalf of member unions.

So let's say there is Union 1, Union 2 and Union 3 with respect to different names. These are different unions, but they all combine and form, let's say, a trade union federation. It will have more of collective bargaining. It will be more effective in bargaining or negotiating for better wages.

It will be more effective in actually bargaining for different aspects of working conditions and worker benefits. When you look into the trade union and specifically trade union federation and its evolution and growth over time, this trade union federations are evolved to adapt to changing labor landscape. So it might be a reason why individual trade unions find it difficult to cope. into the changing circumstances or adapt to those situations. Expanding their reach globally would only happen when you are together.

United we stand, divided we fall. That would be the entire principle that would have brought them together globally and addressing new challenges in the workforce. So basically we see that They are all the unions, all the unions specifically are coming together to have greater representation or let's put it like greater say when they are deliberating about the essential requirements, be it better wages, be it working conditions, be it benefit of workers, all in one platter. They have better say when it comes to a discussion table.

Now, let's look into the different types of trade union federations. In the previous class, if you recollect, we have looked into the types of trade union. Today, we look into the types of trade union federation. The first one is global federation. Second one is national.

And the third one is sectoral. So specifically, what you see here is the arrangement based on the regional setup. So global federations or the global trade union federations operate on an international scale. They are more global. The coordinating efforts and campaigns across borders do happen to address global issues.

And ensure international solidarity among workers. So this is not region specific. Let's say there are some issues, there are some problems, there are some concerns that is being that is pertained to the larger population of the workforce. There is some some issues that are. Bringing in, let's say, workforce from different countries altogether.

They all come together, all the trade unions representing those workforce, they come together and form global federations. So this is the beauty of the entire trade union federation. You not only have one single union, there might be unions coming from different culture. There might be unions which come from different political affiliations. There might be unions coming from different... The regional aspirations might be different.

But once they are coming together and forming a trade union federation, they are fighting for the global right. They are fighting for the global worker. So the status of the worker itself is changing from a regional worker to a global worker because... Wherever you are, if you are in New Delhi or you are in Paris, if you are in, let's say, Chicago, if you are in Melbourne, it does not matter. The needs of the workers, they remain the same.

And this is one critical aspect which brings all the trade unions together to form the Trade Union Federation. And that's what gives rise to global federations. We look into the national federations on a similar note. National trade union federations represent workers within a specific country advocating for labor rights, influencing national policies and negotiating with local employers on behalf of the member union.

So this is basically with respect to within a country. So there might be certain national policies that might be actually creating some effect or might actually tend to be maybe detrimental to the workforce. Let's look into a case hypothetically. So in those situations, there should be some collective representation. It's not only one trade union.

If one trade union is representing the issue, please understand this. If one trade union is representing the entire issue, it might be politically motivated. There might be certain criticisms that, you know, this is being affected to only a set of people, maybe only a set of people from this particular region, religion or political affiliation. But when all these trade unions come together, It is the need of the hour.

There is no bigger evidence required that it is the need of the hour. Without doubt, undoubtedly, there cannot be any second opinion on this. Every single trade union coming to the would be a serious issue. So those serious issues with respect to a specific country, you know, advocating the labor rights of that particular country, trying to maybe influence the national policies or something which has already been formed, trying to, you know, mitigate them or to manipulate them or maybe to restructure them, all these possibilities are undertaken by the trade union federations, and those are called as national federations.

The third important category of trade union federation is the sectoral federation. Sectoral trade union federations focus on representing the workers within a particular industry or sector, addressing sector specific challenges, promoting sector wide solidarity and bargaining for industry specific demands. Let's say there might be some sectors. Let's take a hypothetical example of energy sector. When you look into energy sector, we'll see that there might be certain issues which are pertinent to only those workforce or only the workforce related to the particular sector.

In those situations, it will be very difficult for others to join in hand with the particular energy sector. Other sectors might like to or might prefer to stay away from the entire scheme of things. So this is where sectoral federations are becoming relevant. You know, there are some issues which are concerned only with respect to the working conditions in a power plant.

There might be some situations with respect to, you know, the working conditions or the benefits given for extra work within a power plant or a power sector entirely. So that would not be a primary cause of concern for other workers in other sectors and so will be the interest of the trade unions of those sectors might not be aligned with the trade unions of the energy sector. So this is where the sectoral federations become relevant, the sectoral federations become critical. Now, let's understand one significant factor within the trade union, which is the local trade union presence, the importance, the influence and the organizational structure very quickly. So when we look into local trade unions, local trade unions, they play a crucial role in advocating for the specific needs and rights of workers within a particular geographic area.

Or industry sector. So they are more accessible to members and they can address local issues effectively. So this is something which is of greater concern. When you are looking into local trade unions, there might be some issues which are pertained to only a certain industry. or maybe a particular geographical area.

So they will be more aware of or concerned about those particular problems and such local trade unions, such specific local trade unions will be the right factor, right element in actually going ahead and representing the problems and that essentially signifies or underscore the importance of local trade union. When you look into the influence on its members, the local trade unions have a direct impact, direct impact on the daily work lives of their members by negotiating collective agreements, representing them in disputes and providing support and representation in local labor matters. So when you're looking into the members specifically, if it's a local trade union, you might know the person who is in charge there. Of the particular sector, particular industry or the local trade union leader you might be aware of. Let's say you are looking into more of a regional trade union or something more on a very national scale.

The individual worker will not have a direct contact or direct say in the scheme of things or he might not even be knowing the person whom he should be talking to or not talking to. So this is the critical importance of local trade union. The influence on the members are very critical and they are very significant when it comes to local trade union. They are more aware of the problems. They are more aware of the actual solutions that could be.

That is why mainly when decisions are taken only at the top and being sent to the bottom, it creates an entire problem altogether because the lower level of workers would be more aware of the actual problems or what could be the actual solutions to the existing problems. If you are not in a position to acknowledge that, many a time the decisions made would actually come back, would boomerang and create other unnecessary or unwarranted issues. When you are looking into the local trade unions specifically, we have to consider the organizational structure.

The local trade unions typically have the decentralized organizational structure with branches or chapters at local level. So the localized arrangement of organization or trade union is more critical when it comes to local trade union. This allows for tailored representation and engagement, as I already mentioned in the previous point, with members based on specific challenges and opportunities in a given locality. Now let's quickly understand the reasons for growth of trade union federation. Without doubt, without any doubt, I can claim that the first and foremost thing is globalization.

As the world is more interconnected, there is the scope of this global economy altogether that has led to the increased collaboration. And alignment among trade unions. Most of the trade unions are interacting. They have seen that their interests are almost similar. It is only some cultural differences that are bringing in some segment of differences.

Otherwise, their interest on a larger platform is same. Their interest on a larger platform would remain the same because it is the workers' interest. It is the interest of every single worker to have a better working condition. It is the at the interest of the worker that he or she should have better benefits coming into not only for him or her, but also for his or her family. There are situations of greater wages or greater pay for workers.

The work they are doing, if there is some extra work, there should be some incentives given. So all this, irrespective of the place you are, irrespective of the region you are, irrespective of the culture you are representing, irrespective of the organization you are representing, the interest remains the same. And this is why globalization happens to be one of the key parameters or key elements that has facilitated the growth of trade union federations. Another important thing would be digitalization.

The adoption of digital technologies that has transformed how trade unions communicate. They organize. The moment you have mobile devices in your hand which enable, which facilitate speedy communication, then To assemble at one place, to communicate, to transfer the ideas, to actually bring in representations and to make people informed, all these things are becoming relatively easy. This is why, this is the reason why trade unions are not anymore restricted to a particular region.

They come together, they form federations. So are the labor right movements. When you look into the labor right movements, growing social movements focused on specifically labor rights and social justice, which have driven the growth of trade union federations by typically highlighting the importance of collective action and solidarity in addressing systemic inequalities and injustices in the workplace. There is absolutely no doubt about it. When these labour rights movements have happened, it has brought in a lot of people who were working in different trade unions together.

People with the same mindset, people with the same intention of working towards a better working condition or better work set up altogether within the organization. So all these collective action and solidarity in addressing these systemic inequalities wherever it existed and injustices wherever it existed. In the workplace, that was a critical reason for the growth of trade union federation. Another important and effective reason could be the economic challenges. In the times of this economic uncertainty specifically and in the times of evolving labor market dynamics, trade union federation serve as very critical voice.

for workers in advocating for fair wages, job security, decent working conditions, etc. So whatever the worker needed, whatever the worker was willing to or ready to fight for, The economic challenges actually triggered the entire fight or the entire conflict. And this also facilitated the growth of trade union federation. So economic challenges faced by workers have underscored the importance of collective representation and typically the bargaining power.

Now let's finally look into the compulsory unionism. When you look into compulsory unionism, compulsory unionism categorically refers to a system where workers are

required to join a union. or pay union dues as a condition of employment so there is no other option it is coming in as a mandate that the moment you are signing in a job joining letter or job joining agreement there is a critical clause that you will be part of this particular union so this is compulsory unionism now it is having different dimensions to it it is having a positive connotation associated with that because there is a representation that is coming in automatically There is also certain negativity also associated to that. So let's look into compulsory unionism very quickly.

It aims to ensure solidarity among workers, no doubt about it, and to bolster collective bargaining power. The intention is clear. The intention is pure. But when you look into compulsory unionism, there are certain unavoidable challenges that are coming your way. Challenges of compulsory unionism include concerns about individual freedom of choice.

You as a worker within the organization is not having a freedom of choice. You are compelled to actually sign the document that you will be part of this union. There could be potential conflict there. With anti-union sentiments because you might be not a person who is actually pro for union in altogether. The arrangement of the conceptualization of the union and even there would be or there could be administrative complexities in enforcing union membership requirements.

So please understand these challenges carefully. for let's say 30 seconds. Let's look into these challenges. These challenges are actually significant challenges. The moment you think that a company is asking you, the moment you are going inside to sign a document which mandates some compulsory unionism.

You are part of union. You are happy on one side. You are happy that somebody is legally representing you. There is a certain mandate and this is a healthy practice. But think of the other dimension.

Think of the other side of the picture. You might not have that particular, let's say, political affiliation or you might not have that ideological sync with that particular organization. But still, you are forced to sign the document. You are forced towards a compulsory unionism. The problem here is that there is a conflict.

From day one, you are starting the work with a conflict. There could be situations that you are a person, let's say, who do not want to enter into any union related activities. You are a person who is more keen in coming to the work, doing the work, taking the salary, going back. Again, next day, the same thing repeat. So this might be your whole predisposition.

This might be your working style altogether. From day one of your career, you have never, you know, been part of a trade union because you were not interested in the first place. Your principles are against the fundamentals of any union. Your ideology is different from the mere understanding and existence of trade union if you are a person like that. you may find it difficult.

There might be a certain cognitive dissonance associated with you the moment you start your work from day one because you have the anti-union sentiments. And also, for every single organization, if it is making coming up as mandate or as mandatory for every single worker, every single worker, let's say an organization is having 10,000 workers. Now, if you are making it compulsory unionism as a mandate, or as a mandatory procedure while signing on the job then it will be difficult in terms of the administration it will be difficult in actually bringing in the entire set of workforce together let's say you want to conduct a meeting you want to register them all these troubles are adding on to the administrative issues or administrative problems but That said, there are some critical benefits of compulsory unionism.

Let's look into that quickly. Compulsory unionism can lead to increased union membership, no doubt about it, because there is a mandatory allocation of union slips or registration. So natural outcome would be increased union membership, no doubt about it. As the people increase, there is no doubt strong bargaining positions do come. Inconspicuously, if you look into the situation, negotiations and enhanced protection for workers would also be a natural outcome because they are promoting solidarity owing to the large number and the unity involved.

among the number. Now, when you look into the compulsory unionism, you have to also understand and acknowledge the legal aspects. The legality of compulsory unionism

typically varies across jurisdictions. So, it is not that it is a fair practice everywhere. It is subject to labor laws and regulations, no doubt about it.

Legal considerations include the balance between union rights and individual freedoms as well as the enforcement mechanisms for compulsory union membership. So when you are looking into union membership specifically, when we are considering union compulsory unionism, it comes up as a mandatory reasoning or mandatory way of increasing the trade union work within the organization. But that would not be the norm. Let's understand the union membership trends that are happening or that what we can gather from the statistics and the demography that has, you know, become something which is quite revealing in itself. When you look into the union membership trends, specifically the membership statistics, analyzing union membership data provides insights into trends, fluctuations and membership rates across different sectors and industries.

So this would be a clear example. measure or metric in giving us whether people are more now interested towards trade unionism are there issues being addressed are what are the reasons if they are not very keen in joining you know union membership or taking union membership or are there situations like the compulsory unionism which we discuss now that is you know forcing people to stay away from union In a voluntary sense. So all these aspects could be easily gathered from the membership statistics. Another important aspect could be demographic breakdown.

Now, demographic breakdown is addressing demographic disparities that can lead to more inclusive and diverse union membership. You see that there is lack of representation from certain segment of people. you observe that there is lack of representation from certain workforce based on a particular gender, then you can always start working towards creating a pool of diverse union membership. So demographic breakdown also comes up as a good metric towards analyzing and understanding union membership trends. Another important aspect could be to decipher the growth patterns.

Identifying strategies that typically contribute to membership growth is essential for actually sustaining union relevance and impact. So when you're looking into The entire

scheme of things we can get those metrics and we can essentially understand where the union or the trade unionism is heading to. Now, in that background, let's understand what we typically try to understand on a peripheral level, collective bargaining and unionization. Collective bargaining and unionization mainly happens with respect to three aspects.

One is with the aid of negotiation process. Then there are collective agreements. Then there are unionized workplaces. Negotiation processes are nothing but they are collective bargaining, which involves the negotiation process. negotiation of terms and conditions of the employment between trade unions and employers.

If you have gone through the previous lecture, you will appreciate that negotiation not only happens with respect to the employee, employer on a certain aspect. It could be on any terms and conditions of the employment that could lead to a finality of agreement and also it could lead to better work schedule and working conditions altogether. Collective agreements are legally binding contracts that outline the rights, obligations and terms of employment for unionized workers. So what would be certain obligations which unionized workers would have? What would be the terms for employment of the unionized worker?

All these come under the ambit of collective agreements. These agreements establish the framework for working relationships between and establish standards for wages, benefits, and working conditions. When you look into the third aspect, unionized workplace, unionization typically impacts workplace dynamics by fostering communication. Now, this is relevant.

The moment you are looking into people working in silos and people working in segments and At another point, you are seeing more of unionization, more of people coming together, forming trade union, working on the behest of some trade union or associations like that. There is more of an improved communication between management and employees, promoting fair labor practices and providing a platform for resolving typical disputes. When it comes to the trade union, we should also understand

that Union strategies for recruitment recruitment strategies as have tried to deliberate here.

They are not an exhaustive list, but mainly the three important factors would be to work on recruitment campaigns. to have proper communication tactics and to have clear membership retention, because not only adding members is important, you have to understand and ensure that the members are not going out of your union. When you look into the campaign specifically to use of the trade unions utilized, targeted campaigns because they are organizations formed as a result of a specific aspect or specific need and targeted campaigns and outreach initiatives would be undertaken to attract new members raise awareness of union benefits and engage with potential recruits so you see that the moment you you join an organization there are some pamphlets being given to you there are some recruitment campaigns they they tend to reach you there are outreach initiatives no doubt about it That will come to you so that you are being lured, attracted or maybe, you know, taken into being onboarded into the union strategy or the union, you know, work altogether.

Even effective communication strategies, let's say social media engagement, email newsletters, which I was just talking about, the pamphlets and community events help trade unions connect with existing and prospective members. And when you look into the recruitment, you have to also understand and appreciate that as employees, More and more people get added to the union. It is equally important that people don't go out of your union. If the attrition rate within the union is high, is more than the incoming rate, then it will always be a problem persisting on the trade union.

So strategies... for retention include providing ongoing support because the individuals or the workers need to see something some ongoing support should come or keep coming so that the people are motivated to stay with the organization with the particular trade union for a longer time organizing engaging events for that purpose and recognizing member contribution to strengthen loyalty and commitment would be certain other strategies Now, when you look into the impact of trade union federations, let's understand the critical impacts of trade union federation on workplace dynamics. The first and the foremost one is employee relations. Second is obviously the productivity enhancement.

And the third is the change that it can bring in organizational culture. If you look into our organization, I would in fact advise you, suggest you to have a clear understanding of the impact of trade union. If you are working with respect to your organization, you think, what are the impact or what are the impacts these trade unions are creating on the workplace dynamics? Some of them I can obviously underline. The first one being employee relations, where trade union federations contribute.

to fostering positive employee relations by providing a platform for addressing grievances, negotiating fair treatment, and advocating for the rights of workers. So strong employee relations enhance job satisfaction and retention rates. Research also has categorically shown that if you look into the works associated with employee relations, you will see, you will come across some good research studies that have been conducted across the globe. which underscores the fact that strong employee relations enhance job satisfaction and retention rates. I will try to include those papers in the study deck.

You can go through them. When you look into the productivity enhancements through collective bargaining specifically and workforce representation, trade union federations work towards improving the workplace productivity by establishing relationships Fair working conditions, something which otherwise was missing, promoting employee well-being and creating opportunities for skill development and training. So not only they want to have a proper working condition. they want to work well but also there is an urge to improve every single individual will have an urge to improve and this is where the trade union should play a proactive role this is where the trade union should effectively come in for the help of those individuals and finally

Trade union federations influence organization culture by promoting collaboration, inclusivity and shared decision making. This would be the biggest aspect, according to me, because decision making is vital. It gives you a sense of ownership which. actually supports you, actually, you know, facilitates you for going ahead. So supportive and union friendly culture, values, employee participation, diverse perspectives and fosters a sense of belonging among workers.

So when you look into the trade union, we have to also understand certain legal framework, some legislation and trade union rights and also how the right to unionize is coming effectively. So legislation governing trade union rights establishes the legal framework for union activities. It can be with respect to the collective bargaining process and labor relations specifically. So understanding the legal context is vital for ensuring compliance and protecting the rights of union members. Employee protection, specifically the trade union rights, legislation often includes protection

Provisions for protecting workers from unfair labor practices, discrimination and retaliation. So when you are looking into trade unions, you have to understand the right to form So these two important aspects form as well as joint trade union is a fundamental labor right that ensures workers can collectively advocate for their interests, negotiate with employers and participate in decision making processes. Again, I underline this, that affect their work and welfare. Upholding the right to unionize is essential for maintaining worker empowerment and representation.

So we looked into trade union in greater detail in this class. We tried to understand what trade unionism or the entire concept of unionism is all about. I would like to give you one takeaway, one specific takeaway from this class. Whenever a collective representation of workers like trade union, trade union federations, etc. was discussed, I mentioned that working conditions, wages, all these are critical.

But I would like to underscore two important things. One is. The way the decisions are made, shared decision making would be vital for every single employee. You look into your organization, you look into the role you are playing in our organization, you might be seemingly playing a very critical role in the organization. But if you are not a part of the decision, then you will have a certain level of cognitive dissonance because your idea is not taken.

Your plans and your strategies are not taken. let alone implemented. So these will create a trouble. This will create a notion that this is not the right conducive environment to work. Similarly, the second thing,

The second thing would be to work and to prosper. So this is not only with respect to the working conditions, the wages, salary. It is about training and development. You as an individual would definitely need that idea of being, you know, continuously having a training and development. So that will make you more sharp.

That will make you more cautious and concentrated on the job you are having. So trade union, what I would like to say is not only with respect to or working with respect to the wages, the salaries, the working conditions, the benefits, the social welfare scheme. It also has certain responsibility towards training and developing every single worker. It also has certain responsibility towards creating an environment of psychological safety and shared decision making. On that note, we'll end the class today.

We'll come back with greater details on trade unions in the next class. Till then, take care. Bye-bye.