Managers Perception Of Trade Unions: Study Of Automobile Organizations In India

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Abstract
Trade Unions are perceived as hampering work of organizations affecting productivity and profitability of organizations. In recent times we have seen that problems with unions have affected productivity and profitability in automobile manufacturing organizations in India .This research paper tries to empirically find out the perception about trade unions in the minds of managers responsible for industrial relations in these organizations. Data was collected from HR personnel from small, medium and large organizations in this sector from different automobile organizations in India. One way ANOVA test was conducted to find out what perceptions managers held about unions bargaining power, communication with unions and their impact on work performance. Tukeys Post hoc analysis was used to find difference in perception between different sized organizations. Results revealed small sized organizations had biased perception towards trade unions as compared to medium and large sized organizations.

Key Words: Trade Unions, Productivity, Industrial Relations, Small and Medium Enterprises

I.INTRODUCTION

The standard view of trade unions is that their purpose is to improve the material welfare of their members, mainly by raising wages above the competitive level. There is a huge body of literature documenting the impact of unionism on wages. There is also a smaller body of literature examining the impact of unionism on other variables, such as wage dispersion (Freeman, 1986), productivity (Clark, 1980), investment (Machin and Wadhani, 1991) and employment (Boal and Pencavel, 1994).

Research of (Richard B. Freeman, James L. Medoff**)** demonstrates that the view of unions as organizations whose chief function is to raise wages is seriously misleading. As in addition to raising wages, unions have significant non-wage effects which influence diverse aspects of modern industrial life. By providing workers with a voice both at the workplace and in the political arena, unions can and do affect positively the functioning of the economic and social systems.

(Kim B. Clark) examines the impact of unionization on profit-ability, growth and productivity using time series data on over 900 product line businesses in the North American manufacturing sector (predominantly U.S.). A key result of this analysis was that information about union wage and productivity effects is not sufficient to permit prediction of the sign (or magnitude) of consequent changes in the rate of return on capital; one must know the parameters of production and demand. Expanding the model to allow for the effects of market structure and alternative bargaining regimes establishes the need to examine several indicators of firm performance in assessing the impact of the union. The empirical analysis revealed sizeable negative union effects on profitability, but growth, productivity and the capital-labor ratio appeared to be little affected by unionization in this data. The data were thus consistent with a model of union-firm interaction in which collective bargaining affects the distribution of profits, but leaves real magnitudes unchanged. The evidence suggested, however, that unionization may have longer term implications for efficiency since the impact on profitability appears to fall most heavily on firms with relatively little market power.

Doucouliagos and Laroche (2003) provide a meta-analysis on 73 existing studies on unions and productivity. Their results suggest that if all of the available evidence is pooled together, measures of central tendency indicate a near zero association between unions and productivity. However, there exist country and industry specific associations between unions and productivity. In these conditions, it is theoretically difficult to predict the impact of unions on firm financial performance.

When unions use their bargaining power in order to obtain higher wages at the expense of the firm, it reduces profits. However by giving voice to unsatisfied workers unions can improve worker motivation and therefore improve labor productivity (Freeman and Medoff, 1984). Thus, this higher level of labor productivity may compensate union rents obtained by Collective Bargaining.

Professor Hirsch surveys the literature on unionization and economic performance mostly from the United States but also from Canada, Japan, and Britain and concludes that on balance , the effect of unions on productivity and productivity growth are small; they do not offset the cost increase resulting from higher wages.

Morikawa M. (2010) analyzed the relationship between labour union and firm performance in areas such as productivity and profitability by using data on more than4000 Japanese firms. The presence of labour unions had statistically and economically significant positive effects on firm productivity. Union's effects on wages were also positive, their magnitude being slightly larger than those on productivity. The decrease in the number of employees was greater at unionized firms than at non-unionized firms. The difference in employment growth was mainly attributable to the change in the number of part-time

Freeman and Medoff (1984) conclude that unions, by providing a collective voice to workers, have a positive impact on productivity; these authors stress that it is not unions per se that affect productivity but rather the nature and quality of labor-management relations at the plant level. Labor unions may help enhance productivity by serving as a collective voice for workers to enhance labor-management communication. At the same time, however, it has been pointed out that labor unions can also be a monopoly bargaining agent, which may have a negative impact on productivity.

The study by Freeman and Medoff (1984) shows that if proper communication between unions and management is not there, it can be a major reason why grievances which can be heard of on a daily basis and resolved at the bud stage itself lead to major problems in the later stage. If proper communication between unions and management is there it will lead to more of integrative bargaining rather than distributive bargaining.

Recent research shows that union monopolies reduce investment in physical capital and in research and development (R & D) and other forms of innovative activity. In a study conducted by Professor Hirsch of 500 publicly traded American manufacturing firms, the capital investment of an average unionized firm was 6 per cent lower than that of a comparable nonunion firm. Hirsch also found that the average unionized firm made 15 per cent lower annual expenditure on R and D. Economic theory suggests that unions attempt to exercise market power by constraining competitive forces that might otherwise force wages and benefits down. If the fruits of productive enterprise can be thought of as a pie divided between labor and capital, unions hope to slice the pie in labor's favor. Often, they're able to do so, producing higher wages for union members than nonunion workers receive in the same industry.

A.PRODUCTIVITY

Some research has indicated that labor unions improve productivity by providing training for workers, reducing turnover and improving labor-management communication. Other studies have found a negative union effect. Richard Freeman, points out that union productivity effects tend to vary by sector. "About two-thirds of the studies show [improvement] and about one-third show there might be negatives," But even the studies showing productivity increases find that the higher wage costs paid to union labor exceed productivity increases, Freeman added, so "what is absolutely clear is that profits fall, which motivates management obviously to keep the unions out." In other words, unions don't increase the size of the pie as much as they cut into management's part of it, so management's natural response is to fight unionization.

B. EMPLOYMENT

Although unions improve compensation for their members, they tend to limit the number of jobs in an economy. They can do so either directly, by enforcing a constraint on the number of workers that can enter a profession or company, or indirectly, by pressuring employers to raise wages. Having to pay higher wages will persuade employers to seek less labor-intensive production techniques and hire fewer workers. Several studies set in Australia, Canada, Britain and the United States have estimated that employment growth in union firms is from 2 percent to 4 percent lower than that in nonunion companies, while a few studies have found no effect or limited impact.

Thus, unions benefit their members, but may have a negative impact on jobs for those outside the union; moreover, maintaining the wage premium encourages unions not to expand membership, a factor that can eventually lead to declines in union density.

C. NON ECONOMIC EFFECTS

Unions also play roles that are less integral to the economics of the workplace: political lobbying, pension management, social support, worker education and legal representation. Arguably their most important noneconomic function is to provide a voice for labor in the workplace. While speaking out against abusive conditions or even suggesting changes in work methods can be difficult or dangerous for an individual employee, workers' unions can speak out for employees with relative impunity. Unions, noted Freeman, are one of the few democratically elected bodies to provide participation and representation for workers.

Labor scholars have proposed a variety of alternatives to current labor unions that would allow increased employee "voice" while limiting the "rent-seeking" behavior that results in management opposition and economic inefficiency. But none are optimistic that labor laws or labor unions are likely to change substantially in the near future.

In competitive markets, unions cannot cartelize labor and raise wages. Companies with higher labor costs go out of business. Consequently, unions do not raise wages in many newly organized companies. Unions can raise wages only at companies that have competitive advantages that permit them to pay higher wages, such as successful R&D projects or long-lasting capital investments.

On balance, unionizing raises wages between 0 percent and 10 percent, but these wage increases come at a steep economic cost. They cut into profits and reduce the returns on investments. Businesses respond predictably by investing significantly less in capital and R&D projects. Unions have the same effect on business investment as does a 33 percentage point corporate income tax increase.

Less investment makes unionized companies less competitive, and they gradually shrink. Combined with the intentional efforts of a labor cartel to restrict labor, unions cut jobs. Unionized firms are no more likely than non-union firms to go out of business--unions make concessions to avoid bankruptcy--but jobs grow at a 4 percent slower rate at unionized businesses than at other companies. Over time, unions destroy jobs in the companies they organize. In manufacturing, three-quarters of all union jobs have disappeared over the past three decades, while the number of non-union jobs has increased.

Di Nardo, et al compares companies whose workers voted narrowly for a union with companies whose workers voted narrowly against a union. Since the difference between winning and losing is close to random, this provides an estimate of the causal effect of randomly organizing a given company.

Freeman, Richard B., Examines how unions change pay policies within firms. Findings suggest that unions typically negotiate pay on the basis of job classifications or seniority-based promotions and resist pay on the basis of individual merit or ability. Consequently, unions compress wages within firms, raising wages for less productive workers but lowering them for more productive workers.

Hirsch, Barry T examines how unions affect the behavior and performance of manufacturing firms, using firm-level data from 1968 to 1980. The research finds that unionized companies have lower profits than non-union firms, with unionized firm values approximately 20 percent lower than comparable non-union firms. Union gains come out of profits earned by companies in growing industries or with limited foreign competition and from the returns to physical capital and R&D. Unions thus reduce both the money that firms have to invest and the returns on investment. Both of these effects cause unionized firms to cut investment in physical capital by 13 percent and investment in R&D by 15 percent to 20 percent.

If the presence of a union in a workplace or firm raises the pay level, unless productivity rises correspondingly, financial performance is likely to be worse. If the product market is uncompetitive this might imply a simple transfer from capital to labour with no efficiency effects, but is probably more likely to lead to lower investment rates and economic senescence. Therefore the impact of unions on productivity, financial performance and investment is extremely important. This paper distils evidence on such effects from six countries: USA, Canada, UK, Germany, Japan and Australia. It is not possible to use theory to predict unambiguously any union effect on productivity because unions can both enhance and detract from the productivity performance of the workplace or firm. The evidence indicates that, in the USA, workplaces with both high performance work systems and union recognition have higher labor productivity than other workplaces. In the UK previous negative links between unions and labor productivity have been eroded by greater competition and more emphasis on "partnership" in industrial relations but there is a lingering negative effect of multi-unionism, just as there is in Australia. In Germany the weight of the evidence suggests that the information, consultation and voice role of works councils enhances labor productivity particularly in larger firms. In Japan unions also tend to raise labor productivity via the longer job tenures in union workplaces which makes it more attractive to invest in human capital and through the unpaid personnel manager role played by full-time enterprise union officials in the workplace. Unions will reduce profits if they raise pay and/or lower productivity. The evidence is pretty clear cut: the bulk of studies show that profits or financial performance is inferior in unionized workplaces, firms and sectors than in their non-union counterparts. But the world may be changing. A recent study of small USA entrepreneurial firms found a positive association between unions and profits and in the UK the outlawing of the closed shop, coupled with a lower incidence of multi-unionism has contributed to greater union-management cooperation such that recent studies find no association between unions and profits. North American and German evidence suggests that unionization reduces investment by around one fifth compared with the investment rate in a non-union workplace. In both Canada and the USA this effect is even felt at low levels of unionization. The UK evidence is mixed: the most thorough study also finds that union recognition depresses investment, but this adverse effect is offset as density rises. The exception is Japan where union recognition goes hand-in-hand with greater capital intensity.

France, union bargaining is associated with poorer workplace performance but the effect disappears once unionization is treated as endogenous. However, high levels of union density do have a negative impact on workplace performance in France. In Britain the union effect does not rise with union density.

Turning to India, Section 2(h) of the Trade Union act'1926 defines a ‚Trade Union as:"any combination, whether temporary or permanent formed primarily for the purpose of regulating the relations between workmen and employers or between workmen and workmen, or between employers and employers or for imposing restrictive conditions on the conduct of any trade or business, and includes any federation of two or more Trade Unions provided that:

• Any agreement between partners as to their own business.

• Any agreement between an employer and those employed by him as to such employment or

• Any agreement in consideration of the sale of the goodwill of a business or of instruction in any profession, trade or handicraft - Sec. 2 (h).

There are atleast three reasons to believe that the effectiveness of voice provision by Indian unions is weak. First since unions have a small numbers, union activity within the workplace is likely to be weak. Second union voice is fragmented at the workplace level because of multiple union representation on site and because each union competes for the same employees with the same preferences and job attributes.

Third a further concern in India is the incidence of the labor law and public policy within the Industrial Relations system. Incentives for unions to act in close accord with the needs and preferences of the workers they represent are weakened further by law, which states that collective agreements can be applied at the workplace if only one union signs the agreement even if this union represents minority of workers.

II. DATA ANALYSIS

Data of automobile organizations was drawn from a sample of 200 organizations drawn randomly from the business directory of Automotive Components Manufacturers Association and Business Directory of top companies in India (www.fundoodata.com).Total of 200 questionnaire were sent to managers responsible for industrial relations in these organizations out of which 111 usable responses were there. The questionnaire was e-mailed to HR professionals of these organizations. Respondents were asked to complete and return the questionnaire within two weeks.

Most of the statements used in the survey were drawn from an in-depth study of literature on Trade Union perceptions.

A one way ANOVA method was used to study the perception of managers about trade unions in small, medium and large automobile manufacturing organizations in India.

The main factors determining whether a company is an SME are:

1. **Number of employees** and
2. Either **turnover** or **balance sheet total**.

Classification as small, medium and large sized organizations

There is no globally accepted definition of a small and medium-sized company (SME). According to the US Small Business Administration (2002), a small business is defined as a company that employs fewer than 500 employees. In Germany and the UK, a company that is comprised of 10-90 employees comes under small-sized enterprise category and one that has 100-499 employees is defined as a medium-sized one (Lauder et al., 1994). In contrast, the Hong Kong government defines an SME as a company with fewer than 100 employees with regard to manufacturing enterprises; and one with fewer than 50 employees for other sectors (Trade and Industry Department, 2000). In India, the companies are classified (small, medium and large) on the basis of revenue range but to correlate this study with earlier researches, the size of companies were settled in the same manner i.e. by the number of employees in the company. .

III. RESEARCH PROBLEM

The research problem is to find out perception of managers towards trade unions in small, medium and large organizations in automobile sector.

The research questions that we are trying to answer are:

1. Is there a difference in perception amongst managers regarding union's bargaining power based on size of the organizations?

2. Whether the unions are perceived differently by managers of small, medium and large organizations to having proper communication?
3. Whether the presence of unions is perceived differently by managers of small, medium and large organizations to affect work performance of organizations?

IV. JUSTIFICATION FOR THE RESEARCH

This research is important as it serves to provide knowledge about what policymakers in automobile sector in India feel about formation of Trade Unions in their organizations. There are two areas in which this research can contribute:

a. Extending the body of research on automobile industry.
b. Problems faced in automobile industry of late between workers and managers.

Research contributing to knowledge about perception of managers about trade unions is timely and relevant as there have been instances of skirmishes between managers and workers in various organizations in automobile sector in India. Trade Union density is declining and in their struggle to survive they are turning to automobile industry which is one of the largest in Asia.

The importance of research into issues related to rapidly growing automobile sector has been demonstrated by various empirical and theoretical research in recent years. There have been calls for more research into this rapidly growing industry to understand problems faced by these organizations due to formation of trade unions. This research explores perception held by managers of different sized organizations about trade unions.

This research has practical implications for trade union movement. It can highlight the views of managers regarding presence of trade unions in their organizations.

V. SAMPLE AND DATA COLLECTION

Interviews were carried out with 111 most senior managers responsible for employee relations in auto-manufacturing units.

This survey contains a lot of information on the establishment, their organization, workplace practices and the environment in which they operate. The survey gathered objective and perceptual data on union presence and perceptual indicators of workplace performance.

For some measures, such as workplace performance, respondents were asked to provide their perceptions on Likert-type scales. For other measures such as establishment size, informants provided factual data.

Data is normally distributed as determined from Shapiro-Wilk's test P>0.05 for small, medium and large sized organizations.

Data are represented as mean$\pm$standard deviation. The assumption of homogeneity of variances was not violated as assessed by Levene's test of Homogeneity of Variances.

Table I: Profile Of Respondent Organizations

	Frequency	Percentage
Number of Employees		
1-199	22	28.5
200-500	31	30.9
500-5000	34	16.6
>5000	24	23.8

Table 1 presents the profile of the organizations. Of the 111 responses received, 47.7 percent were from companies employing fewer than 500 people.30.6% Organizations had 500-5000 number of employees. About 21.6 percent of the companies had international operations.

Table II: Profile Of The Respondents

	Frequency	Percentage
Position		
HR /personnel - training Vice president/ director etc.	27	24.3
HR /personnel - training manager/head, etc.	76	68.4
Others	8	7.2
Age		
<30	9	8
30-35	13	11.7
35-40	25	22.5
>40	64	57.6
Education		
Bachelor Degree	35	31.5
Master Degree	76	68.4
Working experience		
< 10 years	9	8
11-14 years	26	23.4
>14 years	78	70.2

Table 2 shows the profile of the respondents. The respondents were HR practitioners and 66.6 percent of respondents were above 35 years of age. Most of them had at least a post-secondary certificate (83.3 percent), and about 16.6 percent had a bachelor's degree. This highlights the fact that our respondents were well educated. Approximately 80 percent of them had more than ten years of working experience

TABLE III: Summary Of Bargaining Power Of Unions As Perceived By Managers Of Different Organizations.

Unions Bargaining Power	**Small (Mean)**	**Medium (Mean)**	**Large (Mean)**	**F Value**	**Tukey's**
1. Makes it possible for unions to change wage levels	4.54	3.89	4.00	12.026	Medium, Large<Small
2.To obtain higher wages at the expense of firms reducing their profits	4.000	4.33	4.00	10.946	Small, Large<Medium
3. To push up wages in a competitive industry	3.68	3.84	4.43	4.262	Small, Medium<Large
4.Impacts investment in R and D and other innovative activities	2.00	2.20	2.47	8.786	Small, Medium<Large
5.Affects profit margins and prices	4.00	3.12	4.00	11.022	Medium<Small, Large
6.Unions act as labor cartels	4.00	1.96	2.00	57.62	Medium, Large<Small

There were no outliers and the data was normally distributed for each group as assessed by boxplot and Shapiro-Wilk Test ($p<0.5$), respectively. Homogeneity of variances was not violated, as assessed by Levene's test of homogeneity of variance ($p=0.12$). Tukey post-hoc analysis was used to show differences in managers perceptions of small, medium and large organizations.

The results shown in Table 4. reveal that there was a significant difference of opinion depending on the size of the company on the following six aspects of union bargaining power. Perception about union's power to change wage levels ($F=11.93, P<0.0005$),obtaining higher wages at the expense of firms reducing their profits($F=11.198, P<0.0005$),pushing up wages in a competitive industry($F=4.234, P<0.05$),impacts investment in R and D and other innovative activities($F=4.234, P<0.0005$),affects profit margins and prices($F=11.276$,P,0.0005).

For in-depth analysis and interpretation of solution, a multiple comparison analysis of mean differences based on a Tukey's post hoc test was undertaken. It reveals that there is statistically significant difference between small and medium sized organizations regarding perception of managers about unions power to change wage levels. There is statistically significant difference between small and large organizations but there is statistically no significant difference between medium and large organizations. Since mean level is highest for small organizations it can be inferred that managers of small organizations perceive unions to have powerful impact on changing wage levels whereas medium to large organizations managers feel there are other factors also which contribute to changes in wage levels.

To obtain higher wages at the expense of firms reducing profits, statistically significant difference was there between small and medium sized organizations and medium and large sized organizations. There was statistically no significant difference between small and large organizations. This was surprising as managers of small and large organizations do not perceive them as a threat as regards affecting profits to gain higher wages whereas managers of medium sized organizations having highest mean have a different view.

To push up wages in a competitive industry, there was no statistically significant difference between small and medium organizations but statistically significant difference was there between small and large and medium and large organizations. In this small and medium sized organizations perceptions matched but mean for large organizations was highest showing that managers of large organizations viewed them as pushing up wages in competitive industry.

Impacts investment in R and D and other innovative activities there is statistically no significant difference between small and medium sized organizations but a statistically significant difference was there between small and large and medium and large organizations. Large organizations have highest mean which shows that they perceive unions as having an impact on investment in R and D and other innovative activities.

Unions act as labor cartels by restricting supply of labor to organizations. Again from small to medium, from medium to large and from small to large difference is statistically significant difference. Mean value is Highest for small organizations depicting that their perception about unions acting as labor cartels is highest.

Research question 2: Is there a difference in perception of managers of small, medium and large sized organizations with regard to communication with trade unions.

TABLE IV: Summary Of Perception Of Managers Of Small, Medium And Large Sized Organizations About Communication With Unions.

Communication with Unions	**Small Mean**	**Medium Mean**	**Large Mean**	**F**	**Tukey's**
1.Proper communication between union and management is there	2.72	3.266	3.50	3.29	Small, Medium<Large
2.Opening up of communication channels can lead to integrative bargaining rather than distributive bargaining	4.18	4.50	4.05	4.34	Small, Large<Medium
3. By giving voice to unsatisfied workers unions can improve labor productivity.	3.59	3.83	3.58	0.36	Small, Large<Medium

Perception of managers also differed significantly regarding existence of communication between union and management (F=3.29, P=0.041) as reflected by managers of small sized organizations(Mean=2.72),medium sized organizations(Mean=3.266) and large sized organizations(Mean=3.50).Since Mean value is highest for large organizations it can be suggested that managers of large organizations perceive them as having proper communication with unions.

Opening up communication channels will lead to integrative rather than distributive bargaining

There was no significant difference in perception of managers of small sized organizations (Mean=3.59), medium sized organizations(Mean=3.83),large sized organizations(Mean=3.58) regarding, Unsatisfied workers being given voice can improve labor productivity revealed by Table 4 (F=0.36P=0.695).

Tukey's posthoc analysis for proper communication between union and management reveals that, there is statistically no significant difference between small and medium sized and medium and large sized organizations. This shows that small organizations perhaps don't have a system of proper communication with unions as compared to medium and large organizations. Since the mean value is highest for large organizations it shows they have proper communication with unions.

As regards opening up communication channels leading to integrative rather than distributive bargaining there was statistically significant difference between perception of managers of different sized organizations(F=4.34,P=0.014),also reflected by managers of small sized organizations(Mean=4.18),medium sized organizations(Mean=4.50),large sized organizations(Mean=4.05). Mean value is highest for medium sized organizations suggesting they perceive opening up

For, Opening up communication channels can lead to integrative bargaining rather than distributive bargaining, there was no statistically significant difference between small and medium organizations and small and large organizations but from medium to large organizations difference was statistically significant. Medium sized organizations having highest mean suggesting that opening up communication channels can lead to integrative bargaining rather than distributive bargaining.

By giving voice to unsatisfied workers unions can improve labor productivity, perception of managers from small to medium organizations, from small to large and from medium to large does not vary statistically significantly. Since mean value is highest for medium sized organizations it shows they greatly feel the need to giving voice to unsatisfied workers.

Table V: Summary Of Perception Of Managers Of Small, Medium And Large Organizations About Work Performance

Work Performance	**Small Mean**	**Medium Mean**	**Large Mean**	**F**	**Tukey's**
Unions adopt methods that reduce number of hours they put together to produce goods	4.00	2.95	3.13	12.85	
Unions prefer layoffs over pay cuts when firm faces slowdown	3.00	2.04	2.00	307.67	
Presence of unions is a proxy variable for good human resource management	4.00	2.90	2.78	21.78	
Unionized companies avoid hiring workers who might prove to be underperformers	4.00	4.33	4.00	11.19	
Multiple unionism affects productivity	4.00	4.00	4.00		
Single industry wide union is able to win higher wages than unions organizing independently at the level of firms	4.00	2.36	2.00	126.76	
Unionized firms shed jobs more frequently	2.00	2.03	1.65	3.43	
Higher productivity can be achieved by hiring part timers and other non regular workers	2.00	2.33	2.69	6.41	

As revealed from above Table 5, impact on work performance of organizations due to union presence it shows that as regards union adopting methods that reduce number of hours they put together to produce a good (F=12.85, P<0.0005) difference is statistically significant, with small sized organizations managers perception (Mean=4.00), medium sized organizations managers perception (Mean=2.95), and large sized organizations managers perception (Mean=3.13). Tukey posthoc analysis reveals statistically significant difference is there between small and medium organizations and between small and large organizations but between medium and large organizations difference is not statistically significant. Since mean value is highest for small organizations it can be concluded that they perceive unions as adopting methods that reduce number of hours they put together to produce a good.

Unions prefer layoffs over pay cuts when firm faces slowdown data reveals (F=307.67,P<0.0005),small sized organizations managers perception(Mean=3.00),medium sized organizations managers perception(Mean=2.04),and large sized organizations managers perception(Mean=2.00)is statistically significant .Tukey Posthoc analysis shows difference is statistically significant between small and medium organizations and between small and large organizations but difference is statistically not significant from medium to large organizations.. Again since mean value is highest for small organizations it can be said small organizations perception of unions preferring layoffs over pay cuts when firm faces slowdown is highest.

Presence of union is a proxy variable for good human resource management (F=21.78,P<0.0005) , small sized organizations managers perception(Mean=4.00),medium sized organizations managers perception(Mean=2.90),and large sized organizations managers perception(Mean=2.78) is significantly different .Tukey post hoc analysis shows statistically significant difference is there between small and medium organizations and between small and large organizations but from medium to large organizations difference is not statistically significant. Again since mean value is highest for small organizations they believe presence of union is a proxy variable for good human resource management.

Unionized companies avoid hiring workers who might prove to be underperformers (F=11.19,P), small sized organizations managers perception(Mean=4.00),medium sized organizations managers perception(Mean=4.33),and large sized organizations managers perception(Mean=4.00) is not statistically significant. Tukey posthoc analysis reveals statistically significant difference is there between small and medium and medium and large organizations but from small to large organizations difference is not statistically significant.

Since mean value is highest for medium sized organizations it shows they perceive unionized companies as avoiding hiring workers who might prove to be underperformers greatly.

Multiple unionism affects productivity there is no statistically significant difference between perceptions of managers of different sized organizations, small sized organizations managers perception(Mean=4.00),medium sized organizations managers perception(Mean=4.00),and large sized organizations managers perception(Mean=4.00).This reveals managers of all organizations feel alike that multiple unionism is harmful for productivity.

Single industry wise union is able to win higher wages than unions organizing at the level of individual firms (F=126.76,P<0.0005),small sized organizations managers perception(Mean=4.00),medium sized organizations managers perception(Mean=2.36),and large sized organizations managers perception(Mean=2.00) is statistically significant. Tukey posthoc analysis reveals from small to medium organization, from small to large and from medium to large organizations, difference is statistically significant. Mean value is highest for small organizations so it can be interpreted that they perceive that single industry wise union is able to win higher wages than unions organizing at the level of individual firms.

Unionized firms shed jobs less frequently (F=3.43,P<0.0005),small sized organizations managers perception(Mean=2.00),medium sized organizations managers perception(Mean=2.03),and large sized organizations managers perception(Mean=1.65). Tukey posthoc analysis reveals from small to medium and from small to large organizations, difference is not statistically significant but from medium to large organizations, difference is statistically significant. Mean value is highest for medium sized organizations and it can be said that medium sized organizations feel that unionized firms shed jobs less frequently.

Higher productivity can be achieved by part-timers and other non regular workforce (F=6.41,P<0.0005), small sized organizations managers perception(Mean=2.00),medium sized organizations managers perception(Mean=2.33),and large sized organizations managers perception(Mean=1.69).

Tukey posthoc analysis reveals from small to medium organisations, and from small to large organizations, and from medium to large organizations there is statistically no significant difference. Mean value is highest for medium sized organizations and it can be perceived that higher productivity can be achieved by part-timers and other non regular workforce.

V.CONCLUSION

The purpose of this research paper was to assess the perception about trade unions amongst managers in organizations of different sizes in automobile sector in India. Automobile sector of India is one of the largest in the world. Of Late this sector has been witnessing problems with trade unions leading to huge losses for the organizations. Our research focuses on perception amongst Personnel in Human Resources from small, medium and large sized organizations in this sector. Small firms have been characterized by Guest and Conway (1999) as 'bleak houses' which fail to institutionalize industrial relations arrangements or systematic HRM practices. Small firms as compared to medium and large firms have also been described as experiencing benefits of informal communication (Kaman et al.2001, 36).Small firms are less likely to have a union presence at workplace as compared to medium and large organizations. This may be the reason that their views are slightly biased against unions as they are based simply on perception and not reality whereas most of the medium and large organizations have a presence of unions in their organizations and their perceptions are based on reality. Unions are perceived to increasing wages for their members. Communication with unions is important as they are an integral part of organizations an Guest (1989), and Purcell (1991) were of the view that the introduction of employee involvement programmes and the application of more extensive forms of information-sharing is associated with attempts to marginalize unions and reduce their capacity to mobilize industrial action. A closer communication of interests between the labour and the management would lead to a culture of high performance. For that, the workers should be fully informed about the company, including investment, size, the nature of its business, the products, the services, labour policies, and the profit or loss position, etc (Mital, 2001). Trade unions have been struggling for greater participation of workers in management, but the response from employers was not positive indicating their lack of interest in accepting trade unions as social partners. When we talk about part-timers in work force large organizations do not perceive them as increasing productivity, reason being they have no accountability and absenteeism is higher affecting production.

This research is limited by the use of behavioral response from HR personnel from different sized organisations about industrial relations excluding government. The major contribution is the study of perception of managers of small, medium and large sized organizations about trade unions. However, the secondary data like the number of strikes, lock outs, numbers of wage hikes, pending court cases, number of disciplinary actions could have added value to the study. The findings of this study will definitely help the union leaders and management in preparing their future course of action.

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