

EMPLOYEE PERCEPTION ON THE IMPACT OF THE TRADE UNIONS ON THE WORK

PERFORMANCE:

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The most significant determinants of sustainability of any organization are its human resources. Employee productivity is the major driver of stabilized growth of an organization. In order to enhance the job security and other benefits and also to maintain management and employee relationship employees form unions who collectively negotiate issues such as wages and working conditions with the employers. **Vall (2010)** defines Trade Union as an organization consisting mainly of employees who joined together to achieve a common goal and promote their interest by collective actions. This helps both the employees and employers to come to common terms and avoid disputes. The trade unions assist in effective communication between the management and the workers. They make sure that the differences in perceptions do not turn into disputes and hence a peaceful relationship prevails between the workers and the employers. **Shelley and Calveley (2007)** further suggest that they also motivate discipline among the workers, settle disputes rationally and help workers adjust in difficult circumstances. A dispute between the American consumer products company Proctor and Gamble, and few workers in Peru regarding some fundamental working rights was settled by the trade union through arbitration (**Icem, 2008**). The main function of the trade union is to represent the employees at work. However they play other roles as well which are: Negotiating collective agreements: **Phelan (2009)** suggest that the trade unions have the responsibility of negotiating the wages, rules, working conditions and timing of their jobs with their employers. This is one of the main objective for which trade unions were formed. All the employees gather into a single backbone known as the trade union and collectively negotiate the terms and conditions under which they believe they should work in. The Employee representative of the union of Nokia, a multinational in Malta, HSBC, a global financial services company, introduced the first performance based pay remuneration system after negotiating with the unions (Eurofound.com). Representing workers at disciplinary and grievance hearing. According to **Zhu (2008)** one of the rights of the employees are that they can be accompanied by a co-worker or a union official at a disciplinary or grievance hearing. The workers prefer to choose the union

representative who is also a Co worker. This gives the workers a form of support during the disciplinary or grievance hearings. In *Reddy v Bedford and Luton Partnership NHS Trust (2010)* the employees represented a collective grievance through the trade union representative (***Employee Cases Update, 2010***).

Moreover, Trade Union is an organized association of workers in a trade, group of trades, or profession, formed to protect and further the rights and interests of its members. More broadly trade union is an organization of workers who have come together to achieve common goals such as protecting the integrity of their trade, achieving higher pay, increasing the number of employees an employer hires and better working conditions. The trade union, through its leadership, bargains with the employer on behalf of union members and negotiates labour contracts with employers. The most common purpose of these associations or unions is maintaining or improving the conditions of their employment. This may include the negotiation of wages, work rules, complaint procedures, rules governing hiring, firing and promotion of workers, fringe benefits, workplace safety and policies. Trade unions have become an indispensable part of the modern corporate world.

A literature review is a text of a scholarly paper, which includes the current knowledge including substantive findings, as well as theoretical and methodological contributions to a particular topic. Literature reviews are secondary sources, and do not report new or original experimental work. Some of the relevant literatures which guides and motivates the researcher for the present research are presented as following:

According to ***Dessler and Varkkey (2009)*** various issues can be addressed during the negotiations between the employers and the representatives of the trade unions. The labor law has categorized all these issues into three types, which are mandatory, permissible and illegal. ***DelPo and Guerin (2009)*** suggest that the mandatory issues are the ones which are legal are subject to bargaining if either party demands it. These issues have to be negotiated as it is legally binding. These issues are mostly related to wages and benefits. In ***Shanahan v Unite the union (2009)*** an employer was found guilty of violating the CBA due to the fact that he did not consult the union before making some employees redundant as the issue was considered to be a mandatory issue (***Employee Cases Update, 2010***).

Permissible issues are the ones which are not mandatory or illegal and the bargaining of these issues are voluntary and there are no obligations. Neither party can coerce the other to negotiate over these issues. An example of this issue may be the product prices for employees (*Shilling, 2009*).

*In **Todd v Strain and Others (2009)** an employer alleged of not following the terms of the CBA because he did not carry out the employee representative election was found innocent as the issue was a permissible issues (*Employee Cases Update,2010*).The illegal issues are the ones which are not legal and would require either to party to commit an illegal activity, such as giving more priority to union members during recruitment. These issues are not subject to bargain and either party can easily refuse (*Jackson, Schuler and Werner, 2008*). In *Brownbill and others v St Helens and KnowsleyHospital NHS Trust (2010)* an employee was alleged paying the females employees lesser than the male employees (***Employee Cases Update, 2010***). Further in ***Hammonds LLP and others v Mwitta (2010)*** the employer was alleged of providing less work to employees based on racial grounds (***Employee Cases Update, 2010***). ***Sen and Raina (2003)*** has explained the development of Indian trade Unionism based on the main emphasis of the trade union theories. She has further explained the back-ground of the different trade unions on evolution of political groups in India along with some unique characteristics of many others, specially the local unions under the patronage of different charismatic personalities. ***Sen, Mathur and Mathur (1962), Reveri (1972), Soman (1957), Karnik (1960), Kennedy (1955), Sharma (1963), Fonseca (1964),Ghosh (1960) and Ma Uwtra (1963)*** have provided a lot of information both theoretical and empirical on trade union movement in India. ***Mathur and Mathur(1962),Karnik(1960), Ghosh(1960)*** have traced the history of trade union movement in India. The studies of ***Kennedy (1955),Vaid (1962), Dufty (1964), Fonseca (1964), Shanna (1963), Johri (1967), Soman (1957), Nigam (1984),Agarwal (1984) and Bhangoo (1987)*** have raised the issues such as process of unionism, its role in economic development, role of the legislation and government in promoting unionism, new problems and challenges of trade unions and other related issues of trade unionism in India.*