



INDUSTRIAL RELATIONS IN TAMILNADU STATE TRANSPORT CORPORATION (TNSTC) – A STUDY (WITH SPECIAL REFERENCE TO TIRUNELVELI DIVISION)

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ABSTRACT

This study delves into the intricacies of industrial relations within the Tamil Nadu State Transport Corporation (TNSTC), focusing specifically on the Tirunelveli Division. It emphasizes the critical role of industrial relations in fostering industrial democracy, where the collaborative attitudes of management and unions are pivotal. The research highlights the broad and narrow outlooks of industrial relations, encompassing the collective relationships between employees, government, and management within both industrial and non-industrial sectors. By exploring the economic importance of public passenger transport as a vital component of societal development and mobility, the study underscores transport's role in enhancing the quality of life and economic progress.

Through an analytical and descriptive approach, the research investigates the factors influencing industrial relations in TNSTC, identifying issues and offering suggestions to promote industrial peace in South Tamil Nadu. Employing a well-structured questionnaire, the study gathers opinions from employees, union leaders, and management personnel, analyzing the data with statistical tools to reveal insights into workplace conditions, dispute handling, the impact of trade unions, labour-management relations, and management attitudes towards industrial relations.

The study concludes that maintaining good industrial relations is essential for the productivity and financial performance of State Transport Undertakings. It calls for a shift in attitudes from management and trade unions towards cooperation and away from confrontation to ensure the sustainable development of the State Transport Corporations.

Keywords: Industrial Relations, TNSTC, Public Passenger Transport, Labour Productivity and Trade Unions.

1. Introduction

Industrial relations play a crucial role in establishing and maintaining industrial democracy. Establishing good industrial relations depends on the constructive attitude of both management and unions.¹ It denotes the collective relationship between employees and the government in any industrial and non-industrial organization. The term “industrial relations have a broad as well as a narrow outlook” is broadly defined as the relationships and interactions between employers and employees.

1.1 Industrial Relation

‘Industrial Relation’ comprises two words: ‘industry and ‘relation.’ ‘Industry’ in its widest sense includes all forms of economic activity, namely agriculture, manufacturing, and services. It means the relationship that emerges from day-to-day working and association of labour and working and association of labour and management in the running industry. The term ‘relation’ indicates ‘the relations in the industry between the employer and his workmen.’ The concept of industrial relations also denotes the

relations of the State with employer, workers, and their organizations².

‘Industrial relations’ are considered one of modern industrial society's most delicate and complex problems. It is the art of living together for production. Maintenance of good human relationships is the main theme of it. The nature of employer-employee relations in services-oriented industries like State Transport Corporation determines the organization's effectiveness and its image among the public. Industrial relations are the relationships between employees and employers within the organizational settings. In industrial relations, the relationship between management and workers occurs through a union that elects representatives among the employees.

1.2 Economic Importance of Public Passenger Transport

Transport is a necessary ingredient of infrastructure that plays a main role in uplifting the quality of human life in economic, social, and cultural development. It is a prerequisite for maximizing natural resources to achieve higher economic productivity and increase

¹ S.K. Bhatia, International Practices in Industrial Relations, Deep & Deep Publications Pvt. Ltd, New Delhi, 2002, pp.7-8.

² C.B. Memoria and Satish Memoria, Dynamics of Industrial Relations, Himalaya Publishing House, Mumbai, 1983, p.200.



the people's standard of living. Any society's socio-political and economic vigor invariably depends on how good transportation creates mobility for goods, people, and services. Apart from goods transportation, passenger transportation is a key socio-economic factor as it serves the basic travel needs of the people in the society. Since the economic liberalization of the 1990s, Government transport has remained the primary mode of transport for most of the population. Buses take up over 90% of public transport in Indian cities and serve as a cheap and convenient mode of transport for all classes of society.

2 Significance Of The Study

Of all the factors of production, labour is the most important, sophisticated, and difficult to manage, and yet it contributes the most to the success of an enterprise. The interactions between the labour and the management make or mar the organizational climate. It might lead to higher productivity and peaceful enterprise working and promote the organization's overall progress. Industrial peace is vital for accelerating the production process of goods and other economic activities. Establishing and sustaining a productive work culture has been crucial in many public sector undertakings.

The industrial relations scenario in India in the last few years has been quite

peaceful and cordial. Harmonious industrial relations are essential for any organization's smooth and efficient functioning. Strikes and lock-outs occur due to poor industrial relations, threatening industrial and political stability. It is a barrier to the improvement of the standard of living. Any weakness in the labor relations system jeopardizes a nation's social and economic development program³. The public passenger transport sector in south Tamil Nadu is no exception to this general feature.

The present study attempts to conduct analytical and descriptive research on industrial relations in TNSTC. It is a study concerning the Tirunelveli division that offers suggestions to promote industrial peace in south Tamil Nadu.

3 Literature Review

Over the years, work has been done to understand the term industrial relations and its contents worldwide in different contexts. The study is gaining more and more importance with time because of its nature and impact on society.

Khola and Yadav presented and discussed various aspects of human resource management, industrial relations,

³ T.N.Mathur, Industrial Relations in the Public Sector, Arihant Publishers, 1990, p.20.

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and relevant legal provisions concerning settling industrial disputes and possible improvements. They concluded that the views expressed in their paper will be quite useful in dealing with and solving the problems crucial for human resources development.

Anyim examined the drudgery and ineffectiveness inherent in Nigeria's dispute settlement mechanisms (DSM). The authors adopted a theoretical approach and advanced recommendations for the efficient and effective settlement of trade disputes in Nigeria, such as alternative dispute resolution (ADR) mechanisms and social dialogue.

Premalatha's research was to understand industrial relations and examine the machinery for settling industrial disputes, if any, focusing on workers' participation in management. Industrial undertakings in Thane district of Mumbai were also covered for the study. The major finding was cordial and harmonious with industrial relations, increasing productivity and profitability. Employees' education, training, and development are necessary for effective decision-making participation.

The main purpose of this study of Nanda and Panda was to observe the industrial relations operation and

satisfaction level of the employees and the different welfare schemes provided by the industry. The authors argue that the success of any organization depends upon the performance of its human resources. The greatest challenge for every organization is to recruit the right people in the right place. HR is the factor. Employee and Employer are both important. They are the two sides of the same coin. One cannot operate without the services of the other.

Vijayaratham identified the core principle that forms human relations/industrial relations and corporate social responsibility. Their article looked at the meaning of Corporate Social Responsibility (CSR) and the traditional arguments for the practice of CSR. The four traditional responsibilities are economic responsibility, moral (or ethical) responsibility, license-to-operate (or legal) responsibility, and discretionary responsibility. In conclusion, their article argues that CSR should not be considered an expense but an investment.

Based on the above literature, the conceptual model tested in this paper is presented in Fig 1. "Industrial relations" is the relationship between a company's management and workers. Regardless of whether the business is a factory or not,

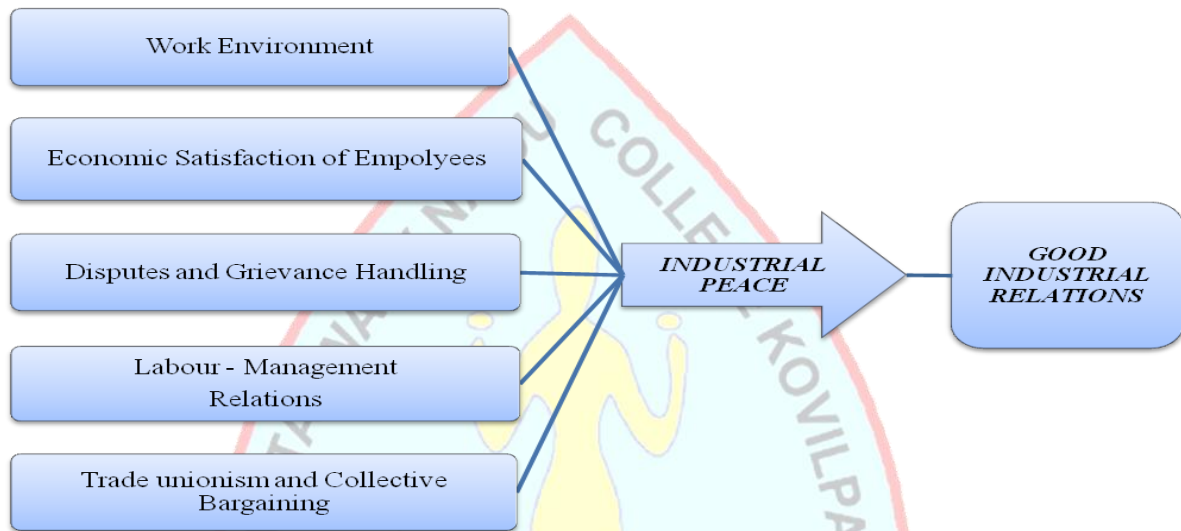


and regardless of size, maintaining strong industrial relations is the key to long-term success. "Labor relations," sometimes used interchangeably with industrial relations, is

generally a subset of industrial relations limited to those employers dealing with union-related issues.

Figure 1

Determinants of Good Industrial Relations



4. Objectives Of The Study

The study has the following specific objectives:

- i. To assess the factors influencing industrial relations in the study unit;
- ii. To identify the problems, if any, hindering the industrial relations and to offer suggestions for improving the industrial relations in the study unit.

5. Methodology

5.1. Population and Sample Size

The study aims to study the relationship between working environment

and job satisfaction. The data is gathered randomly from the employees of TNSTC, Tirunelveli Division, through a survey questionnaire. Three hundred seventy-two respondents were chosen from employees working in the study area through self-administered questionnaires to get opinions from a diverse group of people so that the results could be generalized to the vast population group.

5.2. Data Instrument and Data Analysis Technique

Primary data required for the study were collected from workers, union leaders, and management personnel directly by the researcher with the help of

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a well-structured questionnaire. A 5-point Likert scale is used to evaluate answers ranging from not at all satisfied, dissatisfied, neither, somewhat satisfied, and completely satisfied. Many scholars believe that statistical packages are the most suitable and consistent instruments for comprehensively analyzing large sets of data (Buglear, 2005). So, all statistical analysis is performed with the help of the software “Statistical Package for Social

Sciences” (SPSS). Factor analysis is also performed as it can be used for the data consisting of sample size $n \geq 5$.

6. Result

The valuable opinions of employees are displayed below through various statistical tables and graphs that show their responses to the topic. The Cronbach’s Alpha shows the reliability of the data used in the questionnaire

Table 1
Reliability Statistics for the Opinion of Employees Towards Industrial Relation in Transport Corporation in Tirunelveli Division

<i>Particulars</i>	<i>Cronach’s Alpha Score</i>
Opinion of Employees towards the Industrial Relation in State Transport Corporation in Tirunelveli Division	0.730

Source: Computed Primary Data

Table 2
Opinion of the Employees Towards Industrial Relations in State Transport Corporation, Tirunelveli Division

<i>Opinion of the Employees Towards Industrial Relations</i>	<i>Factor 1</i>	<i>Factor 2</i>	<i>Factor 3</i>	<i>Factor 4</i>	<i>Factor 5</i>	<i>Communal ity (h_2)</i>
Performance appraisal is fair	0.724	0.036	-0.051	0.001	0.123	0.544
Job security prevails in the corporation	0.708	0.033	-0.032	-0.087	0.157	0.535
Job promotions are fair and equitable	0.701	-0.017	-0.061	-0.046	0.074	0.503
The organization provides	0.693	-0.004	0.020	0.095	-0.140	0.509



all health and welfare provisions to employees						
There are adequate leave facilities	0.690	-0.016	-0.041	0.060	-0.352	0.606
Job rotation and work allotment is fair and satisfied	0.666	-0.068	0.105	-0.135	0.053	0.480
Employees are motivated by incentive schemes	0.616	0.031	0.031	-0.049	-0.310	0.480
Off-the-job facilities are satisfactorily given in the corporation	0.615	0.027	0.073	0.157	-0.561	0.724
The physical working environment of the present job is pleasant	0.593	0.099	-0.102	-0.072	0.425	0.558
Timely action is taken by the management to settle employee's grievances	0.006	0.691	-0.009	0.013	0.114	0.491
There are formal procedures for handling grievances	-0.057	0.627	0.155	0.053	-0.129	0.440
Management is keeping transparency in decision-making	0.079	0.604	-0.090	0.096	-0.079	0.395
Trade Union have a cordial relationship with management	0.060	0.539	0.141	-0.039	0.286	0.397
The employees-management relationship is cordial	-0.034	0.437	0.257	0.112	0.043	0.273
Employees are permitted to take part in the	0.056	0.284	0.222	0.080	0.046	0.142

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Trade Unions.

management						
Inter-union rivalry does not affect the interest of the workers	0.040	0.245	0.222	0.215	0.192	0.194
Trade Union restrains the management from taking punitive action	-0.008	0.016	0.764	0.075	0.075	0.595
Employee disputes are redressed timely	0.033	0.025	0.582	0.094	0.270	0.422
Trade Union help to redress the grievances effectively	-0.105	0.271	0.575	-0.079	-0.136	0.440
Management takes care of workers who meet with accident	0.007	0.110	0.421	0.173	-0.050	0.222
Management is taking care of employees' demand	-0.062	-0.067	0.065	0.733	-0.010	0.550
Salaries have been paid without delay	0.016	0.107	0.024	0.717	0.080	0.533
Employees have the freedom to represent their grievances to the management	-0.071	0.270	0.136	0.368	0.041	0.234
Retirement benefits are enough for employees	-0.060	0.233	0.238	0.320	-0.022	0.218
Management is sympathetic toward employee's grievances	0.061	0.074	0.170	0.344	0.446	0.356
Management is listening to the demands of Trade Unions	-0.098	0.330	0.122	0.249	0.339	0.310

Source: Computed Primary Data



Table 2 represents the matrix of common factor co-efficient or factor loadings. The number of factors extracted was five. The ratios with the highest loading (= 0.50) in each factor were grouped; that was, the ratio more closely related to a particular group was boxed. The last column in the table is commonality (h^2), the variance explained by the factor. The following section interprets these results by carefully examining the significant loading for ratios clustering on each factor.

Table 3
Factors Identified to Analyse the Opinion of Employees towards the Industrial Relation in State Transport Corporation, Tirunelveli Division

<i>Factor</i>	<i>Name of Newly Extracted Dimensions</i>	<i>Selected Statement (Variable)</i>	<i>Factor Loadings</i>
F ₁	Working conditions	Performance appraisal is fair	0.724
F ₂	Disputes and Grievances Handling	Timely action is taken by the management to settle employee's grievances	0.691
F ₃	Impact of Trade Unions	Trade Union restrains the management from taking punitive action	0.764
F ₄	Labour – Management Relations	Management is taking care of employees' demand	0.733
F ₅	Attitude of Management towards Industrial Relations	Management is sympathetic toward employee's grievances	0.446

Source: Computed Primary Data.

It is inferred from the above table that statements with the highest factor loading under the dimensions, namely Working conditions (F₁), Disputes and Grievances Handling (F₂), Impact of Trade Unions (F₃), Labour – Management Relations (F₄), and Attitude of Management towards Industrial Relations (F₅) respectively. Hence, the identified dimensions (factors) influence the industrial relations in the

Performance appraisal is fair (0.724); Timely action is done by the management in settling employee grievances (0.692); Trade Union restrains the management from taking punitive action (0.764); Management is taking care of employees' demand (0.733); and Management is sympathetic towards employee's grievances (0.446). These are the

Industrial Relations, TNSTC, Public Passenger Transport, Labour, Productivity, and Trade Unions.

State Transport Corporation in Tirunelveli District.

7. Conclusion

In Tamil Nadu, the State Transport Undertakings are working under many constraints. They are to provide a lot of concessions to different sections of society as part of their social obligations. Moreover, they are facing stiff competition from private bus operators. All the above factors put a lot of pressure on the financial performance of the State Transport Undertakings. The impact of poor financial performance could be partly compensated by achieving higher productivity. Again, higher labor productivity can only be achieved when good industrial relations exist in the state transport undertakings. The Government should ensure job satisfaction for all the employees working in State Transport Undertakings. The Trade Unions should also give up their aggressive attitude towards management. They should not very frequently resort to disruptive activities. They should feel they have more stakes in developing the State Transport Undertakings than anybody else. Such change of attitudes by both the management and the Trade Unions shall ensure better industrial relations in the State Transport Corporations.

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