
The union's efforts to enhance labor relations in Nepal's manufacturing sectors

Ganesh Datt Pant

Lecturer of Management at Saraswati Multiple Campus, Tribhuvan University, Nepal, email – ganeshpant2018@gmail.com

Article History: Received 30 July 2023; Reviewed 21 Aug. 2023; Revised 5th Sep. 2023; Accepted 15 Sept. 2023

, Abstract:

The purpose of a trade union is to represent the collective voice of workers for the improvement of the workplace and amenities for employees. Workers in various sectors organized trade unions to engage in collective bargaining with management for better amenities and perks after Nepal achieved democracy in 1950. The objective of the study is to find the effort of labor union to improve labor relation in Nepalese manufacturing organizations. The study based on descriptive analysis and concentrates on understanding the role of union in increasing earning, securing employment, providing time off, and paying overtime which are essential for improving labor relation at work. In order to perform the study, some workers were contacted, and the currently available literature was reviewed. The study concentrated on trade union efforts to enhance labor relations, pay, benefits, overtime pay, job security, health, and welfare in various time periods. Older employees were given an open-ended questionnaire to share their perspectives. The study concludes that labor management relation is influenced by trade union's activities. Labor unions have evolved into full-fledged political organizations that harm workers' livelihoods.

Keywords: labor relations, manufacturing industries, work place, collective bargaining, negotiation.

Introduction

If there is a union in the workplace, the workers will be powerful, as is often asserted. In Nepal also after the democratic change of 1950, the freedom of association allowed the opportunities for many voluntary organizations in the country and the workers too, felt the need to be united under one umbrella to fight against the exploitation of the management and the government (Pokhrel, 2017, p. 1). Permanent or contract employees who joined forces to protect and enhance their workplace rights and improve their social standing make up the trade union. Trade unions are independent organizations that represent the working class in collective bargaining.

Trade unions are independent, membership-based organizations of workers who represent and negotiate on behalf of the working class. They offer guidance to their members who are having issues at work, speak on their behalf when interacting with employers, and negotiate better pay and working conditions. Additionally, unions promote educational and

learning opportunities for their members, advance workplace equality, fight discrimination, and help to provide a safe and healthy working environment. Additionally, unions watch out for the legal rights of its members. Many unions provide their members with services including welfare benefits, private legal representation, and financial assistance.

Industrial relations can be defined as the relationships between employees and the employers within an organizational setting. The industrial relations are basically the interactions between the employers, employees and the government and the associations through which interactions are mediated (Shrestha, 2012 p. 42). Industrial relation focus to the relation of employee, employer and government. Employer facilitates employee to motivate them for better performance and government formulates rules and regulation for welfare of both employee and employer.

In addition, promoting equality, parity, and fairness at work, trade unions also have the potential to make a substantial impact on society as a whole. In normal situation unions do not react any activity of the worker and management. Unions have been notably unreceptive as well to productivity enhancement programs that are initiated during the normal life of a contract (Hanlon, 2016, p. 3). When the employee fill some problem in the organization regarding facilities and inequalities he/she requests the union for the solution.

The role of the union is to minimize the feeling of helplessness when it comes to job insecurity; employees feel more secure because of the power and negotiating position in aiding them to retain their jobs (Greenhalgh, 1984, p. 438). When the employee joins the trade union, they feel that union protects their job and bargains with employer for more facilities.

Statement of Problem.

In addition to at work, and perhaps more importantly, in society at large, trade unions have the capacity to advance social and economic justice as well as equality, parity, and fairness.

Research Questions

Does trade unionism have any impact on industrial relation?

What efforts are made by trade union to improve industrial relation?

Does a labor union only exist to represent the interests of its members?

What effort have unions made to improve the performance of the workers in an organization?

Objectives of the Study

The main objectives pf the study is

- To identify influence of unionism on industrial relation.
- To investigate the efforts of trade union improving industrial relation.
- To investigate whether the trade union, represent the interest of its members or not.
- To investigate the efforts made by trade union to improve the performance of workers in the organization.

Limitation of the Study

The study has some shortcomings. The trade union's initiatives to improve the working environment and employee relations in the organization serve as the foundation for the entire analysis. The study was completed by workers in the Kathmandu Valley of Nepal's manufacturing sector. The survey is only open to those who have been involved in a union for a number of years. A small amount of time was spent on the investigation.

Materials and Methods

The study is based on descriptive analysis and concentrates on understanding the role of unions in increasing earnings, securing employment, providing time off, and paying overtime, all of which are essential for improving labor relations at work. A survey with open-ended, unstructured questions was used to compile data on the manufacturing industries' labor force in Nepal. Only workers with at least three years of prior union membership were selected.

Before beginning the interview, the individual respondent provided written consent. To guarantee the validity and reliability of research instruments, the instruments have already undergone pre-testing.

Literature Review

Joe A. Stone in 2014 conducted the research on the topic "unionization and cost of production compensation: compensation, productivity and factors used" applying Cobb Douglas functional form to analyze the effect and concluded that the effect of union on the cost of production consists of three effects, the compensation effect, the productivity effect, and the factor used effect.

Michael Schuster in 1983 conducted the research on the topic "Impact of Union Management Cooperation on Productivity and Employment" using descriptive method and scientific research design, concluded that trade union activities have a favorable impact on workplace relations. Better relations between superiors and subordinates, as well as between employees and their employers, require union effort.

Bishal Ram Shrestha in 2012 conducted the research on the topic "The Effect of Trade Union on Workers" applying descriptive analysis, and concluded that trade union plays an active role in maintaining the quality of workers. Researcher suggested that security in the life of worker seems to be an indispensable component of the function of the union and essential for maintaining harmonious relation labor in the organization.

Martin D Hanlon in 1916 conducted the research on the topic "Union, Productivity, and the New Industrial Relation: Strategic Consideration" applying the descriptive analysis and concluded that trade union not only focus on the employee welfare and benefit but also on the productivity of the organization. Trade union helps in maintaining better industrial relation.

Discussion and Analysis

The role that unions perform in the workplace is crucial. One of the key responsibilities is the capacity to address workplace issues by advocating for workers and acting as a bargaining representative during negotiations. The union aims to increase workers' "wages"

The main priorities of unions are the rights and well-being of their members.

Union tries to raise employees' "wages"

The rights and welfare of union members are unions' top priorities. Through persistent advocacy with governmental and non-governmental groups, their main objective is to ensure the right to work. Additionally, through backing labor-friendly parties, labor unions contribute significantly to the political evolution of the country.

Worker union initiatives Workplace Safety

Being a member of a union has traditionally been beneficial for job security because businesses and unions usually work together to keep employees employed, especially in tough economic times when layoffs may be inevitable. Unions protect workers from arbitrary employer actions and provide them with legal assistance when a workplace issue could lead to discipline. Equal opportunities should be provided to each employee in the organization. Trade union fights against the discrimination.

Efforts by the union to raise employee leave

It can be very difficult for employees to get leave, even for just one or two days, in the majority of private enterprises. Most often, the top brass of the sector thinks that permitting its workers to take time off could reduce the productivity of their output, which would have an adverse effect on their profit margin. The workers union is crucial in protecting them from such situations.

Waves of labor relation in the country

The wave of labor relation in Nepal is explained as follows.

1: First wave 1947-1960

Characteristic: Labor and capital are at odds. The labor movement aimed to defend both the nation's democratic structure and the rights of workers.

2: Second wave 1961-1990

Characteristics: Political parties were forbidden, and the labor movement was restricted. However, a few labor-related laws were passed. However, a few labor-related laws, such as the National Directives Act (1961), the Patent, Design and Trade Mark Act (1965), the Bonus Act (1974), the Foreign Employment Act (1985), and other labor- and industrial relations-related laws and regulations, were passed in this unfavorable industrial relations environment. 2018 (Nepal Law Commission).

3: Third wave 1991-2006

Characteristics: The country's industrial relations laws were formulated as a result of the return of democracy in the early 1990s (Parajuli et al., 2015). The important historical legal frameworks passed in Nepal's history of IR systems were the Labor Act (1992), the Children Act (1992), the Trade Union Act (1992), and the Industrial Enterprises Act (1992). (Nepal Law Commission, 2018).

During this time, the politicized trade unions prospered. Impact of globalization resulted in the import of foreign goods and the failure of domestic industries. Foreign hiring practices so become more prevalent.

4: Fourth wave 2007–present

Characteristic: Growing political elite meddling in the labor system. Political elite and covert workers' control of labor organizations failed to increase industrial activity. Industries began to collapse one after another, causing workers to look for work elsewhere. This was the worst period for workers because of the need to travel for employment.

Conclusion

The majority of workers, according to the study, thought that labor unions had pushed for the formation of workers' rights and the growth of facilities. Unions have had a significant impact on both the implementation of the system of fringe benefits and the rise in worker pay. The availability of leave is a major inducement for employees and one that the labor unions embrace. Paying hardworking workers for overtime is favorable from an economic perspective. Overtime paid to employees is a potential source of extra income. More temporary employees than permanent ones benefit from the overtime compensation. The labor union also lobbied for the installation of sanitary infrastructure, clean drinking water, and other amenities at the workplace to enhance working conditions. The management is in charge of the life insurance and first aid kit box.

References

- Greenhalgh, L. R. (1984). *Job insecurity: Toward conceptual clarity*. Academy of management review.
- Hanlon, M. D. (2016). *Union, productivity and the new industrial relation, strategic Consideration*. UTC.
- Pokhrel, N. K. (2017). Role of labor union to increase the facilities of workers of manufacturing industries of Nepal. *World Wide Journal of Multidisciplinary Research and Development*, 1.
- Shrestha, B. R. (2012). *The effect of trade union on workers*. VaasanAmmattikorkeakoulu.