

## Managerial Unionism

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### **Abstract-**

We have outlined the evolution of managerial unions in India. We have attempted to give a general picture of the boundaries of a typical managerial association. We have briefly described the managements' reactions to the managerial association. We have examined the main causes for the formation of managerial unions. We have given a brief account of the activities of the managerial associations in general.

### **Keywords-**

The Evolution of Managerial Unions in India, Boundaries of Managerial Associations, Managements' Reactions to Managerial Associations, Why Managerial Unionism?, The Activities of Managerial Unions.

### **Introduction-**

Managers and officers in India belonging to such diverse organisations as manufacturing enterprises, commercial banks, insurance companies, research and development laboratories, electricity boards, trading corporations, merchant navy and the civil service are increasingly banding themselves into collectivities of associations, which are gaining the aspects of trade unionism. The

word 'manager' is not the only possible label for this diverse group of people. Industry employs 'managers', the civil service and merchant navy have 'officer', as do the bank and insurance companies; research institutes and laboratories employ 'scientists and technologists', electricity boards and sections of commercial airlines have 'engineers'. Although called by different names, and doing varied jobs, it is quite clear that these men and women have a great deal in common. They belong to the higher echelons of organisational hierarchy. They are different from the white-collar groups (such as clerks, draftsmen, technicians, salesmen and laboratory assistants whose tasks are routine and repetitive, although non-manual) and the blue-collar employees (who are paid for exertion of physical effort). They may be simply be titled 'managers'.

In India, collectivities/organisations of managers are popularly known as 'officers' associations'. The officer's associations as well as trade unions exist to protect and advance the work interests of their members. As such, the terms 'association' and 'trade union' can be used synonymously.

The following sections cover the evolution of managerial unions in India, the

reasons for the formation of managerial unions, and the activities of these unions.

#### **The evolution of managerial unions in India-**

In India, no coherent chronological account is available of the evolution of managerial unions, much less its spread or density. Organisations of managers appear to have been existence for decades, with associations of merchant navy officers, airline pilots and flight engineers dating back to the period around Independence.

The managerial union movement is reported to have grown and spread during the seventies, especially in the coal, steel, petroleum, engineering, chemical, textile, electronics, banking and insurance industries.

Managerial unions, like trade unions in general, suffered a minor setback towards the mid-seventies on account of national emergency. In fact, during the Janata Government regime that followed the Emergency, several officers' associations were registered as unions under the Trade Unions Act, 1926.

In 1978, the associations of officers in the public sector witnessed a major shift in their character and direction from a rather passive and non-assertive stature to an active and assertive style. This also led to a change in the relations between these associations and the management, which became more cordial in general, though bitterness continued in several cases.

In the public sector, the managerial union movement entered a new phase in the eighties. In the year 1983, the National

Confederation of Officers' Associations (NCOA) was formed mainly to protect the interests of the officers in the Central Public Sector Undertakings (CPSUs).

The economic and industrial policies of the new Government that came to power in June 1991 have created pressures and insecurities for all public sector employees including officers. As such, the role of the NCOA has become all the more important as well as challenging. Officers/managers of giant corporations like coal, steel, oil and power sector enterprises are not members of the NCOA, but they have come closer to the NCOA through their respective industrial federations of officers/managers/executives after the introduction of the New Economic Policy in 1991.

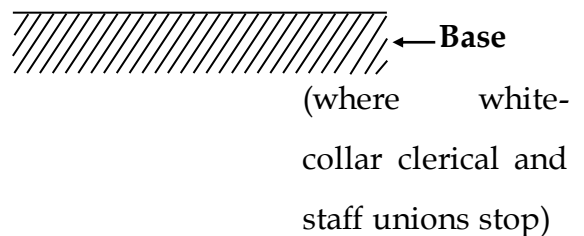
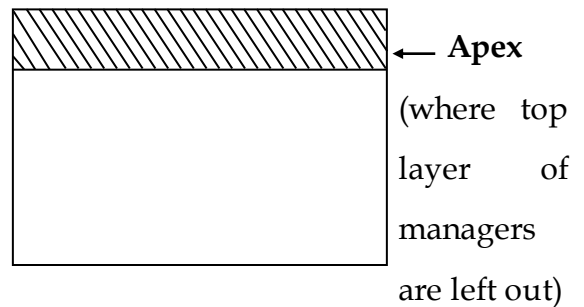
A major development that occurred in June 1992 was the formation of a new organisation called the Professional Workers' Trade Union Centre (PWTUC) to look after the interests of the managerial and supervisory staff, officers and scientific workers. Among the major organisations that have joined together to form the PWTUC are: All India Bank Officers' Confederation, NCOA, All India Life Insurance Officers' Associations, and Council of Scientific and Industrial Research Scientific Workers' Association. These five organisations together represent about 4.5 lakh professional workers. The most important objective of the PWTUC is security of service for the managerial and supervisory staff.

The private sector managers both in the MNCs and the family-controlled enterprises, have formed their associations. The industries in which managerial unions formed in the MNCs include pharmaceuticals, engineering, chemicals, and consumer products (Glaxo, Guest Keen Williams, General Electric). Among the indigenously owned companies which have officers' associations are: Grasim, Tata Electric, Mafatlal Group, Kamanis, etc.

**Boundaries of Managerial Associations-**

It is problematic to determine the limits of association constituency of managerial associations in India. Ramaswamy (1985) describes the boundaries of managerial associations with the caveat that his description presents only a general picture of the boundaries of a typical managerial association, and, as such, vast differences do exist in the managerial association boundaries in different organisations or even in different enterprises within the same industry.

According to Ramaswamy, at the base the managerial associations take up from where white-collar clerical and staff unions stop. At the apex, the managerial associations would evidently leave out the top layer of managers who may not join, or be acceptable to the associations. What lies in between these two points is association territory.



If we turn our attention to the differences in the boundaries of the managerial associations in different organisations/industries, we may notice white-collar workers (at the base) teaming up with managers in some banks. Similarly, at the apex the reach of the managerial association varies from one organisation to another. In some commercial banks, association membership normally stops at the Regional Manager. In the Life Insurance Corporation, the membership extends a title further, with the Zonal Managers also joining the association. The steel plants and coal mines probably represent the ultimate, with the association membership reaching right up to the level of General Manager.

**Managements Reactions to Managerial Associations-**

1. Managements' response to officers;/managers' associations in public sector have varied over time. The initial response in almost all cases was one of antagonism and hostility. In the Post-Emergency period there was change in the attitude of the managements towards managerial associations.
  2. As the managements started dealing with the managerial associations, they discovered that the association of officers/managers is not an evil force. As such, many of them gave de facto recognition to these associations and a working relationship got established between managements and managerial associations.
  3. In the private sector, the attitude of the top management towards the managerial associations was in general hostile. Although the managerial associations do continue to exist in this sector, reportedly, they are not quite comfortable with their top managements.
2. **Loss of Identity**-Like workers, managers too experience a loss of power, a facelessness among the changes and reorganisation of enterprises in the modern world. Many managers, especially, the junior ones have little access to information pertaining to the company.
  3. **Job Insecurity**-While one of the hardest things in Indian industry is to terminate the services of a worker, it is not very difficult to remove the managers from their jobs. Even in the public sector, the junior and middle level managers do not have the job security.

Under the industrial Disputes Act, 1947, the workmen enjoy job security, and they are entitled to : a) Lay-off compensation, if laid-off; b) retrenchment compensation, if retrenched: and c) some sort of statutory compensation in case the establishment is closed down or its ownership is transferred.

#### **Why managerial unionism?**

Some of the major causes for the formation of managerial unions in India are:

1. **Narrowing Wage Differentials**-There is a wide-spread feeling among the managers that compared to unionised cadre of workmen they are getting a raw deal from their employers in terms of remuneration. They complain
4. **Perceived Need for Protection from Militant Trade Unionism**-As the junior and the middle level managers are responsible for translating managerial decisions into action, they are in the direct line of union fire. The unionised workmen and staff could

make it difficult for the managers to take work from them due to their unions' support and the protection they enjoy from labour legislation.

5. **Bureaucratic Culture**-The bureaucratic culture which characterises the working environment of all public enterprises is another factor contributing to the emergence of managerial unionism. In these organisation, the junior and the middle level managers feel lost, as the decisions are taken unilaterally by the higher authorities or concerned Ministries.
6. **Absence of Participative Forum**-The government and the managements who are so concerned with the worker's participation in management hardly give a thought to the managers' need to participate in management. They use the collective negotiation/bargaining that takes place between their associations and the top management as a participative forum for being associated with the management as closely as possible.
7. **Promotion Policies**-The promotion policies of organisations also have had their effect on association formation. The nationalised banks have to fill by promotion three-fourths of the positions at the lowest point in the officer category. The promotion policies in some organisations have a flipside-discrimination in promotion

processes; promotions not based on merit etc. Thus, the promotion or lack of it or discrimination in the promotion process has been a major source of dissatisfaction among managers, particularly, public sector managers.

8. **To be a Third Force between the Working Class and the Management**-The protection of labour laws, and the privilege of a real manager, the junior and middle level managers have gone for the only option left to them, that is, the formation of the officer's associations. They would not like to be considered as part and parcel of either of the working class or the management, but as a 'third force' between these two groups.

#### **The Activities of Managerial Unions-**

The activities of managerial associations reflect the character and personality of managerial unionism. The day-to-day activities of managerial activities may be categorised as:

- (a) **Protection, Preservation and Improvement of Occupational Interests**-The main thrust of managerial associations is on protection, preservation and improvement of the occupational interests of their members, which include, among other things, opportunities for promotions, pay revision, grievance redressal,

improvement of working conditions, and introduction or enhancement of various fringe benefits. While pursuing the occupational interests, some association resort to agitational methods such as strikes, demonstrations, gheraos, displaying posters in vile and objectionable language, processions in the streets etc.

- (b) **Welfare Activities**-The welfare activities of the managerial associations, in general, include: establishment and management of cooperative societies, management of officer's clubs and canteens, organisation of cultural, recreational and sports activities, management of educational trusts, collection of a certain amount as part of managerial association subscription and financing the same for a Group Insurance Scheme of the Life Insurance Corporation, etc.
- (c) **Organisational Interests**-One of the important activities of managerial associations is to supplement the efforts of the management that are aimed at professional development of manager, by way of organising seminars, and talks on various topics. Another important activity is to help the management in improving the productivity of the organisation.
- (d) **Channel of Communication**- Managerial associations are proving to

be an effective channel of communication in their respective establishments. By raising the concerns of officers before the management and by presenting the views of the management to the officers (members), a managerial association operates like a bridge for two-way communication.

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