

Employee Relations Climate in Leather Industry in Kolkata

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This study has been conducted on the two leather manufacturing units of Kolkata employing more than 400 workforce comprising both supervisory and workmen. The study analyses the employee relations climate existing at various levels. The study also identifies the employee attitudes which determine the employee relations in the sample leather units of Kolkata. It is concluded that working conditions, level of supervision, communication, worker participation, inter-personal relationship etc. induce the employee relation climate in the surveyed units. The paper further concluded that by improving these factors, a conducive climate can be achieved.

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Introduction

Employer and employee relations constitute one of the most delicate and complex problems of the modern industrial society with growing prosperity and rising wages. Workers have gained higher living wages, more education, sophistication and generally greater career mobility as growing numbers of population have been compelled to leave the farms and become wage earners under industrial conditions. The Hawthorne studies conclusively showed that normal interactions of workers at work always create a social network called 'informal organization', which exerts tremendous influence over pattern of workers behavior. The study highlighted the need for an understanding of the social aspects of work performance, etc.

Theoretical Perspective

Employee relation practices that meet organizational objectives and employee needs result in a high quality of work life. Employee relations activities are shared with supervisors because of the growing complexity of organization laws and union management relations.

There are several variables that directly affect employee relations through communications, counseling and disciplinary practices.

Three main schools of thought can be identified on the issue. Those arguing for 'employee involvement' for example, view it as 'the means to harness the talents and cooperation of the workforce in the common interests they share with management' (Cascio, 1998). This has been an approach based on managerial point of view, which aims at retaining the established authority structure of enterprises using systematic methods of communication, information and consultation with subordinates. Those supporting '*industrial democracy*' aspect have argued largely from trade union point of view. Their aim is to sharing managerial power in enterprises by strengthening trade union organization and by widening the scope of collective bargaining (Michael, 1996). The third major approach, that of 'worker participation', aims at changing the basic authority structure of business enterprises by legislating for employee representatives on company boards as practiced in some west European countries. However, it should not be confused with "producer cooperation", which aims at worker control of enterprises through worker co-ownership and self-management (Harper, 1987).

Labor Scenario in Kolkata's Leather Industry

West Bengal's leather industry employs over 200,000 people (Department of Labor, Government of West Bengal,

Working conditions in the tanneries and leather manufacturing units in West Bengal are generally appalling

2010). Working conditions in the tanneries and leather manufacturing units in West Bengal are generally appalling except in the case of very few units like Bata, Khadims etc. There is scant regard for workers' safety or health. However, with the shifting of large number of leather industry organizations to newly built Calcutta Leather Complex (CLC) near Bantala, which is spread over across 1100 acres of land with all modern infrastructure and technical amenities about 50000 directly employed workers and about 150000 indirectly dependent workforce are enjoying better working conditions than their counterparts working in traditional concentrations (Kashyap, 1997). Though the traditional leather units of Kolkata is dominated by low caste and Muslim migrant workers from the neighboring states of Bihar, Jharkhand and Eastern Uttar Pradesh, the entry of people from different backgrounds is growingly visible in the sector (Kashyap, 1997). Moreover about 70% of the workers engaged in the industry are traditionally employed as casual workers. Most of them join the industry as workers with very low or no skill and they acquire required skills simply by observation at the initial stages. Very often these low skilled new entrants to the sector acquire skill under the guidance of their relatives or somebody from their places of origin, also employed as worker in a leather unit in

The legal provision of minimum wages is not even followed in most units.

Kolkata. They are the people, who actually bring these very cheap workers from their villages to enable them to learn the required skills at the place of their employment. Initially, these newly inducted workers are either paid very minimum or no wage and are only provided with the opportunity to learn new skills for the industry and then these people are either given jobs at the same place or they themselves search employment in other units. However, the labor market is flexible and intensively competitive and mostly paid on the piece rate basis. Abundant supply of labor together with the absence of unit level strong labor unions has pushed down the wages to the reservation level. The legal provision of minimum wages is not even followed in most units and the workers are also not in the position of demanding higher wage rates as the supply of labor is abundant. According to the recent government order, the minimum wage rate for unskilled /low skilled workers in tanneries and leather manufacturing units in KMDA area should be Rs. 162.33, Rs 178.46 for semi-skilled workers and for the highly skilled workers it should be Rs. 196.31 (Department of Labor, Government of West Bengal, 2011). However, in reality very few units comprising tanneries, fabricators and manufacturers comply with these minimum wage rates. It has also been observed that in most of the manufacturing units, specially the leather footwear

and accessories manufacturing units, the work is based on almost putting out system and during peak season the workers work for 16 -18 hours per day and during slack season the daily working hour comes down to 6- 7 hours per day only causing loss of employment to many low skilled or unskilled workers, those have been inducted to the workforce during peak hours (Ray, 2009). However, the limited number of workers working under the regular payroll remains with their jobs. In tanneries and fabricating units the machine operators and highly skilled workers are offered regular employment and in leather product manufacturing units the highly skilled workers, specially the solemen and uppermen are kept as fixed workers. Though the practice of child labor and the women workers are rampant in many small home based leather product manufacturing units, still it has been growingly restricted in organized units due to self regulation by the units themselves under the surveillance of respective industry bodies like Indian Leather Products Association etc.

Objectives

The paper intends to achieve the following objectives:

- (1) Analyse the employee relations climate existing at various levels viz. the supervisor and the workers.
- (2) Identify the employee attitudes determining the employee relations climate in the selected sample leather units of Kolkata.

Data Collection & Data Analysis

Two sample leather units have been identified on the basis of two key parameters, viz. units with minimum number of 200 employees and representing leather products manufacturing sector of Kolkata. As most of the leather products manufacturing units in Kolkata belong to small and medium scale category and have been employing not more than 150 employees (ILPA, 2009), selection of these two units can be considered as more helpful for the purpose of research. The data collection has been conducted for about 120 days (Jan-April, 2012), starting from the early January 2012 by distribution of questionnaire. Total 150 questionnaires were distributed among the workmen of both the units and 84 questionnaires to the supervisory staff. The attempt was to cover more than 50% of the workmen and supervisors from both the units. However, due to procedural problems and response patterns only 107 feedbacks of the work-

men category and 59 from supervisory category have been included. The convenience method of sampling procedure has been adopted to conduct the survey and the sample size can be presumed as statistically valid as more than 30% responses (both combined and at the unit as well as employee category level) have been considered for further analysis after final short listing of work force feedbacks. All relevant variables of the questionnaire were independently administered to each respondent. The responses are obtained on a 5-point scale. However, some informal discussions have taken place between the researcher and the surveyed workers on certain issues which has not been included in the structured questionnaire.

The data so collected was tested by reliability analysis. The data exhibits the reliability as the co-efficient alpha value has been calculated as 0.7418, which is higher than the valid alpha value of 0.7.

Table 1 Brief Profile of Sample Distribution across Workforce in Surveyed Units

Sample units	Total number of employees	Total workmen	Total supervisory staffs	Total surveyed workmen	Total surveyed supervisors
Kim Lung Associates	208	138	70	53	30
Ahmedia Enterprises	227	149	78	54	29
Total	435	287	148	107	59

Source: Primary data

The above description shows that the distribution of surveyed workers and supervisors from both the units are more or less equal in terms of their percentage in total sample size of each category. The details of the surveyed respondents have been categorized based on demographic

parameters like educational qualification, age, marital status and experience

(Table 2). The typical trends across surveyed sample are as follows:

- i) The supervisory cadre employees are more qualified than the workmen

Table 2 Demographic Details of the Respondents

	Supervisory cadre	Percentage	Workmen cadre	Percentage
Educational details				
Up to School level	6	10.2	83	77.5
Above school level	53	89.83	24	22.5
Total	59	100	107	100
Age				
< 30 years	4	6.8	11	10.2
31-40 years	13	22	38	35.5
41-50 years	20	34	32	30
>50 years	22	37.2	26	24.3
Total	59	100	107	100
Marital status				
Married	55	93.2	98	91.5
Unmarried	4	6.8	9	8.5
Total	59	100	107	100
Experience				
>2Years-<5 years	5	8.4	12	11.2
>5 years-< 10 years	13	22.1	79	73.8
> 10 years	14	65.9	16	15
Total	59	100	107	100

Source : Primary data

cadres as 89.83% supervisors have been found to be experienced post-schooling higher education, whereas 77.5% workmen have studied up to the school level only.

Experience and educational qualification has been found to be the important determinants in career progression.

- ii) Experience and educational qualification has been found to be the important determinants in career progression in the sample units. It has been found that more workers are engaged in fewer units and those who enhanced their qualifications, have risen the career ladder by getting promotion from ordinary workmen to supervisors over the years. However, those who have
- not enhanced their qualifications and have changed their jobs frequently under different circumstances, have not been able to experience such career progression. This is visible not only in the demographic patterns, but also in informal discussions with the surveyed employees of both the categories. The demographic details show that about 37.2% of the supervisors are above 50 years age and 65.9% are engaged with more or less same units for more than 10 years. Many of them have started their career as workmen only. Majority of the workmen surveyed are at the age group of 31-40 years (35.5%), which is steadily decreasing towards higher age groups.
- iii) Experience wise, the peculiar trend shows that the maximum supervisors

(65.9%) have the experience of more than 10 years, whereas the maximum concentration (73.8%) of workmen are in the category between 5 and 10 years.

iv) Marital status-wise, no significant difference in percentage shares

has been identified between the two groups of the surveyed employees.

The mean score on the response patterns of different employee relations initiatives by the employers is presented in Table 3.

Table 3 Mean Scores of Employee Relations Attributes

Attributes	Supervisory level		Workmen level	
	Mean	Std. Error	Mean	Std. Error
Adjustment function	2.86	.12	2.75	9.11E-02
Cooperation	3.12	9.99E-02	2.94	6.75E-02
Communication	3.10	7.91E-02	2.62	6.85E-02
Compensation	3.14	7.82E-02	2.89	5.84E-02
Employee worth recognition	2.75	.15	2.21	.12
Executive –supervisory relationship	3.27	7.96E-02	2.07	.13
Future	3.20	7.16E-02	2.65	.10
Resolving grievances	3.12	8.40E-02	2.85	8.37E-02
Job-content	3.10	7.13E-02	3.10	5.62E-02
Job-security	2.90	9.88E-02	2.85	7.37E-02
New ideas	2.71	.15	1.84	.12
Participation and involvement	3.08	8.81E-02	3.15	4.75E-02
Prevention technique	3.10	7.91E-02	3.01	5.55E-02
Promotion	3.05	9.18E-02	2.77	8.46E-02
Trade union effectiveness	3.29	8.39E-02	2.74	8.74E-02
Management-union relationship	3.19	7.44E-02	2.52	.11
Rewards	2.75	.14	2.42	.12
Supervisor-worker relationship	3.20	7.94E-02	2.81	7.87E-02
Supervision	3.31	7.35E-02	2.87	6.52E-02
Value Expressive	2.83	.10	2.59	9.84E-02
Welfare	3.39	6.40E-02	3.33	4.56E-02
Working condition	3.00	6.84E-02	2.81	6.52E-02

It has been observed that out of the 23 variables, workmen are highly dissatisfied with respect to two viz. new ideas (mean score 1.84) and executive-supervisory relationship (mean score 2.07), whereas in respect of four different variables the workmen have been found to be highly satisfied, viz. job-content (mean score 3.10), participation & involvement (mean score 3.15), prevention technique

(mean score 3.01) and welfare facilities (mean score 3.33).

In order to reduce the number of variables and to make more meaningful factors which play significant role for favorable relations climate, factor analysis has been attempted. The analytical procedure adopted here is the principal component analysis. Out of the 23 items presented in the questionnaire and their loading on each

Table 4 Factor Loading & Component Matrix

Variables	1	2	3	4	5	6
Job content (X1)	-.139	-.231	.599	.122	.334	.038
Work condition(X2)	.160	-.230	.650	-.018	.085	-.087
Communication(X3)	.484	-.238	-.028	.368	.046	-.208
Executive-supervisor Relationship(X4)	.667	-.307	.290	-.043	-.124	-.059
Supervisor-Worker Relationship(X5)	.512	-.487	.163	.066	-.280	-.042
Compensation(X6)	.448	2.E-02	.100	-.097	-.110	-.425
Welfare activities(X7)	-.175	.175	.359	.361	-.162	-.016
Participation and Involvement(X8)	.261	-.100	-.078	.253	.142	.507
New ideas(X9)	.311	.400	9.E-02	.111	-.203	-.130
Job-security(X10)	.260	-.102	4.E-02	.076	-.047	.438
Cooperation(X11)	.258	.204	6.E-02	-.419	.100	.193
Supervision(X12)	.543	-.093	-.157	-.269	-.057	.104
Promotion(X13)	.433	-.161	3.E-02	-.135	.414	.024
Rewards(X14)	.446	.241	-.042	.509	-.120	.314
Adjustment function (X15)	.375	.468	-.137	-.133	-.179	.000
Development of employee potential (X16)	8.E-02	.500	.404	-.239	-.307	.157
Employee-worth recognition (X17)	.466	.343	.125	-.153	-.336	.165
Value expression (X18)	.391	.149	.382	-.247	.427	.079
Quality of union activities(X19)	.315	.255	5.E-02	.139	.214	-.279
Union-management relationship(X20)	.420	.152	-.007	-.034	.213	-.117
Resolving Grievance (X21)	.297	.471	-.159	.253	-.111	-.312
Prevention Technique(X22)	.324	.352	-.348	.004	.450	-.079
Future (X23)	.266	.134	-.044	.508	.190	.116

Extraction Method : Principal Component Analysis (8 components extracted)

of the 6 factors the measures contributed to 6 interpretable factors, accounting for 56 percent of the variance in the employee relations. Table 4 shows the factor loading and component matrix based on the 6 factors extracted from 23 items.

It can be further observed from the above analysis that 23 items are positively distributed through 92 components and 23 components have been identified from these 92 positive components, which have highest factorial influence. Table 5 presents the distribution of these positive components through 23 items.

From the above, it is observed that factors like communication (X3), execu-

tive-supervisor relationship (X4), supervisor-worker relationship (X5), compensation (X6), supervision (X12), promotion (X13), employee worth recognition (X17), quality of union activities (X19), union management relationship (X 20) are highly associated with the first factor. These variables stress the relationship in the organization and mode of having good relationship between various categories of employees, which may be named as a "Management-Employee Relation". These measures account for 15.34 per cent variance in the employee relation climate in the industry.

The variables like new ideas (X9), adjustment function (X15), development

Table 5 Results of Factors Influencing Relation Climate

Variables	Code	Factor 1	Factor2	Factor3	Factor4	Factor5	Factor6
Job content	X1			.599			
Work condition	X2			.650			
Communication	X3	.484					
Executive-supervisor Relationship	X4	.667					
Supervisor-Worker Relationship	X5	.512					
Compensation	X6	.448					
Welfare activities	X7				.361		
Participation and Involvement	X8						.507
New ideas	X9		.400				
Job-security	X10						.438
Cooperation	X11				.419		
Supervision	X12	.543					
Promotion	X13	.433					
Rewards	X14				.509		
Adjustment function	X15		.468				
Development of employee potential	X16		.500				
Employee-worth recognition	X17	.466					
Value expression	X18					.427	
Quality of union activities	X19	.315					
Union-management relationship	X20	.420					
Resolving Grievance	X21		.471				
Prevention Technique	X22					.450	
Future	X23				.508		

of employee potential (X16) and resolving grievance (X21) are associated with the second factor. This variable depicts the employee commitment in the development of organization, which is labeled as ‘Employee Commitment and Responsibilities’.

The variables like job-content (X1) and work condition (X2) are related to the third factor. These variables feature the work nature which might be identified as ‘nature of work’.

It is also observed that the variables like welfare activities (X7), cooperation (X11), rewards (X14) and future pros-

pects are related to the fourth factor. These variables emphasize aspects like employee support and encouragement, which may be termed as ‘employee motivation climate’.

The variables like value expression (X18) and prevention technique (X22) come under the fifth factor. These variables significantly explain the security, protection, shelter and safety to the worker and therefore, can be categorized as ‘safety measures’.

Finally, the variables of participation and involvement (X8) and job security (X10) are analogous in factor six. These

variables have identified the sharing and support, which might be named as 'workers participation'.

Conclusion

The study has revealed that the factors like management-employee relation, employee commitment and responsibilities, nature of work, employee motivation climate, safety measures, workers participation etc influence the overall employee relation climate in the sample organization. By bringing significant improvements in these factors a conducive climate can be achieved. However, different variables are required to be qualitatively enhanced for ensuring significant improvements in the classified factors.

Limitations

Certain limitations of the study can not be denied as all the data have been collected through single source self reported measures. Therefore, common

method variance may be a major problem. Responses of individual survey items may not be truly independent as there has been a chance influence of group membership. From this perspective, it can be said that more research is needed to examine the generalization of this study.

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