

A Study of Factors Affecting Liberalization Policies of Jute Industries in Visakhapatnam District

P. Suseela Rani, Research Scholar, Sri Sri University, Odisha, ss_pasumarti@yahoo.co.in
Dr. Anup Samantray, Professor, Sri Sri University, Cuttack, Odisha, a_samantaray@srisriuniversity.edu.in
Dr. Sunil Kumar Dhal, Associate Professor, Sri Sri University, Cuttack, Odisha, sunil_dhal@srisriuniversity.edu.in

Abstract:- The researcher had made an attempt to evaluate the most influential factor for Work environment, Grievance handling system and Participation management with the impact of liberalization policies on industrial relations by taking twenty two parameter for the jute industry of the sample districts of Visakhapatnam. The researcher has personally collected the opinions of the respondents through the structured questionnaire. The collected data are analyzed through KMO test, Factor Analysis, Bivariate Correlation Matrix Reliability test. The Analysis shows that the employees are considering three parameters out of twelve of work environment, two out of five for grievance handling system and also two out of five parameters from participative management.

Keywords: Factor Analysis, Wage, Salary, welfare facilities, social security measures.

1. INTRODUCTION

The term 'Industrial Relations' comprises of two terms: 'Industry' and 'Relations'. "Industry" refers to "any productive activity in which an individual (or a group of individuals) is (are) engaged". By "relations" we mean "the relationships that exist within the industry between the employer and his workmen." that stipulated basic health and safety conditions in workplaces was also built up during the 19th century. It also covers the relation between employer vs. employer and employees vs. employees. To safeguard the interests of the all the parties, harmonious relationship is necessary for both employers and employees of the production. In order to maintain good relationship with the employees, the main functions of every organization should avoid any dispute with them or settle it as early as possible, so as to ensure industrial peace and harmony with higher productivity. Industrial Relations also called as labour-management, employee-employers relations. According to *National Commission on Labour (NCL)*, "industrial relations affect not merely the interests of the two participants- labour and management, but also the economic and social goals to which the State addresses itself. To regulate these relations

in socially desirable channels is a function, which the State is in the best position to perform".

According to *Industrial Dispute Act 1947* : "Industrial Relation is deals with the manpower of the enterprise and the management which is concerned with – whether machine operator, skilled worker or manager".

"Industrial Relation is a relation between employer and employees, employees and employees and employees and trade unions and the process by which people and their organizations interact at the place of work to establish the terms and conditions of employment."

1.1 SIGNIFICANCE OF INDUSTRIAL RELATIONS

Industrial Democracy: Cordial industrial relations are based on consultation between the workers and management which help in establishment of industrial democracy in the organisation.

Industrial Peace: Cordial industrial relations bring harmony & remove causes of disputes which leads to industrial peace which is necessary for productivity and growth.

Collective Bargaining: Good industrial relations are extremely helpful for entering into long-term agreements as regards various issues between Labour and Management.

Fair Benefits to Workers: The Workers should get sufficient economic and non-economic benefits to lead a happy life. It is possible when relations between workers and management are cordial and productivity is high.

Facilitation of change: By creating a climate of cooperation, & confidence make the process of change easy. Hence, full advantage of latest inventions, innovations & other technological advancements can be obtained. The work force easily adjusts itself to required changes for betterment. Thus, smooth industrial relations are necessary and useful to employers and employees.

Improve the economic conditions: The fair wages, welfare measures, social security improve the employees economic conditions.

Uninterrupted production: Important benefit of IR is that this ensures continuity of production. It means, continuous employment for all from manager to workers. Resources are fully utilized, resulting in the maximum possible production. So, there is uninterrupted flow of income for all.

Reduction in Industrial Disputes: Good industrial relations reduce the industrial disputes. It helps promoting co-operation & increasing production.

High morale: Good industrial relations improve the morale of the employees. Employees work with great zeal with the feeling in mind that the interest of employer and employees is one and the same, i.e. to increase production. Every worker feels that he is a co-owner of the gains of industry.

Mental Revolution: The main object of industrial relation is a complete mental revolution of workers and employees. The industrial peace lies ultimately in a transformed outlook on the part of both. Both should think themselves as partners of the industry and the role of workers in such a partnership should be recognized. On the other hand, workers must recognize employer's authority. It will naturally have impact on production because they recognize the interest of each other.

Reduced Wastage: Good industrial relations are maintained on the basis of cooperation and recognition of each other. It will help increase production. Wastages of man, material and machines are reduced to the minimum and thus national interest is protected.

Minimize the cost and Maximize the Profits: It is evident that good industrial relation is the basis of higher production with minimum cost and higher profits. It also results in increased efficiency of workers. If the twin objectives of rapid national development and increased social justice are to be achieved, there must be harmonious relationship between management and labour.

Safeguard the interest of labour: To safeguard the interest of labor and management by securing the highest level of mutual understanding and good-will among all those sections in the industry which participate in the process of production.

Avoid industrial conflict: Harmonious relations are an essential factor in the productivity of workers and the industrial progress of a country.

Higher Productivity: Due to cordial industrial relations, workers take interest in their jobs and work efficiently which leads to higher productivity and production & thus contribute to economic growth of the nation.

2. SCOPE AND SIGNIFICANCE OF THE STUDY

The Jute Industry, which is one of the oldest traditional industry providing employment opportunities to huge number of population particularly unskilled and semiskilled. As labour intensive industry huge employees particularly unskilled in the backward areas leads to poor industrial relations. Earlier studies revealed that there were lot of strikes and lockouts taken place in Jute Industry. This is one of the traditional industry which lost huge number of manly hours, loss of productivity due to poor industrial relations. So, the researcher studied the impact of liberalization on industrial relations in Jute Industry.

In entire state of the Andhra Pradesh these are the three districts i.e. Visakhapatnam, Vizianagaram and Srikakulam, which are having cultivation of Jute and Mesta. Basing on

the availability of the raw material, nearest to the national market (Kolkata in West Bengal) and the availability of labour this industry is established and concentrated in North Coastal Andhra Pradesh consisting of Visakhapatnam, Vizianagaram and Srikakulam districts. In pre liberalization lot of jute mills are in unrest because of poor industrial relations. Very few mills are worked without strikes and lockouts. So, the researcher has planning to study and survey the industrial relations in post liberalization.

3. LITERATURE REVIEW

The total literature available on the Jute Industry HR aspects, Effect of Liberalization on Industrial Relations in Jute Industry is of various types i.e., research reports (both published and unpublished dissertations), reports of the government and the papers published in various highly reputed journals. The researcher has gone through these sources which made him finally to select the present problem

Surveys conducted by Ira Mitra, Supriya Roychowdhury, N. Bhattacharya and A. K. Chatterjee reveal that, "works divulge that, in pre-liberalization jute mill labour was most unstable and floating in character, and the labour supply in jute mills was greatly affected by the seasons. The bad living and working conditions, the low wage rates, and the fluctuations in the international jute market and hence in employment, leads to the failure of the leadership of jute mill workers."

Valerie Wright (Dundee) studies disclose that, "In the 1960s and 1970s Jute companies had combated the labour shortage in the industry through capital expenditure on more efficient machinery in order to lower labour requirements. Company nurseries were closed and there were few improvements in 'welfare facilities'. Such efficiency measures also included further extension of the double shift system".

Some researchers like Stephen J. Frenkel & David Peetz revealed that "liberalization enhances competitiveness, both at the level of the firm and at the level of the nation. It effects on labour rights, increased unemployment, greater use of contingent workers, widened income inequalities."

Rishiksha T. Krishnan's studies revealed that, "Among developing nations, India has one of the strongest bases of scientific and technical manpower and infrastructure for research and development. The impact of economic liberalization leads to an innovation. Government support and links with government research laboratories have facilitated the process of innovation."

Rana Hasan, Devashish Mitra & K.V Ramaswamy said that, "in the post liberalization, volatility in productivity and output gets translated into larger wage and employment volatility, theoretically a possible consequence of larger labour-demand elasticities, leads to the deleterious effect on the wages and employee relations."

Fred W. Riggs said that, "Globalization focus on world markets, currencies, investments and industrialization have attracted the most attention, its implications for the state and international relations, for problems of war and peace, of endemic conflict, ethnic movements, criminal violence, environmental impacts, educational and cultural aspects, all cry out for attention. This panel will direct attention to the historical, evolutionary, ecological and conceptual aspects of this multi-dimensional phenomenon."

C.S. Venkata Ratnam and Harish C. Jain told that, "now a days, India has been a pioneer in organizing women in the informal sector such as workers' cooperatives, self-help groups such as Working women's forum, Self-employed women's association, etc."

4. RESEARCH DESIGN

The research methodology, which is adopted in this study has been discussed under the following heads:

Method of data collection

Questionnaire Design

Selection of the sample

Techniques of Analysis and Interpretation

4.1. Method of data collection:

Keeping the objectives of the study in mind, the following methodology has been adopted for conducting the present study. While the views and opinions on broad issues have

been collected from selected employees who have more than 15 years of experience from various departments and plants in the jute industry in North coastal Andhra Pradesh. The sample respondent employees constituted the main source of information which is collected by administering a structured questionnaire. Not only the opinions of employees, the researcher should take the opinions of the management representatives, trade union leaders, various labour officers, and government officials of state and central government of the jute industry those who are having more than 15 years of experience.

1.2 Questionnaires design

The researcher constructed a questionnaire using a five-point scale. Each statement in the questionnaire has five alternatives. The respondent was required to give his/her opinion by putting a tick (✓) mark on any one of the five alternatives. The alternatives are Strongly agree, Agree, Neither agree nor disagree, Disagree and Strongly disagree. The questionnaire consists of 22 question of three segment i.e Work environment(12), Grievance redressal System(5), Participative Management(5). The questionnaire was related to industrial relations in post liberalization in North coastal Andhra Pradesh jute industry. Before administering the questionnaires, the researcher has conducted a pilot study in order to test the validity and appropriateness of the statements. To establish reliability and validity of the questionnaire, the researcher personally visited and conducted pre-test administrations of the questionnaire. This pre-test helped the investigator to structure the questionnaire and to improve the effectiveness of the final questionnaire.

1.3 Sample Design

The sample element must be derived from the population set which will be the true representation of the population set. The sample can be formed through probability and non-probability sampling techniques. We have used stratified-probability sampling techniques for deriving population set. The population has classified into a number of homogeneous sample element on the basis of employees

experience. The sample size has calculated through online sample size calculation method using website _____

1.4 Statistical Design

The researcher is to be tested the questionnaire which consists of 22 statements for its reliability by using Cronbach's alpha and found that the overall reliability of the above variables and corresponding items used are acceptable. The researcher is interested to apply Cronbach's alpha test to measure of internal consistency that is, how closely related a set of items as a group. Cronbach's alpha can be written as a function of the number of test items and the average inter-correlation among the items.

Factor analysis is to be used by researchers to identify variables and a pattern of correlations within a set of observed variables. Here, a single respondent's opinion about all statements were totaled and divided with total number of respondents reached to average mean scores of each element. Standard deviation is a measure of how the observations are located in relation to the mean. If the standard deviation is high, it indicates that there is inconsistency; if it is low there is a consistency among the factors

Researcher can be used correlation matrix to check the pattern of relationships. Correlation table will be indicated the clarity for making comparison of each IR element with another element. Next to that, the researcher is interested to find KMO (Kaiser-Meyer-Olkin) and Bartlett's test to check the adequacy and association between elements.

5. DATA ANALYSIS

As we know that the first step of data analysis is to describe or summarize the characteristics and behavior of data set using statistical tools. Here the researcher has tried to analyze through Standard deviation and Kurtosis of the statistical tools. The table 6.1 indicate that, the researcher have taken twelve parameters for analyze Work environment component for analysis. This table indicates that “The working hours are very much convenient” attribute is more deviation as compared to other. This may be the case that the employees are having diversified opinion on this issue. The kurtosis values are positive in all the attributes of work environment parameters.

S. No.	Work environment parameters	Std. Deviation	Kurtosis	
		Statistic	Statistic	Std. Error
1	At work place proper ventilation facilities are provided	.125	1.274	.327
2	Adequate arrangements are made for elimination of noise, dust and fumes.	.250	2.694	.256
3	Work place is having good passage ways.	.278	3.597	.289
4	Adequate measures are taken to reduce the fatigue in the job	.135	3.279	.321
5	At work place proper house-keeping facilities like cleanliness, sanitation facilities are maintained	.492	1.276	.274
6	The working hours are very much convenient	1.180	19.792	.327
7	The work schedules are properly fixed.	.947	2.227	.327
8	Weekly holiday on rotation basis is quite convenient	.852	4.276	.327
9	The shift system is quite convenient.	.805	5.724	.327
10	Adequate safety equipment and fire prevention equipment is provided.	.771	3.382	.327
11	Safety instructions are given promptly.	.808	2.173	.327
12	Accident reporting system is quite good	.857	2.922	.327

Factor Analysis:

KMO and Bartlett's test of sphericity produces the Kaiser-Meyer-Olkin measure of sampling adequacy and Bartlett's

test. The researcher have already stumbled across KMO and Bartlett's test and have seen the various criteria of adequacy, but with a sample of 220, she shouldn't have cause to worry.

Table 6.3: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.586
Bartlett's Test of Sphericity	Approx. Chi-Square	180.651
	df	66
	Sig.	.000

For the KMO statistic Kaiser (1974) recommends a bare minimum of 0.5 and that values between 0.5 and 0.7 and that values between 0.7 and 0.8 are good, values between 0.8 and 0.9 are great and values about 0.9 are superb (Hutcheson & Sofronious, 1999). For these data the value is 0.586, which falls into the range of being good. So, we should be confident that the sample size is adequate for factor analysis.

Through the Bivariate correlation matrix, the researcher has checked the parameter relationship of Work environment of

Visakhapatnam district. As we know that the correlation value will be significant if most of the value lies between 0.2 and 0.7 for individual parameter. The table 6.4 indicates the correlation significance with the attribute. As from the table we find that most of the value lies less than 0.05 except two or three cases which indicates that the attributes/parameters are significant implication to the problem domain. All the parameters/attributes are suitable for the research.

Table 6.4: Correlation Matrix

Work Environment	WE 1	W E2.	W E3.	W E4	W E5	W E6	W E7.	W E8	W E9	WE 10.	WE 11.	WE 12
At work place proper ventilation facilities are provided		.352	.013	.000	.000	.418	.116	.316	.113	.421	.475	.430
Adequate arrangements are made for elimination of noise, dust and fumes.			.020	.210	.004	.318	.074	.292	.259	.129	.001	.018
Work place is having good passage ways.				.001	.000	.437	.040	.098	.495	.308	.142	.327
Adequate measures are taken to reduce the fatigue in the job					.005	.123	.265	.359	.008	.252	.283	.333
At work place proper house-keeping facilities like cleanliness, sanitation facilities are maintained						.268	.416	.414	.466	.098	.043	.382
The working hours are very much convenient							.248	.071	.001	.454	.177	.102
The work schedules are properly fixed.								.023	.352	.104	.482	.483

Weekly holiday on rotation basis is quite convenient	.316	.292	.098	.359	.414	.071	.023		.003	.000	.039	.463
The shift system is quite convenient.	.113	.259	.495	.008	.466	.001	.352	.003		.438	.378	.001
Adequate safety equipment and fire prevention equipment is provided.	.421	.129	.308	.252	.098	.454	.104	.000	.438		.107	.101
Safety instructions are given promptly.	.475	.001	.142	.283	.043	.177	.482	.039	.378	.107		.032
Accident reporting system is quite good	.430	.018	.327	.333	.382	.102	.483	.463	.001	.101	.032	

WE1,WE2...WE12 indicates the Work Environment parameters from one to twelve

The table 6.5 shows the communalities before and after extraction. As we know that the communality is the proportion of common variance within a variable. Principal component analysis works on the initial assumption that all variance is common; therefore before extraction the communalities are all 1. In effect, all of the variance associated with a variable is assumed to be common variance. Once factors have been extracted, we have a better idea of how much variance is, in reality, common. The table shows that 56% of the variance associated with question1 is common or shared, variance. Another way to look at these communalities is in terms of the proportion of variance explained by the underlying factors. As most of the researcher indicates that the communalities value should be 0.4 and more for the factor analysis. The table 6.6 indicates that the data is suitable for the factor analysis.

Table 6.5: Communalities

Work Environment	Extraction
At work place proper ventilation facilities are provided	.566
Adequate arrangements are made for elimination of noise, dust and fumes.	.528
Work place is having good passage ways.	.426
Adequate measures are taken to reduce the fatigue in the job	.527
At work place proper house-keeping facilities like cleanliness, sanitation facilities are maintained	.500
The working hours are very much convenient	.354

The work schedules are properly fixed.	.364
Weekly holiday on rotation basis is quite convenient	.620
The shift system is quite convenient.	.603
Adequate safety equipment and fire prevention equipment is provided.	.629
Safety instructions are given promptly.	.420
Accident reporting system is quite good	.472

Extraction Method: Principal Component Analysis.

The table 6.6 indicates the total variance explained for the research. Initially we have considered twelve no. of attributes/parameters for the research but this table indicates the number of factors for attribute will be four. These attributes are identified whose Eigen values are more than

one. The first parameters whose variance is 15.227% as compared to 13.014%, 11.280% and 10.540 for parameter - 2, parameter - 3 and parameter - 4. These four parameters are explained 50.061% variance as a whole.

Total Variance Explained

Component	Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.827	15.227	15.227	1.689	14.078	14.078
2	1.562	13.014	28.241	1.494	12.449	26.527
3	1.354	11.280	39.521	1.416	11.798	38.325
4	1.265	10.540	50.061	1.408	11.735	50.061

Extraction Method: Principal Component Analysis.

Here the researcher tried to extract the factors which can be considered and so some information is lost. The retained factors cannot explain all of the variance presents in the data but they can explain some. The amount of variance in each

variable that can be explained by the retained factors is represented by the communalities after extraction. However we requested that all loading less than 0.4 be suppressed in the output and the final factors are mentioned through table.

Factor-1	Factor-2	Factor-3	Factor-4
<ul style="list-style-type: none"> At work place proper ventilation facilities are provided Adequate measures are taken to reduce the fatigue in the job. 	<ul style="list-style-type: none"> Weekly holiday on rotation basis is quite convenient Adequate safety equipment and fire prevention equipment is provided 	<ul style="list-style-type: none"> The shift system is quite convenient. 	<ul style="list-style-type: none"> Adequate arrangements are made for elimination of noise, dust and fumes.

The table indicates that the Visakhapatnam jute industry employees are concerned about these factors i.e. At work place proper ventilation facilities are provided, Adequate measures are taken to reduce the fatigue in the job, Weekly holiday on rotation basis is quite convenient, Adequate safety equipment and fire prevention equipment is provided, The shift system is quite convenient and Adequate arrangements are made for elimination of noise, dust and fumes.

A similar type of study has been carried out for grievance handling system containing five parameters. The parameters are the organization having adequate number of grievance mechanism, organization encourages employees to ventilate the grievance freely, Organization attempts to redressal the grievances very quickly, Employees are happy with the way in which the grievances are settled. Trade union interference is rarely required for grievance handling. Through the factor analysis the test has been carried out the result shows that Organization encourages employees to ventilate their grievances freely and Employees are happy with the way in which the grievances are settled are the two important factors for the grievance handling system

The logic behind employee participation is quite simple. By involving workers in making decisions that affect the employees, and by increasing their autonomy and control over their work lives, employees will become motivated, more committed to the organization, more productive and more satisfied with their jobs. In pre liberalization organizations never gave much importance to the employees opinions. In post liberalization the employees' opinions on various issues relating to participation in management in jute industry employees opinions were shot for.

In this context the employees' views and opinions on various aspects of Participative management in the Jute industry in Post Liberalization on North Coastal Andhra Pradesh have been elicited and discussed. Five parameters are taken for measuring the participative management component in respect of which the employees' opinions are collected on a five-point scale and compare with the help of

weighted averages and overall weighted averages which are given tables below. Also analyze the opinions by parameter wise using descriptive statistics and factor analysis. The considered five parameters are Organization welcome employees participative management., Participative management is followed at all levels., Participative management promoting cordial industrial relations., Participative management in the organization improves the operational efficiency of the workers , Organization makes responsible employee by involving through participative management .The analysis shows that the employees are considering two parameters rather than five parameter. The first parameter is organization welcome employees participative management and the second parameters are participative management promoting cordial industrial relation, organization makes responsible employee by involving through participative management

CONCLUDING

In post liberalization, the jute industry in North Coastal Andhra Pradesh provided good Grievance Mechanism. They provided good environment in the organization which made the employees feel free to express their grievances. They collected grievances through open door policy and put compliant boxes in important places in the organization. They followed different types of grievance mechanisms and made it redressed as quickly as possible. So, the trade unions interference decreased in post liberalization. It developed good rapport between the employees and the employer. The factors like organization welcome employees participative management, participative management promoting cordial industrial relation, organization makes responsible employee by involving through participative management, Organization encourages employees to ventilate their grievances freely and Employees are happy with the way in which the grievances are settle are the factors influence to the post liberalization policies.

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