



Productivity Bargaining In a Corporate Sector -A Case Study of Singareni Collaries Company Limited

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Abstract: Productive bargaining is most important dynamic concept. The production is a measure of efficiency with which resources both human as well as material are converted into goods and service. Faster rate of economic growth has been ensured through accelerated production and higher productivity in all branches of economic activity. Human resource being an important input, their productivity plays a significant role in determining the overall economic growth of a nation. Apart from the level of human skills, the quality of raw materials, and technology employed are also responsible for productive human resource.

Key Words: environment, productivity, dramatic improvements

Introduction: In an environment of rapid change, the ability to learn faster, reconfigure process faster and execute process faster is a competitive advantage. Productive enterprises are taken up in response to a breakthrough goal for rapid, dramatic improvement in process performance. Radical redesign of business process enable firms, to achieve dramatic improvements in critical, contemporary measures of performance, such as cost, quality, service and speed. Manufacturing firms have undertaken concurrent engineering. Lean production cellular technology, and its applications have enabled service firms to implement.

Productivity bargaining: Collective bargaining refers to the process of bilateral negotiations between representatives of management and labour representatives on such issues as wages, wage grades, working conditions and other welfare amenities. At the end of negotiations both the parties sign an agreement which has a stipulated duration. In conventional bargaining

whether at enterprise-level or industry level, the lead is normally taken by the union, which demands higher wages, fringe benefits, better working conditions, etc. Most of the times after considerable amount of negotiations, the parties more or less settle by compromise on the demands raised and conceded. Normally no mention is made about work aspects and managements simply require that the unions continue working as before.

Productive bargaining is most important dynamic concept. The production is a measure of efficiency with which resources both human as well as material are converted into goods and service. Faster rate of economic growth has been ensured through accelerated production and higher productivity in all branches of economic activity. Human resource being an important input, their productivity plays a significant role in determining the overall economic growth of a nation. Apart from the level of human skills, the quality of raw materials, and



technology employed are also responsible for productive human resource.

The more productive an industry, the better its competitive position because its unit cost are lower when productivity increase, business have pay higher wages without boosting inflation. That is the way to standard of living improves. It is working smarter. Today's world demands that have do more with less fewer people, less money, less time, less space and fewer resources. Productivity bargaining is a complete process, it involves lengthy, detailed negotiations about the implementation of a variety of management techniques. Such as work study job evaluation. The content of negotiations is more or less comprehensive in the sense that it includes not only bargaining over earnings, but bargaining over other related matters such as reduction in hours, introduction of new payment systems, introduction or extension of shift working, manning of machines and reallocation of job control. In addition, the coverage of productivity bargaining in more or less comprehensive in that generally speaking it apply to all employees in an enterprise. Productivity bargaining generally occurs at the level of the enterprises or company.

Significance of Productive Bargaining: The significance of productivity bargaining is three fold. First, it seems to be move successful in tightening up the pay-productivity link with in organisation. Secondly, it is argued that it opens a whole new source of untapped productivity potential with in an enterprise. Third, it provides potential opportunity for improving the climate of negotiation between management and trade union at company

or organisational level effective productive bargaining necessities openness and trust between the parties in the negotiating process. It is one of the most important method to increase the level of industrial efficiency.

The prime purpose of productivity bargaining is to raise labour productivity and lower unit. Labour costs, and this is achieved by the exchange of alternations in working practices for increase leisure, higher remuneration for labour, more comprehensive fringe benefits and a general increase in the status of manual employees. Moreover, it is an exercise in problem solving and creating new gains rather than just power bargaining over shares.

In a developing economy like india have to make a choice do economic survival and growth, in order to produce the over-increasing volume of goods and services in a developing economy, industrial efficiency is vital. Increase in per capita income has to be achieved by raising the level of output per head of the population.

Increase in the money more rapidly than the increase in the output of goods and services lead to rise in prices. Productivity bargaining is a complex subject, which constitutes an integral part of the collective bargaining exercise. The significant role in productivity, bargaining are the general economic and practical environment, human aspirations, type and nature of industry, management objectives and culture of the organisation, productivity bargaining is necessary for higher productivity and better industrial relations.

Objectives of Study: The main objectives of study is to examine the



productivity bargaining and its effectiveness in singareni collaries company limited. The sub-objectives of study as follows:

To examine positive involvement and commitment of workers and unions.

To analysis the job enlargement of workers.

To study as continuous process in terms technology, materials, products and process.

To offers suggestions to improve the effectiveness of productivity bargaining in singareni collaries company limited.

To examine wage system and pan grades.

Need for the Study: In view of the recent and ongoing economic reforms indian corporate class decide to improve its competitive edge. No organisation can get better overnight. Every organization has to start it day by day success depends on the willingness of management to abandon the traditional approach for a new better way. Productivity bargaining not only help access to the market but also brings a positive image to the organisation. Moreover productivity bargaining is dynamic concept, which changes overtime needs and expectation of the management and workers. The present study makes a modern attempt to examine the productivity bargaining in singareni collaries company limited, kothagudem region.

SCOPE OF THE STUDY: The scope of the present study is confined to the singareni collaries company limited, productivity bargaining implementation in relation to selected criteria. A dedicated discussion on each

criteria has been given to the extent disclosed by the undertaking. The present proposed study covers the entire corporation in overall manner. However, for the purpose of detailed examination region level practices are taken from kothagudem region. Huge investment, vast manpower, materials methods and productivity bargaining approaches of organisation have influenced to select this region.

SAMPLE DESIGN: In order to evaluate the implementation of productivity bargaining in singareni collaries company limited, kothagudem region has been chosen, singareni collaries company limited in leading coal mine company as state owned sector the sample of employees 100 on random basis which includes all levels.

PERIOD OF STUDY: The present proposed study covers a period of five years, from 2013 to 2018 in order to draw trends in productivity efficiency with regard to implementation of productivity bargaining in singareni collaries company limited.

TOOLS OF ANALYSIS: While analysis the primary and secondary data various statistical techniques like a F-Test (Anova) have been computed and used.

Productivity Agreement In Singareni Collaries Company Limited:

There are several difficulties which would be encountered while introducing productivity bargaining agreements in singareni collaries company limited i.e.,

1. There will be inter and intra-union rivalry and friction. Some unions



will be more receptive to the productivity improvement proposals than others. So also the workers who will gain most will be the ardent supporters and it is likely that those who have to give up restrictive practices will be the strongest opponents.

2. Considerable amount of management's time, efforts, ingenuity and money will be required for achieving productivity bargaining. Unions will require adequate information and facilities in order to assess the proposals and keep their members informed. Generally, such information is not supplied by the management. Moreover, unions and their office-bearers are not capable of making assessment of gains of higher productivity and communicate them to their membership.

3. In order to allay the fear of retrenchment, alternate employment opportunities both within and outside the organisation will be necessary. Retraining programme will have to be arranged.

4. Trade unions will wish to be involved in job evaluation exercise and in redressal of grievances/disputes of workers for higher grade-promotion. Training will have to be given to the trade union officials in the technique of job evaluation and work study. Higher level of efficiency can then be based on the close co-operation of the workers and their leaders.

5. Trade unions will have to be persuaded that their members' input-output will have to be assessed more scientifically by using a measure that they consider reasonably fair. After the

trade unions are persuaded to conclude productivity agreements, managements have the equally difficult task of implementing such agreements into reality.

6. Many managements have succeeded in gaining union approval only to find that the agreement was either too vague for implementation or they had paid monetary increase too far in advance of actual increase in productivity. To obviate these difficulties, managements should refrain from anticipating productivity increases and finding a mutually agreed formula to directly relate money wage increase to productivity gains, as, or immediately, after they occur.

7. In a developing economy, government has become actively involved in the industrial relations system. This is because the government is responsible for maintaining industrial harmony for uninterrupted production. Government very often intervenes in the industrial disputes and foists its decisions on the employers to give high money increases. Though there are certain inherent difficulties on productivity bargaining, there are a number of industries in India, which have signed productivity agreements. Many agreements begin with opening paragraphs about productivity, work culture, and the role to be played by the union and the management.

the main factors of productivity bargaining in Singareni Collieries Company Limited: In the SCL main identified factors of productivity bargaining. The following aspects i.e.



- | | |
|-------------------------|---------------------------------------|
| 1.Working conditions | 5.Pay stricture |
| 2.Communication | 6.Workers participation in management |
| 3.Technology Innovation | 7.Quality Improvement |
| 4.Job Enrichment | |

Table-1: Factors of productivity bargaining in Singareni Collaries company limited:

Factors	Employees			
	Executives		Non-executives	
	Effective	Ineffective	Effective	Ineffective
1.Working Conditions	74 (74.00)	26 (26.00)	79 (79.00)	21 (21.00)
2.Communication	78 (78.00)	22 (22.00)	87 (87.00)	21 (21.00)
3.Technology Innovation	63 (63.00)	37 (37.00)	64 (64.00)	36 (36.00)
4.Job Enrichment	71 (71.00)	29 (29.00)	68 (68.00)	32 (32.00)
5.Pay structure	75 (75.00)	25 (25.00)	72 (72.00)	28 (28.00)
6.Workers participation in Management	82 (82.00)	18 (18.00)	84 (84.00)	16 (16.00)
7.Quality Improvement	90 (90.00)	10 (10.00)	92 (92.00)	8 (8.00)
TOTAL	533 (38.00)	167 (12.00)	546 (39.00)	164 (11.00)
X̄(Mean)	76	24	78	22

Source : Compiled from questionnaire data.

Note : Parenthesis indicates percentage

$$\bar{X} = \frac{\bar{X}_1 + \bar{X}_2 + \bar{X}_3 + \bar{X}_4}{4}$$

$$\bar{X} = \frac{76+24+78+22}{4} = 200/4 = 50$$

Variables between sample:

$(X-\bar{X}_1)^2$	$(X-\bar{X}_2)^2$	$(X-\bar{X}_3)^2$	$(X-\bar{X}_4)^2$
676	676	784	784
676	676	784	784
676	676	784	784
676	676	784	784
676	676	784	784
676	676	784	784
676	676	784	784
676	676	784	784
4732	4732	5488	5488



Variance with in the sample:

$(X1-X1)^2$	$(X2-X2)^2$	$(X3-X3)^2$	$(X4-X4)^2$
4	4	1	1
4	4	81	81
169	169	196	196
25	25	64	64
1	1		
36	36	36	36
196	196	196	196
435	435	610	610

Source of Variation	Sum of Square	Degree of Freedom	Mean
Between Sample	20440	3	6813.33
Within Sample	2090	16	130.625

$F = \text{Variable between samples} / \text{Variable with in sample} = 6813.33 / 130.625 = 5.215$
 1% level 5.299 (Table Value)

ANALYSIS AND INTERPREATION:

From the Analysis of Table 1 reveals that the Executive and Non-Executive category towards productivity bargaining chapters in the Executive Category Majority of response appeals quality improvement in effective its dominate first place with 90.00 percent, second place occupied by workers participation in management with 82.00 percent, and third place occupied by communication with 78.00 percent and the last place occupied by technology and innovation with 63.00 percent. In the Non-executive category the first place occupied by Quality Improvement with 92.00 percent, second place Communication with 87.00 percent and last place occupied by Technology and Innovation with 64.00 percent.

It applied in F-Test (Anova)

The table value of F for V1 3 and V2 16 at 1% level significance 4.299 the calculated value of F is less than the table. Hence the hypothesis is accepted.

Conclusions & suggestions:

The major findings that have emerged from the study are presented followed by a few suggestions in the light of the major findings:

1. The SCCL objective of the productivity agreements is to make possible constant increase in efficiency. This will require close co-operation between the management and the workers so as to achieve and maintain high standards in the use of both equipments and manpower.
2. Management must operate effective controls including the information system which will make it possible to estimate the extent to which increases in



efficiency are achieved. The progress of shortfall in achieving the targets must be communicated to the workers from time to time through communication system.

3. Wage system related more to productivity should be introduced. This will involve assessment of each job by such methods of job evaluation and placing workers in these grades appropriate to their contribution to the output, or skill or large in number. There must be sufficient grades will result in classification and promotional disputes.

4. We are a part of global economy which is moving fast in the direction of high technology. In the 21ST century there will be enormous change in the current technology with which we produce goods and services. The improvements in technology will not only become inevitable but they will form the basis of rapid economic development.