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# COMMUNICATIONS

## TRADE UNIONS AND THEIR IMPACT ON CONSTRUCTION INDUSTRY

### INTRODUCTION

State policy provides for representation and involvement of workers in management of units which form the industry. The main motive is to create health and working atmosphere and feeling of responsibility towards development and growth of the unit they work for. The representation could be in the form of shareholder which makes them responsible for profit and loss which accrue during the course of functioning of the unit. This will make them output viz a viz quality conscious, and help in growth of both the output and the quality. Mere representation in policy decisions with the management will not suffice but it is also essential to make the management aware about their psychology, resource limitation, local working problems and social problems with their possible solutions, placement, training and performance appraisals etc. The work of a construction agency is totally different from that of an industrial production unit. The main difference is that all types of workers are not required simultaneously. It is considered and felt that after laying the RCC slabs the work of blacksmith is over and finishing items normally start after the structural frame work is over. Thus engaging all type of workers continuously without a break is really difficult. Any break or discontinuity leads to dissatisfaction amongst workers and thus involvement of trade unions comes in. Dissatisfaction may result into strike, misbehaviour, slow working tendency, irritation and intentional losses etc. All these hamper the progress, delay the completion and result into social, financial and reputational losses. To avoid litigations and improve management decisions, some useful tips are given here.

### Involving Workers in Setting up Standards

Output standards are necessary for gauging efficiency of an individual worker or a group of workers. For fixing output standards, quality of output, permitted tolerance and mode of measurement etc. form the basis. The involvement of worker's union in the entire process of work study for fixing output standards is essential to avoid any non-cooperation. The implementation of new methods and technologies by any construction agency is not possible without the cooperation of the workers. For proper implementation of new technologies, specifications, standards and norms etc., it would be desirable that the workers should understand the logic behind it and accept it. If the purpose of the study is not clear to the workers it will create doubts in their minds. It is therefore necessary to win over their confidence whenever any change is planned. The points like work division in elements, performance rating and work allowance etc. should be made clear to the workers. The problem arises when there is any

switch over to new construction technology or increase in automation level, on account of fear of retrenchment and reduction of strength. This situation can be avoided by taking workers into confidence and training the existing staff on the new techniques / machines or shifting to some other sites.

### **Incentive Schemes and Agreements**

Human motivation is a complex phenomenon which depends upon various satisfying measures available within the organisation. Unions representing workers are normally concerned with justice to the employees in matters related to seniority and promotions, their working facilities, bonus and payment against over-time etc. It is felt necessary so that efficiency of workers could be maintained. Motivation through incentives is also a measure which helps in the improvement of workers performance. The incentives could be :

**Individual Incentive:** This could cover payment for production over and above the standard progress fixed by the management. Award to the best worker in each group and special award for a specific job accomplished before time. It could be one time lumpsum payment with citation or in the form of advance increments in pay.

**Group Incentive:** Where it is difficult to measure or monitor the performance of a single worker in view of the nature of the work involved, such as concreting of a major component involving a number of persons, bending, binding and placing of reinforcement in a large work, and similar activities of a project. But if the group working is identified, the incentive may be allowed to the group for the extra work and performance to help completion of the project well in time / before time.

**Agency-wide Bonus:** For overall performance of the agency, an incentive to the employees in the form of bonus on account of benefits derived out of timely or before time completion of the project may be allowed. The motive behind such an action is to motivate the employees and workers to maintain efficiency and earn profits for the agency.

A few of the important behavioural aspects needed in addition to bonus are:

- Supervisory and social relationship at work should be good.
- Workers should feel secure physically and emotionally.
- Maintenance of machines / equipment for use at construction site should be good.
- Interesting and challenging jobs should be allocated to deserving persons.
- Opportunities for continuous growth and learning should exist.

- Adequate chances for advancement of status for excellent workers should exist.
- Nature of supervision especially by senior members should be advisory, during the construction.
- Defects should be pointed out and rectified during the progress of work instead of blaming some one after the completion of work. It will eliminate costs of redoing and create a healthy atmosphere.

Money could be used as motivator but it should be with caution and within limits. It could lead to ill-effects of incentive scheme due to :

- Workers may by-pass the actual execution process to show increase in the output which could cause intangible loss to the structure or even may lead to increase in chances of fatal accidents.
- Workers may also employ various dubious methods to increase their incentive earnings.
- Disparity in the individual earnings of workers due to high incentive earning by few may lead to conflicts and tension amongst workers and are not congenial for healthy working.
- Fluctuations in income due to variation in incentive earning of an individual could lead to social and family problems.
- Chances of health hazard cannot be ruled out due to continuous overspending of energy with a view to claim more and more incentive earnings.

With all these points in view it would be advisable to limit the incentives and a scheme worked out taking representatives of workers into confidence.

### **Well Defined Terms and Conditions of Engagement**

In order to avoid and minimize the dissatisfaction amongst the workers and their trade unions, the terms and conditions for engagement, retrenchment and facilities / amenities to be provided by the organisation should be very clear. The clarity if it exists in the terms of engagement would help in avoiding unnecessary interference of trade unions and litigations with workers. Points needing consideration to be taken as conditions:

- Residential facilities.
- Market and other social amenities.
- Medical facilities.

- Insurance cover to workers.
- Over-time and incentive payment.
- Compensation in the event of mishap (if any).
- Holidays and lay off procedure
- Equipment maintenance and related responsibility.
- Provision of provident fund.
- Special obligations like marriage of wards of employees, education of wards etc.
- Preference in employment to wards of employees (if any)
- Transport for workers and their families.
- Bonus to worker.
- Breakage and loss responsibility and mode of recovery in such an event.
- Exemption limit for losses.
- Moral bindings and conduct rules of workers.
- Protest and grievance rectification procedure.
- Compensation for the rise in price-index.
- Mode of payments to workers.
- Security of workers.
- Training of workers and related expenses, etc. etc.

### **New Technologies and Their Adoption**

Construction is fast expanding to meet the much needed increased requirement. Certain new and modern technologies are also likely to take birth in view of the changing scenario. But adoption of new technologies is not free from problems. A few of the problems envisaged are :

- The technologies which are being developed are based on the sophisticated equipment whereas old and semiskilled workers on the rolls may find it difficult to work without proper training. It will involve training and redeployment in case of old workers on which the organisation may not like to spend. The fear of reallocation of jobs and retrenchment will remain on the mind of workers, thus hampering the progress.
- Maintenance of facilities specially sophisticated ones is a specialised job, for which dependence on the manufacturers becomes necessary,

leading to loss of working time, production and in overall financial loss.

- Technologies other than the traditional where provided need stricter vigilance and supervision in order to avoid by-passing methods, proposed for their adoption under the normal habit of use of traditional practices. It would not be desirable from the design and quality consideration, but may work out as a constraint in the progress of the project.
- Hired equipment if proposed to be used, its reliability and efficiency should be ensured.

Such problems put an extra burden on the mind of supervisors/ management. Some problems can be eliminated by steps like shifting of part labour to other projects and modernising in steps. This will create confidence amongst the workers, specially when they are provided requisite level of training on newly developed technologies. This can be achieved smoothly with the policy decision like involvement of workers in management.

### Labour Laws

A general awareness by the management / supervisors about the labour laws can avoid cropping up of minor issues, as the management in certain cases may under the normal laws be handicapped to take disciplinary action against the workers. Such issues can be avoided by permitting activities to the extent permissible, under law, such as :

- Membership of union and participation in its activities.
- Non-interference in fundamental rights of the union like their meetings, election etc.
- Non-discrimination between the employees on the grounds of union-member or otherwise.
- No restriction to the distribution of union literature and pamphlets.
- Taking early decisions on the genuine demands of the workers by the management to keep the workers satisfied.

### CONCLUSION

Trade unions have always been looked upon as a hinderance in the prosperity of the industry. But the fact remains that if the unions are handled and moulded to do constructive work the industry is bound to progress and prosper. This is quite possible by providing the unions their due share, including management, as provided under the laws of the state and bye-laws of the industrial units. The few suggestions given in the foregoing paragraphs may

prove to be useful both for the construction agencies and the workers employed by them.

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