

# Unorganized Employees Tribulations in Bangalore Cluster (A study of selected Manufacturing units in four industrial areas)

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## Abstract

*“Unorganized sector in the India, following the imperatives of globalization, are increasingly shifting to low-wage and surplus labour economies. To be precise, the Private sector have to strike a balance between the demands of their workforce for wages and working conditions Freedom of association & Collective bargaining ,Forced labour, Equality of opportunity and treatment, Labour administration, Labour inspection, Employment Policy, Employment promotion, Employment security, wage, working time.*

*Given the reality of the weak position of the labour in private sector against the management, it is the labour which bears the burden of cost control by management. It is a known fact that most of private manufacturing units are referred to as ‘sweatshops’.*

*This study is an attempt to evaluate the conditions of labour in private sectors in Peenya, White field, Electronic city, and Doddabalapur Industrial areas.*

Key words; Labour, Private sector

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## Introduction

The term “labor relations” is a broad concept that can refer generally to any dealings between management and employees concerning the terms and conditions of employment. Labor relations includes employees’, employers’ and unions’ legally protected activities; unfair labor and management practices; union-organizing activities; union recognition and representation elections; collective bargaining; and union contract administration. The Labor Relations Discipline deals with the elements of formal labor-management relations: protected activities, unfair practices, union organizing, recognition and representation elections, as well as collective bargaining and contract administration.

It also includes matters that focus on careers, communications, legal and regulatory issues, technology, metrics and outsourcing in the labor relations field, as well as effective labor relations practices and global labor relations issues. It does not include matters involving so-called “positive” employee relations or practices associated with remaining union-free, which are covered in the employee relation discipline.

## Importance of Industrial Relations

The healthy industrial relations are key to the progress and success. Uninterrupted production, the most important benefit of industrial relations is that this ensures continuity of production. This means,



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continuous employment for all from manager to workers. Reduction in Industrial Disputes, Good industrial relations reduces the industrial disputes. Disputes are reflections of the failure of basic human urges or motivations to secure adequate satisfaction or expression which are fully cured by good industrial relations. Strikes, lockouts, go-slow tactics, gherao and grievances are some of the reflections of industrial unrest which do not spring up in an atmosphere of industrial peace.

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. The employer in his turn must realize that the gains of industry are not for him alone but they should be shared equally and generously with his workers. 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. Reduced Wastage, Good industrial relations are maintained on the basis of cooperation and recognition of each other. It will help increase production.

### **Scope of the study**

Labour relations i.e., relations between union and management (labour management relations)  
Employer- employee relations i.e., relation between management and employee  
Group relation i.e., relations between various groups of workmen  
Community or public relations i.e., relations between industry and society

### **Objectives**

The main objective of the study is to assess the current status of workers problems in Bangalore cluster, through a descriptive method.

The study proposes to meet the following objectives:

- (i) To make an assessment of current status of workers problems in Bangalore cluster.

- (ii) To list the workers problems with reference to private manufacturing industry.
- (iii) To evaluate the consequence of the variations between the standards and the labour practices.

### **Statement of the problem**

The Private sector in India employs nearly 60 lakhs workers of which the Bangalore cluster units employ around 10 lakhs. (Source: Government of Karnataka Ministry of Labour 2010 ) The demography of the workforce reveals that it is predominantly young, skilled, semi-skilled and un-organized.

This study is an attempt to evaluate the conditions and problems in private sector, The task undertaken might look somewhat unrealistic as the organized sector in the country is yet to fully adopt the labour standards and practices imposed on them by a very well developed regime of labour legislations. The ILS was imposed on the manufacturing units mainly because the public opinion in developed countries, who import goods and services from developing countries, requires the business firms to do so. It's a proof of higher level of human consciousness in the developed world.

The ILS is an extension of the principles of human rights as enunciated in UN charter. They are:

- Freedom of association & Collective bargaining ,Forced labour Convention, Equality of opportunity and treatment, Labour administration, Labour inspection, Employment policy, Employment promotion, Vocational guidance and training, Employment security, Wages ,Working time, Health & Safety.

It can be seen clearly that most of the labour standards are also expressly stated in the various Indian Labour Laws. It seems the attempt and enforces the same provisions of labour laws is an open admission of laxity or non-enforcement of Indian labour laws.

## Hypothesis

Based on the objectives of the study, the following hypotheses have been formulated:

- H0: Labor standards adopted in Bangalore cluster are in accordance with International labour standards.  
H1: Labor standards adopted in Bangalore cluster are not in accordance with International labor standards.
- H0: There no variation between the standards and practices among the private manufacturing sector  
H1: There is a variation between the standards and practices among the private manufacturing sector

## Literature Survey

.A number of studies have been conducted on various issues of garment industry. However studies focused on labor issues have been few indicating insufficiency of research. Among the available literature, recent studies are reviewed here.

**According to Franca Akarippadathu (2009)** stated that few allocation for socio-economic and sanitation is very low and during some years nothing is spent under this head. The amount is to be spent for starting new dispensaries and strengthening the old ones. For example in Kannampady only 5 families have sanitarians, toilets. The information they receive about it is mostly from radio. Further enquiries reveal that either husband or wife under mutual agreement take recourse to some permanent method of family planning to prevent another pregnancy. They generally go for it after the second child. Women work has remained a much researched debated area.

**Kaur and Punia (2008)** opine about working women of Hissar District of Haryana, it is observed that most of the working women apt for job out of the gross economic necessity (50 percent), followed by the urge to raise economic status (23 percent), to make use of education (11 percent) to have independent income (9 percent) and the remaining due to miscellaneous motives.

**Myrdal and Klein (2006)** analyzed and conducted an international survey on behalf of the International Labour Office about the motivational forces. According to it, women work due to economic needs on the one hand and due to national necessity for increased production on the other hand. They further continue to state that a sense of vocation influences the desire of women to continue their work after marriage and some are inspired by the feeling of social responsibility and so they continue to be in labour force.

**Lalithadevi (2006)** points out that the need for extra income for family coupled with the demand for labour from industry is the greatest incentive for female workers. The availability of Gadgets make household work light and less time consuming and enable women to work.

**Srilekha (2005)** stated that based states that developing countries are characterized by low income illiteracy, unemployment and low standard of living. In these countries extra income earned by women ids vital to cross the poverty line , of the initiative in making the intended changes must come from the government itself in the form of incentives to women who are bounded by tradition and constrained by interest bent on preserving the status-quota women in 15 to 59 age group if not in labour force are to be considered as unused resources (except when they are sake or students)

**Raka Sharan (2005)** conducted a survey on women workers employed in industrial and non-industrial organizations in Kanpur city. The main objectives of her study were to analyze the Working conditions of women workers to measure their socio- conditions states and to study their participation in trade union activities. She had selected 100 samples in the industrial sector and 100 samples in the non-industrial sector and collected the necessary data from them. Socio-economic status of women workers

**Kaur and Punia (2005)** about working women of Hissar District of Haryana, it is observed that most of the working women apt for job out of the gross economic necessity (50 percent), followed by the urge

to raise economic status (23 percent), to make use of education (11 percent) to have independent income (9 percent) and the remaining due to miscellaneous motives. Wives Income is essential to raise family's standard of living. 18 percent were widows, divorcees and separated.

**Kalarani (2005)** her classified motivations behind the decision to work as monetary, social and personal factors. For the first preference she has assigned a score of 3, for the second preference 2, and for the third preference one. Her analysis shows that among the purposes 'making use of education' ranks first followed by 'job as an engagement for spare time', 'Supplementing husband's income' and 'to raise economic status' occupies the third rank. 'Gross necessity' occupies the fourth rank and 'to have independent income' the last rank. She has proved that there is correlation between age and motivation and education and motivation.

**Jennifer (2005)** in his study about sanitary workers that economics status showed a significant difference according to their age, marital status duration of working, life and position at work.

**Becker's (2005)** he make an suggestion that model of effort allocation implies that an hour of a man's time produces more of value to an employer than an hour of equally skilled and experienced women who has greater responsibilities. This in true influences both employers'

**Washer (2004)** his assessed that 57.3 percent of working women of Delhi are working due to economic reasons and others due to non-economic reasons. According to Mehta rising cost of living along with new trends of modern living resulting in ever widening necessities of life are compelling more and more women to seek employment outside home.

**Vinita (2004)** according to her women working in cities and towns firstly constitute a small proportion to total workers and secondly out of the total members of women workers the majority is engaged in low status occupations. She is of the opinion that the factory employment opportunities to women have declined due to technological changes and this is accompanied by an increase in service sector employment such as public service, medical, health and education.

**Padmini (2004)** points out that according to the Ministry of Labour and Employment, Government of India, inadequate income of the principal earner, temporary mishaps, death of breadwinner and women's desires for economic independence are the factors which induce women to work.

**Heckman and Mercurdary (2004)** viewed that women are coming forward to paid employment outside home to supplement the income of husbands or parents and to fill the gap between income and expenditure due to soaring prices of essential goods.

## Methodology

### *Basic Research Design*

- The basic research design adopted for the study is descriptive. Primary and secondary data pertaining to selected private manufacturing units in Bangalore cluster is analyzed using various statistical methods to evaluate the current status of labour problems and standards.

### *Secondary Research Design*

- The Secondary data is collected from news paper, magazine, trade Journals, & Three consultation meetings were held to discuss various aspects of the study with the stakeholders. Trade unions, workers, NGOs, consultants and government agencies were invited to the meetings.
- The study highlights the growing complexity of private manufacturing industry.

### *Questionnaire Design*

- Structured questionnaire, personal interviews and discussions were the methods adopted for gathering primary data. These interviews and discussions were held during Nov & Dec 2011 and were clearly focused on the research objectives.

## Sampling Design

### *Population*

The population for the study consists of 2500 (approx) private manufacturing units in Bangalore cluster.

### Sample Size

Ten units are selected for the study based on convenience stratified sampling – twenty units from each of the large, medium and small segments.

### Sample Unit

Employees and contract Workers constitute the sample unit. Five employees and five workers employees from each unit are selected for interview and questionnaire administration. The break up is as follows:

- i. Five employees (permanent employee) from each of the selected sample units will be interviewed with open-ended questionnaires.
- ii. Five workers (contract workers) from each sample units will be interviewed with close-ended questionnaires.

### Limitations of the Study

There are nearly ten clusters across India. This study focuses only on Bangalore cluster. Being a sample survey, the study suffers from limitations that generally affect a sample survey

### Analysis:

#### Results of hypothesis testing:

The analysis in the first step is based on descriptive statistics. The responses are recorded as “Yes” or “No” to various items and the percentage of responses is tabulated. In the second step a Chi Square table is prepared along-with the null hypothesis and alternative hypothesis.

#### Hypothesis 1: Null Hypothesis:

There is no difference of opinion between workers and executives.

#### Alternative Hypothesis:

There is difference of opinion between workers and executives.

#### Significance Level: 1%

### Chi-Square Test Results

X <sup>2</sup> Calculated value	118.751*
Significant at	0.000
Degrees of Freedom	01

\* Significant at one percent level.

The above tables reveal that there is marked difference in opinion between executives and workers regarding the existence of freedom of association and collective bargaining. Thirty percent of workers and seventy percent of the executives have given the same response. The chi-square test results are significant at one percent level. Therefore, the null hypothesis is rejected.

### Hypothesis 2:

Chi-square table showing variation between standards and actual practice

Basis	A	B	C	D	E
Yes	7	8	9	7	9
No	3	2	1	3	1

#### Null Hypothesis:

There is no difference of opinion between workers and executives.

#### Alternative Hypothesis:

There is difference of opinion between workers and executives.

#### Significance Level: 1%

The chi-square test results are significant at one percent level. Therefore, the null hypothesis is rejected.

After applying the Chi-square test with respect to five manufacturing sector, the Chi calculated value is greater than the Chi value at a degree of freedom 4 with a value of 9.488 at 5% level of significance, so null hypothesis is rejected therefore we are accepting alternate hypothesis, i.e. there is a variation between the standards and practices among the private manufacturing sector.

**Tables:**

**Tables showing workers problems:**

Equality of opportunity and treatment and tripartite consultation

Table 1.1: Table showing employees opinion on forced labor

Basis	Yes	No	Total
Management is insisting forced labor	35	15	50

*Null Hypothesis:*

There is no difference of opinion between workers and executives.

*Alternative Hypothesis:*

There is difference of opinion between workers and executives.

*Significance Level: 1%*

The chi-square test results are significant at one percent level. Therefore, the null hypothesis is rejected.

Table 1.2: Table showing management discrimination on employees based on religion caste etc...

Basis	Yes	No	Total
Management is against discrimination	30	20	50

*Null Hypothesis:*

There is no difference of opinion between workers and executives.

*Alternative Hypothesis:*

There is difference of opinion between workers and executives.

*Significance Level: 1%*

The chi-square test results are significant at one percent level. Therefore, the null hypothesis is rejected.

Table 1.3: Table showing employees extending the working time

Basis	Yes	No	Total
Management is extending its working time	35	15	50

*Null Hypothesis:*

There is no difference of opinion between workers and executives.

*Alternative Hypothesis:*

There is difference of opinion between workers and executives.

*Significance Level: 1%*

The chi-square test results are significant at one percent level. Therefore, the null hypothesis is rejected.

Table 1.4: Table showing employees opinion on employment security.

Basis	Yes	No	Total
Management is assuring employment security	15	35	50

*Null Hypothesis:*

There is no difference of opinion between workers and executives.

*Alternative Hypothesis:*

There is difference of opinion between workers and executives.

*Significance Level: 1%*

The chi-square test results are significant at one percent level. Therefore, the null hypothesis is rejected.

**CONCLUSION**

Given the context of labour management relationship in unorganized sector only external intervention can improve the situation of workers. Lack of unionization and lack of political affiliation coupled with ineffective role of the labour law enforcement agencies has

contributed to the pathetic labour relations in the sector. In spite of these real world factors, many successful government manufacturers have been able to get through the hurdle of ILS. But, the same relaxed and permissive situation cannot be hoped to continue forever. The growing concern for environment, human rights and declined in the economies of Europe and America portends difficult times for the industry. Complete reliance on manufacturing led growth is getting riskier.

It may be utopian to expect that the managements of industries will become empathetic to labour overnight. Social action and education is needed.

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