

The Impact of Industrial Relations on the Level of Employees Job Satisfaction

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Abstract: Industrial Relations deal with the employee and the employer relationship at the work and workplace. This relationship drives the industry as a whole and it is directly responsible for the current as well as the future status of the industry. Now a day it has turned out to be a core responsibility of all types of industries to not only build up, but also sustain the latest and effective Industrial Relations Management System to create their workforce more creative & innovative, self-motivated, well organized, competitive and satisfied in order to gain core competitiveness in this bloodthirsty competitive world.

By the help of this research paper, we would try to understand whether there is any correlation between the sound Industrial Relations one hand and the job satisfaction on the other hand.

Keywords: Industrial Relations, Job Satisfaction, Labor Legislation, Collective Bargaining, Workers Participation in Management.

1. Introduction:

As far as Industrial Relations is concerned, it has two major gears for smooth functioning of the engine: Management (on behalf of the employer or the Capitalist) and Employee. The indispensable function of management is to provide various kinds of inputs to process for desired output that make a profit for stockholders, while employee invest their sweat and labor that make possible the process to produce goods and services and gets remunerated on the return. Both the parties have their own faces (Head/ Teal) that make a coin in order to run the economy and would not only benefit the society and nation, but also the humanity as a whole. Both the actors act as a safeguard the interests of each other, but their interests sometimes clash with each other and create a noxious situation like strike, lockouts, gherao, picketing, etc. that would be harmful to the industry and society. To avoid such a situation, the modern approach to Industrial relations comprises not only relationship between employees' trade union and employers association, but also various processes involved in these relationships, like Collective Bargaining, Workers Participation in Management, Dispute settlement mechanism, labor laws, Trade Union, etc.

Job Satisfaction is an important aspect to establish dynamic Industrial Relations in an Organization. Job satisfaction is the psychological sentiments which favorableness, an individual has about his/ her job. Simply, Job Satisfaction has defined as the workforce that is innovative, creative, motivated and committed for established and keep going with the high-quality performance. It also describes how happy an individual is with his/ her job. It can be judged as a global sentiment pertains to job or as an associated collection of attitudes about different facets and aspects of the job. The prime factors that affect the level of job satisfaction are pay & benefits, promotion, interesting job, respect, trust, autonomy, good teamwork, contingent rewards, career path, job security, nature of work, good employer, good leadership practices, good manager relationship, low stress (healthy working environment), and feedback & support. However, Job Satisfaction is attitudinal variable of an individual towards the work. The attitude has three main components: (i) Cognition (thoughts, beliefs, opinion about something), (ii) Affect (feeling and Emotions about something), and (iii) Conation (an inclination to take action about something). It is of two types: the first is cognitive Job Satisfaction (logical and rational appraisal of working conditions, development opportunities, work output and nature of the job) and the second is Affective Job Satisfaction (feelings of pleasure and happiness of an individual associated with their jobs). Keeping employees happy helps strengthen an organization in many ways, like innovation and creativity, higher productivity, increased profits, lower turnover, low absenteeism, and ultimately organizational effectiveness in terms of quality and customer satisfaction.

2. Theoretical Framework:

So many research scholars' have already done a number of studies in the field of Industrial Relations and Job Satisfaction, but nobody tries to correlate both the concepts. Although at first glance the concepts and philosophies of Industrial Relations and Job Satisfaction look different from one another, but inherently they has been interrelated & inter-reliant and any point of time we cannot segregate both from one another.

In Industrial Relations, the much-discussed parameters are Disputes & Grievance Settling Machinery, Trade Unionism, Workers Participation in Management (WPM), Labor Legislation, Collective Bargaining (CB) etc.

Job Satisfaction is the most widely concentrate on remuneration, promotional opportunities, supervision, co-workers, opportunities for the career development, job security company's policies and administration, working conditions, etc.

Table-01: Determinants of Industrial Relations and Employees Job Satisfaction

Serial No	Industrial Relations	Serial No	Job Satisfaction
01	Labor Legislation	01	Job Security
02	Collective Bargaining	02	Good employer, Good leadership practice
03	Industrial Disputes / Grievance settling Mechanism	03	Career path, Promotion
04	Workers Participation in Management	04	Pay & benefits, contingent Rewards
05	Trade Unionism	05	Working Conditions, Nature of work, Low stress
		06	Respect, trust, autonomy, good teamwork, feedback & support
		07	Good manager relationship

All the above-mentioned points under Industrial Relations have certainly interconnected with points mentioned under Job Satisfaction. If a company can establish a vibrant Industrial Relations Management System than it can unquestionably achieve the employee job satisfaction as well.

Trade union activities are concentrated on promotion of unity, increase efficiency of employees by improving working conditions, to guard the employees against the exploitation, to secure better wages for employees keeping in the view the existing standards of living and the cost of living, to construct class realization and self-confidence among the employees, taking up grievances of employees with the management, to make sure permanent and continuous employment for employees, etc. through collective bargaining, mutual insurance, WPM, employee ownership, etc.

Labor Legislation refers to all those Laws / Acts, which provide the social & economic security to the employees and intended at resolving the industrial disputes as well as make sure timely payment of wages and other least amenities for employees including working conditions. Labor Legislation also endorses synchronization between employers and employee and upholds the employees from exploitation.

CB is the process of negotiation that takes place between management and Trade Union, when certain issues like, employee safety, hours of working, work load fixation, training, wages & incentive, safe & healthy working conditions, industrial disputes/grievances, unfair labor practice and retrenchment or layoffs, etc. arises.

WPM is a philosophy of power sharing between management & employees and it is an indispensable aspect of industrial democracy (right of self-expression and opportunity to communicate views on policies). It has considered as a mechanism, where employees have a say in the decision-making process. WPM gives the employees a sense of belongingness, pride and articulateness, mitigating industrial problems, and satisfies the employee's social & esteem needs.

Some of the most important **Industrial Dispute/ Grievance Settlement Machinery** are as follows: 1. Conciliation 2. Court of Inquiry 3. Voluntary Arbitration 4. Adjudication. The industrial dispute has referred to three types of tribunals depending on the nature and facts of dispute in questions: 1. Labor courts 2. Industrial Tribunals and 3. National Tribunals. These tribunals mainly look in to the following subject matter: (a) Wages (b) Compensatory and other allowances (c) Hours of work and rest intervals (d) Bonus / Profit sharing / provident fund and gratuity (e) Rule of discipline (f) Retrenchment (g) leave with wages and holidays (h) Rationalization (j) Any other matter that may be prescribed.

The above-described concepts of industrial relations are providing coverage to the concepts underlines in the Job Satisfaction.

3. Proposed Research Methodology:

Our existing research study based on the Quantitative research as well as Descriptive research methodology. In Quantitative research our focal point on gathering numerical data, analyzing it and then generalizing the findings across groups of people or to explain a particular phenomenon. Descriptive Research is all about describing people who take part in the study in hand. There are mainly three ways a researcher can go about doing a descriptive research (a) Observational (b) survey, and (c) Case Study. We use structured and semi-structured interview (face-to-face) method for collecting the information and primary data from randomly selected individuals.

Sample area: Ordnance Factory Khamaria (OFK) Jabalpur (M-P.)

Sample Method: Among various sampling methods, this research study has based on random sampling methods for collection the sample among the group of employees of OFK Jabalpur.

Sample size for present study will be **500** employees of OFK Jabalpur.
The data collection period is ranging from December 2016 to October 2017.

3.1 Research Questions:

In today's scenario, the employee satisfaction has much importance; hence, the assessment of job satisfaction is an important activity in almost all the organizations. The purpose of this study was to analyze and find out the relationship among the factors influencing the job satisfaction of industrial employees and Industrial Relations Management System at OFK, Jabalpur. The following questions arisen in my mind to undertake this research project.

- 1.0 Is there any relationship between a dynamic Industrial Relations Management System and Job Satisfaction?
- 2.0 What are the roles of Industrial Relations in order to achieve Job Satisfaction among the Employees?
- 3.0 How can be achieved Job satisfaction through establishing a dynamic Industrial Relations Management System?

3.2 Objective of the study: The prime objective of this research work is to understand and describe the mutual statistical relationship between Job Satisfaction and status of Industrial Relation Management System. The Industrial Relation Management System has a greater influence in the functioning of the organization to which the employees belong. Hence, the employees are directly coming into the contact of Industrial Relation Management System in order to survive in the organization. It simply means that; the level of job satisfaction is also falling in the jurisdiction of the Industrial Relation Management System and the former largely proscribed with the status of the latter. By the help of this research paper, we try to know that, is there any covariation between the Industrial Relations and the Job Satisfaction. If both the concepts are associated with each other then up to what extent they are correlated and what is the direction of that correlation.

3.3 Deductive Hypothesis:

I am a research scholar from the *Chakravarti Rajgopalachari Institute of Management (CRIM)* under the *Barkatullah University, Bhopal* and my topic of research is "*A study of Industrial Relations Management in Indian Ordnance Factories in Madhya Pradesh*". While studying the Industrial Relations, the question has arisen in my mind that is there any interrelationship between the status of Industrial Relations Management System and the Job Satisfaction level of employees. In the existing study, the status of Industrial Relations is an independent variable, while the job satisfaction level of employees is a dependent variable.

H₀: There is no significant relationship between job satisfaction levels of employees and the Dynamic Industrial Relations Management System.

H₁: There is a significant relationship between job satisfaction levels of employees and the Dynamic Industrial Relations Management System.

Alternatively, we may also state both the hypothesis as follows:

H₀₁: There is no supported relationship between Status of Industrial Relations and Job Satisfaction levels of employees.

In other words

$$\boxed{H_{01}: b = 0}$$

H₁₁: There is a significant relationship between Status of Industrial Relations and Job Satisfaction levels of employees.

In other words

$$\boxed{H_{11}: b \neq 0}$$

We may test this hypothesis with the help of regression analysis.

For testing above mentioned hypothesis first of all we want to know the existing status of the Industrial Relations Management System, and the job satisfaction level of employees separately. Afterwards, we will be in the position to know, whether both the concepts are interrelated or not, and if correlated than what kind of relationship is there. Firstly, we collect the data in support of both the variables.

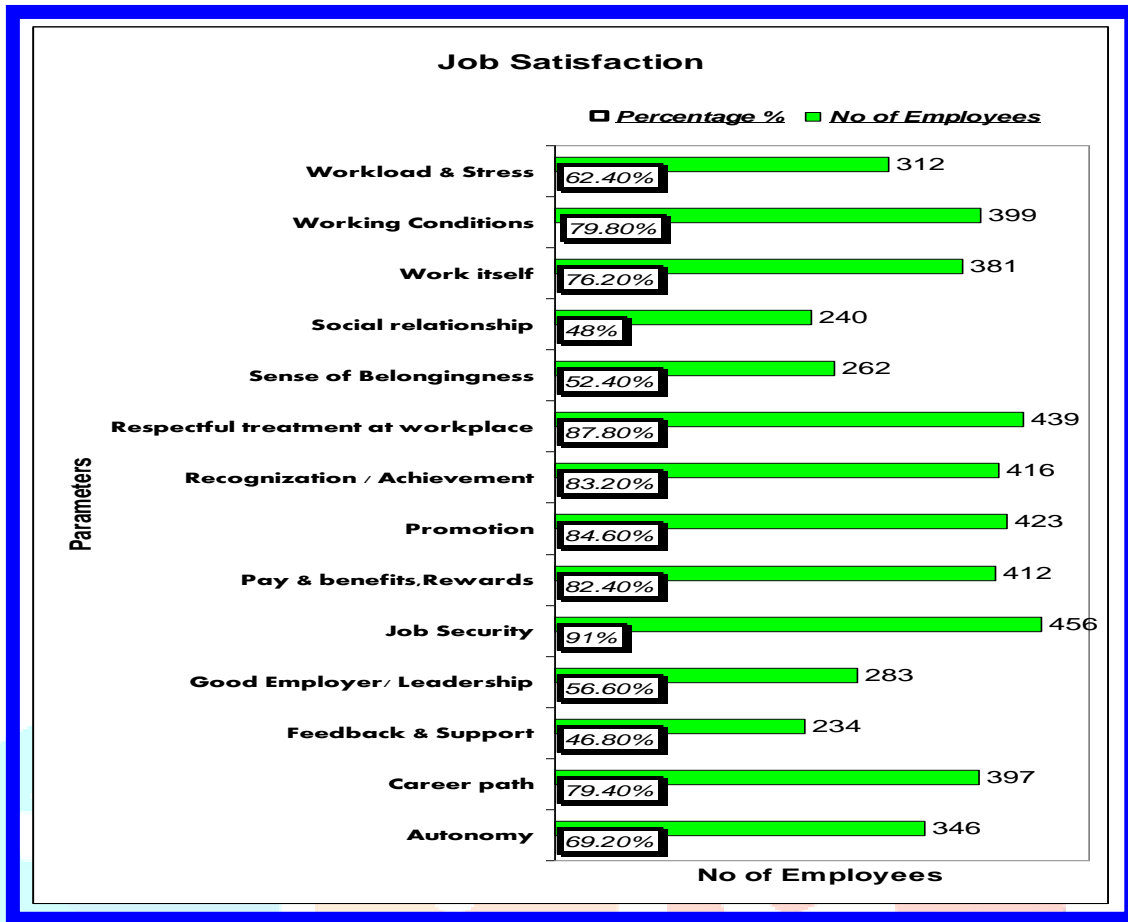
We can make two types of errors (Type-I & Type-II errors) while testing of Hypothesis. As we know, one *cannot* be reduced both types of errors simultaneously. Thus, the **Level of Significance** is the max value of the probability of Rejecting **H₀** when it is true and is typically determined in advance before testing the Hypothesis.

We are working at 5% Level of Significance throughout this research work.

3.4 Selection of variables: As far as Industrial Relations are concerned, we consider all above-mentioned five main determinants into the consideration in order to conduct this research study.

When we asked the employees to rate the following factors from one to ten that you assumed the prime factors in order to satisfy you at your workplace (out of fourteen you chose only ten that you may like most). In this study we may preferred the first ten factors those are provide higher Job Satisfaction to the employee.

Figure-01: Main determinants of job satisfaction



From the above illustration, it is clear that Job Security (91%), Respectful treatment at the workplace (87.8%), Promotion (84.6%), Reorganization / Achievements (83.2%), Pay /benefits / rewards (82.4), Working Conditions (79.8%), Career path (79.4%), Work itself (76.2%), Autonomy (69.2%), Workload and stress (62.4%) are the top ten determinants that determine the level of an employee job satisfaction. Now the question is that do Industrial relations have any statistically significant impact on these ten numbers of determinants of Job satisfaction. This is the only idea on which this whole research work has taken into the consideration.

4. Company Profile: The Indian Ordnance Factories Organization is an ancestor of forty-one Ordnance Factories under the auspices of its corporate headquarters (Indian Ordnance Factory Board, Kolkata) possesses the exclusive distinction since last 217 years experience in defence production.

Ordnance Factory Khamaria (OFK) Jabalpur is one of the major defence production unit located at Jabalpur M-P. OFK has set up in the year 1942 during World War-II and it spread over 259 Hectares. The existing activity of OFK is a combination of Hardware Component Manufacturing, Explosive Filling and Ammunition Assembly. It consists of three main production divisions (1) Engineering Division, (2) Ammunition Filling Division, and Small Arms Ammunition Division. To give support services to the above division, there are Engineering Division, Quality and Technical Services Division, Planning and Material Management Division and Personnel Division.

Strength of OFK is about Six Thousand.

5. Results/ Discussion and Findings:

In dealing with the problem at hand, it is to be necessary to collect the appropriate data in support of the facts, which will be concerned to the objectives, research questions, scope, and ultimately used for testing of the hypothesis. The collection of data is directly concerned to the *MST (Money, Time, & Staff)* and other available resources.

After collection of desired Data, it has to be getting ready for analysis. The collected data are raw in nature; hence, it must be converted into any meaningful form, which will be suitable for the required analysis. Some important steps of the data preparation process are as under:

- ❖ Questionnaire Checking collected through Interview
- ❖ Editing → Coding → Classification → Tabulation
- ❖ Pictorial Presentation of Data: Graphs→ Charts→ Diagrams
- ❖ Data Cleaning → Data Adjustment.

Findings: Graphical representation and frequency distribution of the existing status of Industrial Relations and the Level of employee job satisfaction.

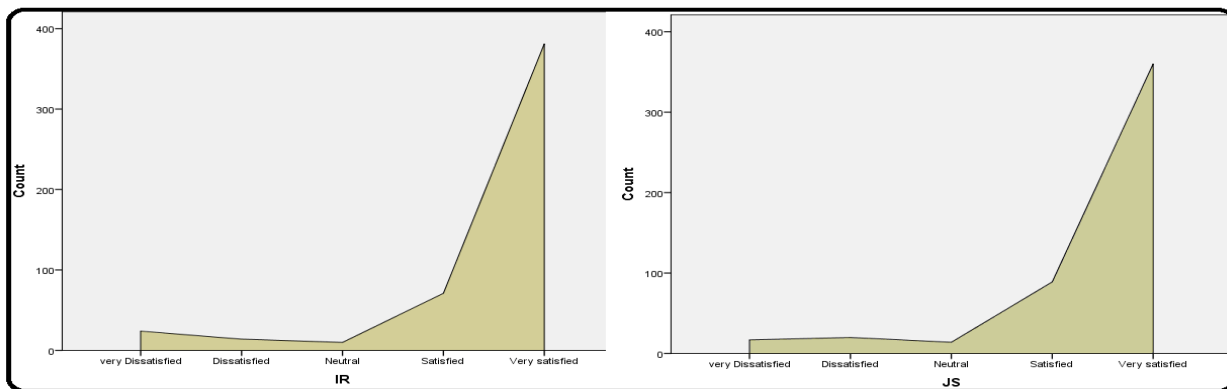
The frequency distribution has tabularized for easy interpretation the trend of both the variables under the study.

Table-02: Status of Industrial Relations * Level of Employee Job Satisfaction (Cross tabulation)

			Level of Employee Job Satisfaction					Total
			Very Dissatisfied	Dissatisfied	Neutral	Satisfied	Very satisfied	
Status of Industrial Relations	Very Dissatisfied	Count	9	12	2	1	0	24
		% of Total	1.8%	2.4%	0.4%	0.2%	0.0%	4.8%
	Dissatisfied	Count	6	5	2	0	1	14
		% of Total	1.2%	1.0%	0.4%	0.0%	0.2%	2.8%
	Neutral	Count	0	1	7	1	1	10
		% of Total	0.0%	0.2%	1.4%	0.2%	0.2%	2.0%
	Satisfied	Count	1	1	0	26	43	71
		% of Total	0.2%	0.2%	0.0%	5.2%	8.6%	14.2%
	Very satisfied	Count	1	1	3	61	315	381
		% of Total	0.2%	0.2%	0.6%	12.2%	63.0%	76.2%
Total	Count	17	20	14	89	360	500	
	% of Total	3.4%	4.0%	2.8%	17.8%	72.0%	100.0%	

The above table has based upon the responses of the employees on the overall Job Satisfaction and the status of the Industrial Relation Management system. The collected data has transformed in the SPSS for analyzing the coefficient of correlation and regression analysis.

Figure-02: Current Status of Industrial Relations and the Level of Job Satisfaction



The graphical presentation of general response on existing Industrial Relations Management System and Level of Job Satisfaction has shown in figure-02. The trajectory of both the variables follows almost a same type of pattern. With the aid of χ^2 Test we can find out whether the two attributes Industrial Relations and Job Satisfaction are in the mutual statistical relationship or not.

Table-03: Chi-Square χ^2 Test			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	572.220 ^a	16	.000
Likelihood Ratio	276.073	16	.000
Linear-by-Linear Association	314.346	1	.000
N of Valid Cases	500		

a. 15 cells (60.0%) have expected count less than 5. The minimum expected count is .28.

Decision Rule: If p is less than or equal to 0.05, the test is significant means there is a significant relationship between the Status of Industrial Relations in OFK and the Level of OFK Employee Job Satisfaction ($\chi^2 = 572.22$, $df = 16$, $p < 0.001$). Hence, we may reject our null hypothesis H_0 .

Table-04: Correlations			
		Status of Industrial Relations	Level of Employee Job Satisfaction
Status of Industrial Relations	Pearson Correlation	1	.794**
	Sig. (2-tailed)		.000
	N	500	500
Level of Employee Job Satisfaction	Pearson Correlation	.794**	1
	Sig. (2-tailed)	.000	
	N	500	500

** Correlation is significant at the 0.01 level (2-tailed).

Interpretation: The coefficient of correlation tells us, not only the strength of the linear relationship but also the direction of relationship. The value of **Pearson correlation coefficient r = 0.794**, hence there is a very high degree of positive correlation between the Status of Industrial Relations and the level of Employees Job Satisfaction.

The value of r^2 is called the Coefficient of Determination and it gives us the percentage of explained variance. We obtained $r = 0.794$, and $r^2 = 0.63$, hence 63% of the variation in level of employee job satisfaction depends upon the status of Industrial relations and remaining 37% depends upon the other factors.

PE(r) is the Probable Error of Correlation Coefficient 'r', and it is the measure of the reliability of the observed value of 'r'.

$$PE(r) = 0.6745 SE(r) = 0.6745 \times (1-r^2) / \sqrt{n}$$

Interpretation using PE(r) value:

- (1) If $r \geq 6 PE(r)$, then the correlation is significant.
- (2) If $r < 6 PE(r)$, then the correlation is not significant.

In our case $PE(r) = 0.011148$, and r is greater than $6PE(r)$. Hence, the correlation between the status of Industrial Relations and Level of Employee Job Satisfaction is significant therefore, we may reject null hypothesis (H_0 : There is no significant relationship between job satisfaction levels of employees and the Dynamic Industrial Relations Management System).

Regression Analysis:

Regression analysis is the next step up after correlation. It is used when we want to predict the value of an outcome variable based on the value of Independent variable. Out of the two variables, the status of Industrial Relations has well thought-out as an Independent variable (IV) or Regressor Variable and the level of employees Job Satisfaction as a Dependable Variable (DV) or Regressed Variable. By the linear regression analysis, we regress the DV on the IV.

Model	Variables Entered	Variables Removed	Method
1	Status of Industrial Relations ^b	.	Enter

a. Dependent Variable: Level of Employee Job Satisfaction
b. All requested variables entered.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.794 ^a	.630	.629	.595	1.925

a. Predictors: (Constant), Status of Industrial Relations
b. Dependent Variable: Level of Employees Job Satisfaction

The value of $R^2 = .630$, it is a measure of the portion of total variability in the Dependent Variable is explained by Independent Variable. The Industrial Relations explains about 63% of total variability in the level of employee Job Satisfaction. Durbin-Watson Statistics value is 1.925, which indicates that there is an autocorrelation between the status of Industrial Relations and Level of Employee Job satisfaction.

Table-07: ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	300.456	1	300.456	47.772	.000 ^b
	Residual	176.494	498	.354		
	Total	476.950	499			

a. Dependent Variable: Level of Employee Job Satisfaction

The value of F is explained that the model has no explanatory power means non of the Status of Industrial Relations is help to predict the employee Job Satisfaction, but we have obtained the significant level 0.000 is way less than 0.05, hence this is the strong evidence to reject the null hypothesis.

Table-08: Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error				Beta	Lower Bound
1	(Constant)	1.045	.122		8.564	.000	.805	1.284
	Status of Industrial Relations	.763	.026	.794	29.117	.000	.711	.814

a. Dependent Variable: Level of Employees Job Satisfaction

We have obtained the level of significance is well less than 0.05, hence we reject the null hypothesis.

Interpretation: In general, one unit increase in Status of Industrial Relations, modal predicts that the Level of Employees Job Satisfaction will increase by 0.763 unit.

Y (Dependent Variable) = a (Intercept) + b (Slope)*Independent Variable

$$Y = 1.045 + 0.763 * X$$

In this equation, b (slope) of the regression line is 0.763; this indicates that the value of b is greater than zero. Hence, we may reject the null hypothesis $H_{01}: b = 0$.

6. Conclusion: The overriding purpose of this study was to determine the interrelationship of the status of Industrial Relations and the level of employee JS. In general, the aim / purpose / objective of my study was to know whether the status of Industrial

Relations of an organization has directly influenced the job satisfaction level of the employees. This research was intended / designed to take an inner view of employees about the Industrial Relations Management System and Job Satisfaction separately and then try to correlate the findings, whether they have a significant effect on each other.

What I found was that yes, both the variables of my study have greater impact on each other and simultaneously they move onward neck by neck. The findings suggest that if the Organization maintains a higher status of Industrial Relations Management than certainly it is a strong motivational factor for employees Job satisfaction. Furthermore, Industrial Relations is not the just determinant of Job Satisfaction, but it is one of the factors, that affect the level of job satisfaction of employees up to a certain limit only.

7. Recommendations / Suggestions: No drought, the concept of Industrial Relations and Level of the employee's job satisfaction are interrelated with each other. The level of employee Job satisfaction depend upon the existing status of Industrial Relations maintained by the management association and trade unions in the organization. The style of leadership from both the actors of Industrial Relations plays a noteworthy role in order to satisfy a common employee on the workplace. If management and trade union maintain cordial Industrial relations with the democratic style of leadership than a common employee feels a greater level of job satisfaction and in such circumstances the individual exhibit precise attitude, high moral, outstanding efforts not only towards the quality but towards production also. The higher level of Employee satisfaction makes the individual contented and happy in order to deliver their best performance. A satisfied employee acts as an asset for the organization, because they are extremely loyal, have a sense of belongingness, and stick to it even in the worst scenario like recession.

8. Conclusions: The OFK management must be sustaining the Industrial Relations Management System at current level because more than 90% of employees are well satisfied with it, and due to this, they feel satisfied at the workplace. It should be further enhanced and sustain the level at cent percent in order to satisfy all OFK employees at work and workplace. However, the job satisfaction is an occupational and organizational psychological issue, which may change with respect to environment, circumstances and time.

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