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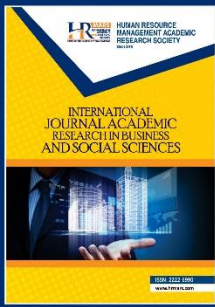
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## Impact of Labor Union-Management relationship on the Operational Performance of Executives: A Descriptive Analysis of the Relationship between Labor Unions and Executives

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**Abstract:** Labor unions (LU) have remained controversial since their emergence and have evolved themselves with time. It serves as an integral part of any organization as they influence organization and its people through their acts and pressurizing tactics from demanding things to strikes, boycotts and finally reaching contract agreements. The purpose of this study is to determine the impact of LU on the operational performance of executives (Top and Middle Management) that how they can influence on the activities and the decision making of Management people. This research is descriptive in nature and the sample was selected as per our convenience (convenience sampling). Using semi-structured questionnaires and through observations, over 40 responses were collected comprising 20 from the management executives and labor unions similarly. The data was collected and analyzed through SPSS for determining the relationship between independent and dependent variables in-relation to cause and effect.

**Keywords:** *Labor Union, Organizational Performance, Decision Making, Executives, SSGC*

### Introduction and Background

Durai and Pravin in his book Human resource management (HRM) said, "A trade union can be said as," Joining together of workers, labors and employees in making a collective strength and actions to fight against the dictatorship management of employers". (Paul Benfield and Rebecca Kay) in book Introduction to HRM said, "A trade union is basically a body that individually and collectively represents the interests of its members and workers, pre-dominantly in the context of employment". Aidt & Tzannatos (2002) Trade union can be defined as, "A trade union is a joint collaboration of workers, labors and employees which represents the interests, needs and demands of its members and fight against management in order to fulfill these and protect its members' rights". Pakistan became a member of the International Labor Organization (ILO) right

after its independence in 1947. Pakistan devised its first labor policy in 1972 and declared May 1 as an official holiday known as “Labor Day”.

Keeping in view the low literacy rate of the workers, the legislation allowed non-workers to be the

leaders of the labor unions (LU) and act as ‘Collective Bargaining Agents’. Consequently, many

professional politicians became into the heads of LU Aidi & Tzannatos (2002) While such a provision was made considering the ignorance of the workers and their in-ability to safeguard their interests, the politicians turned labor leaders / Collective Bargaining Agents worked mostly to accomplish their own political objectives. Many of such CBAs played the role of blackmailing the employers and focused on the agenda of the political parties they were affiliated with. Resultantly, while there was no significant improvement in the pay or working condition of the workers, industrial peace was adversely affected? The LU, during the decade of the 1970s, became synonymous with blackmailing of employers and promoters of in-efficiency Trivedi (2005). which led to extremely low productivity and poor industrial relations due to the low literacy of workers, legislation allowed non-workers to be the leaders of LU and also to act as Collective Bargaining Agents Aitken, Harrison, Lipsey (1996). Caraway (2006) Eventually the incompetence of workers to safeguard their interests paved way for the politicians, and they started becoming heads of the labor unions and moreover emphasizing on achieving their political goals. These CBAs used to blackmail employers to accomplish the agenda of political parties they were associated with. In the period of 1970s labor unions in Pakistan became known for blackmailing and promoting self-interests that led to poor, weak industrial relations with extremely low productivity.

Alexander & Parker (2005) The importance of trade union (TU) -management relationship cannot be ignored or avoided in any organizational or industrial area. Even trade-union formation is a result of Industrial Relations which directly or indirectly supports the labor rights and benefits so that their efforts and energies do not get wasted and they must get the rewards and full compensation in return.

Their primary function is to protect the interests of workers against discrimination and unfair labor practices. TU are voluntary associations formed for the pursuit of protecting the common interests of its members and also promote welfare. They are permanent in nature. Their objectives include Representation, Negotiation, and Voice in decisions affecting workers, Member services, Education and training, legal assistance, financial assistance, Welfare benefits and the fulfillment to those leads to lockouts, strikes, shutdowns, picketing, bans, injunctions etc. Alexander & Parker (2005).

Industrial Relations Act has been passed by National Assembly in 2012 which also enlighten the importance of TU formation, regulation and improvement of the relationship between employers and workmen and avoidance and settlement of the disputes between the two. The Sindh Industrial Relations Bill, 2013 having been passed by the Provincial Assembly of Sindh on 15th

March, 2013 and assented to by the Governor of Sindh on 28th March, 2013 is hereby published as an Act of the Legislature of Sindh which also highlights the formation, regulation and improvement process of trade unions and maintaining the type of relationships between the employers and workers.

LU are active in almost every industry of Pakistan, be it Pakistan Steel Mills, PIA, PTCL, KESC, SSGC and Pakistan Railways.

Many research studies have been conducted on the LU -management relationship portraying different dimensions and aspects. Such as the Effect of Labor Relations Climate on the Union Participation Process. When workers are in a group, they tend to bargain more than as individuals. They use this power to claim the surplus earned by the organization, Anner (2008).

Pakistan introduced its first minimum wages for workers in 1992 that was PKR 1500 per month, and kept on increasing in the later years:

Year	PKR Per Month
1996	1650
1998	1950
2006	4000
2007	4600
2008	6000
2010	7000
2012	8000
2013	10,000

These wages are recommended by the Federal Government that are decided by the Provincial Minimum Wages Board, each province having one, under the Minimum Wages Ordinance 1961.

### **Introduction SSGC**

The Sui Southern Gas Company (SSGC) (Formerly Sui Gas Transmission Company Limited) was formed in 1954. The Company in its present shape was formed on March 30, 1989, following a series of mergers of three pioneering companies, namely Sui Gas Transmission Company Limited, Karachi Gas Company Limited and Indus Gas Company Limited.

SSGC is Pakistan's leading integrated gas company. The company is engaged in the business of transmission and distribution of natural gas in southern part of Pakistan. SSGC transmission system extends from Sui, Baluchistan to Karachi, Sindh. The company also owns and operates the only gas meter manufacturing plant in the country, under an agreement with Schlumberger Industries, France. The Company is listed on the Karachi, Lahore and Islamabad Stock Exchanges.

SSGCL transmission system extends from Sui in Baluchistan to Karachi in Sindh comprising over 3,220 KM of high-pressure pipeline ranging from 12 – 24" in diameter. The distribution activities covering over 1200 towns in the Sindh and Baluchistan are organized through its regional offices.

An average of about 388,828 million cubic feet (MMCFD) gas was sold in 2009-2010 to over 2.5 million industrial, commercial and domestic consumers in these regions through a distribution network of over 37,000 Km. The company also owns and operates the only gas meter manufacturing plant in the country, having an annual production capacity of over 750,000 meters. The Company has an authorized capital of Rs. 10 billion of which Rs 6.7 billion is issued and fully paid up. The Government owns the majority of the shares which is presently over 70%. The Company is managed by an autonomous Board of Directors for policy guidelines and overall control. Presently, SSGC's Board comprises of 14 members. The Managing Director/Chief Executive is nominee of GOP and has been delegated with such powers by the Board of Directors as are necessary to effective conduct the business of the company.

### **Problem Statement**

Since its inception, industries and organizations relations with LU are in doldrums. The top management may change its decisions, diverting and compromising to avoid conflicts. Despite being in the top ranks, management has to ponder over its choices and decisions because LU threaten, blackmail, carry out strikes and protests against them and may be sometimes it's the executives own will to pay less, hiring on weekly wages, temporary contracts longing for years and renewing after every contract ending so that any organization/ firm/ company may not bear extra losses, expenses and so the shareholder's wealth would maximize by a greater number. (Labor watch Pakistan). Unions aim for union and its members' job security, working hours, working conditions, improved wages and other benefits for their members.

### **Significance of the Study**

This research will help us in coming across the dilemma executives (middle and top management) goes through such as compromising on pay packages, health and security etc. Labor unions have been controversial in SSGC because of their pressure tactics. The study will open new windows of the problems faced by executives and will tell us till what extent their performance is affected. It will help the organizational working environment to sort out their problems and in affective decision and policy making. This research will not only benefit the academicians but also researchers and the executives and Government to make amendments in the existing laws of Labor Unions.

### **Objectives of Study**

1. To understand the labor union-management relationship in SSGC.
2. To understand the labor union-management relationship in deeper in order to know how managerial decisions takes place or is being influenced from pressurizing of the trade unions in SSGC organization.
3. To understand the labor union formation and its process, their role, function and purpose of existence.

4. To understand that how Collective Bargaining Agent is being selected and how they negotiate with management during talks on what basis.

### **Methodology**

Research methodology is the systematic, theoretical, procedural analysis of the methods that are applied to a field of study, or can be said as the theoretical analysis of the body of methods and principles associated with the branch and system of knowledge. It typically encompasses the concepts such as paradigms, theoretical models, phases and the quantitative and qualitative.

A Methodology does not necessarily provide solution to the problems but offers the theoretical underpinning and underground realities for understanding which method or set of methods or so called "best practices" can be applied to the specific.

It can also be defined as follow:

a. "It is the analysis of the principles of the methods, rules and regulations and the postulates employed by a discipline of the principles of methods, rules, and postulates employed by a discipline"

b. "It is the systematic study of the methods that are, can be or have been applied within a discipline"

c. "It is the study or description of methods".

Sui Southern Gas Company is one of the largest suppliers of gas in the country. It is semi government in nature this thus we cannot ignore the presence of labor unions working there. This research aims to understand the relationship of unions and management. Therefore, descriptive research has been selected for the study.

According to Zikmund (Business Research Methods) 7th edition, Chapter 4 (The Research process) Descriptive research helps to answer questions like who, what, when and where. It is quantitative in nature. Descriptive research entails us to have a clear picture of the problem. They tend to be like cause and effect.

### **Descriptive Research**

Descriptive Research describe systematically a situation, problem, phenomenon, circumstance, service or program or it provides the information about; the living conditions or environment of a community, or it describes the attitudes towards the issues. The main purpose of such study is to describe the on-going or prevalent with respect to the issue/ problem under the study

As this is based on the impact of labor unions, thus it is quantitative in nature. Two questionnaires were designed accommodating executives and labor officials to get a clear insight of their perceptions. The study is said to be quantitative, if you want to quantify the variations in a phenomenon, situation, problem and issue. If the information is being gathered using the pre-



dominantly quantitative variables then the analysis is geared to ascertain the magnitude of variations.

The data collected was then further refined through SPSS that is discussed in the later stages.

The study uses semi-structured questionnaire and observation as primary source for gathering data.

The methodology adopted for the research consists of primary data.

### **Sample Technique**

The research uses convenience sampling (Non-probability sampling) technique. Zikmund (Business Research Methods) 7th edition, Chapter 16 (Sample Designs and Sampling Procedures) states that convenience sampling is a non-probability sampling method. It allows us to choose the sample according to our convenience and availability.

### **Sample Size**

Sample size allocated for this study is 39 employees to whom we were allowed access through proper channel. We handed them the letter issued by our university to assist us in the survey. 19 people are executives to whom we handled management questionnaire and 20 are labor union people which are in staff cadre and we handled them labor questionnaire.

### **Instruments of Data Collection**

The research consists of semi-structured questionnaire. A semi-structured questionnaire consists of close ended questions, multiple type and Likert model questions, where the respondent chooses what suits him best because the options are available before him (Zikmund) (Business Research Methods) 7th edition, Chapter 15 (Questionnaire Design).

Their primary function is to protect the interests of workers against discrimination and unfair labor practices. Trade unions are voluntary associations formed for the pursuit of protecting the common interests of its members and also promote welfare. They are permanent in nature. Their objectives include Representation, Negotiation, and Voice in decisions affecting workers, Member services, Education and training, legal assistance, financial assistance, Welfare benefits and the fulfillment to those leads to lockouts, strikes, shutdowns, picketing, bans, injunctions etc.

For identifying the relationship between the operational performance of Executives and the labor union, we have done the co-relational analysis for finding out the cause and effect of every independent with one dependent variable and also the ANOVAs table that determines beta value of our use that how much one variable is dependent on other and the relationship between two, whether our model is fit, i.e. variables that are chosen best describes about the research topic. Independent variable is 'X' i.e. operational performance while Dependent variables are 'Y' i.e. Labor unions, Collective bargaining agent (CBA), Negotiations, Promotions, Contract agreement, Compensation packages Demands, Decision making, Strikes/ boycotts/ protests, Political influence, Disputes.

We will see that what are the findings of our Management Questionnaire to check whether and how much they impact on the operational performance of executives which is taken as Dependent variable 'X' and all Independent variables are 'Y'. In descriptive statistics the 'Mean' tells about the Average of every question's validity and Standard deviation tells that how much our data varieties and deviates from mean which can be represented by 'S.D' and also 'sigma' whereas 'N' is the number of observations (Executives) that is number of respondents taken.

Descriptive Statistics	Mean	St. Deviation	N
Your Operational performance is hampered?	2.21	0.787	19
What do labor unions demand mostly for?	1.21	0.419	19
Your decision making is influenced by the pressurizing tactics of labor unions?	2.89	0.937	19
during the times of strikes / boycotts and protests, labor unions damage physical assets of an organization	3.32	0.885	19
How many members are there in each union?	2.53	0.905	19
Your negotiations are politically influenced?	2.16	1.015	19
Your daily basis performance and tasks are affected by labor union Disputes	2.63	0.955	19
How many members are there in negotiations team?	2.37	0.831	19
What is the probability of success in negotiations according to your experience?	3.37	0.597	19
Do unions interfere when you promote anyone?	1.89	0.315	19
Do unions demand for promoting their workers?	1.53	0.513	19
contract agreement is reached successfully	2.05	0.911	19

### Co-Relation Analysis

Correlation is a term that refers or intimates about the 'strength of a relationship' between two variables. Strong or High correlation signifies that two or more variables have strong relationship and connection with each other, while a Weak or Low correlation signifies that the variables are hardly or not related with each other. Correlation coefficients are the measure of a linear association between two variables. The values for correlation coefficients range from -1.00 to +1.00. A correlation coefficient of -1 represents or indicates that two variables are perfectly related in negative linear sense whereas +1 indicates that two variables are perfectly related to each other in a positive linear sense and a coefficient of 0 indicates that there is no existence of any linear relationship between the two variables.

The most widely used type for determining the correlation coefficient is the 'Pearson  $r'$ ', which is also referred as linear or 'product-moment correlation'. The co-efficient is calculated by taking



the co-variance of two variables and by dividing it with the product of their standard deviations. For e.g. in this table, the correlation between 'X' operational performance of executives is hampered is perfectly positively related to operational performance of executives is hampered on axis 'Y' i.e. 1.00 whereas operational performance is perfectly negatively related with the demands of labor unions i.e. -.310. This same goes on for other variables also.

Correlations													
		Operational performance is hampered?	Demands	Decision Making	Strikes / Boycotts and Protests	Labor Unions	Political Influence	Disputes	Negotiations	Negotiations Success	Promotions	Promotions	Contract Agreement
Pearson Correlation	Your Operational performance is	1	-0.31	0.258	-0.18	-0.554	0.234	0.331	-0.125	0.298	0.094	0.536	0.293
	What do labor union's demands mostly	-0.31	1	0.201	0.11	-0.015	0.048	-0.07	0.084	0.117	0.177	-0.286	-0.32
	Your decision making is influenced by the pressurizing tactics of labour unions?	0.258	0.201	1	0.578	-0.455	-0.098	0.265	-0.019	0.371	-0.04	0.469	0.007
	during the times of strikes / boycotts and protests, labor unions damage physical assets of an organization	-0.18	0.11	0.578	1	-0.08	-0.306	0.08	0.135	0.083	0.126	0.225	-0.09
	How many members are there in each	-0.554	-0.015	-0.455	-0.08	1	0.086	-0.28	-0.051	0.032	0.4	-0.271	-0.04
	your negotiations are politically	0.234	0.048	-0.098	-0.306	0.086	1	0.465	0.257	-0.101	0.055	-0.062	0.291
	Your daily basis performance and tasks are affected by labor union disputes	0.331	-0.073	0.265	0.08	-0.277	0.465	1	-0.17	0.446	0.233	0.191	0.151
	How many members are there in negotiations team?	-0.125	0.084	-0.019	0.135	-0.051	0.257	-0.17	1	-0.625	-0.056	0.041	0.413
	what is the probability of success in negotiations according to your	0.298	0.117	0.371	0.083	0.032	-0.101	0.446	-0.625	1	0.512	0.42	0.064
	Do unions interfere when you promote	0.094	0.177	-0.04	0.126	0.4	0.055	0.233	-0.056	0.512	1	0.362	0.02
	Do unions demand for promoting their contract agreement is reached	0.536	-0.286	0.469	0.225	-0.271	-0.062	0.191	0.041	0.42	0.362	1	0.294
		0.293	-0.322	0.007	-0.091	-0.035	0.291	0.151	0.413	0.064	0.02	0.294	1

**Model Summary**

Model summary table is all about the accuracy and reliability of our data that how much our model fits whether perfectly or not. The value of R<sup>2</sup> is observed here which should be more than .5 or 50%. Here, the value of R<sup>2</sup> is .883 i.e. 83% which means that the variables we have taken for our research purposes to know the impact on the performance of executives defines well about our research that can be interpreted as 83% of variables describes about the topic accuracy and the results drawn covers our research topic well. It also means that there is possibility that other variables can also define our research which is 17% or .17%

1. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.94	0.883	0.698	0.433

ANOVA is used to compare the differences of means that is average between more than two groups. It basically does this by looking at the variations in the data given and where at a point that variation is found. ANOVA compares the amount of variation among the groups with the amount and limit of variations within the groups. It can be used for two purposes that is observational and experimental. Mathematically can be written as:  $x_{ij} = \mu_i + \epsilon_{ij}$

Where  $x$  are the individual data points and whereas (i and j) denotes the group and the individual observations.  $\epsilon$  is the unexplained variation and the different parameters of the model ( $\mu$ ) which is the population means of each group thus each data point ( $x_{ij}$ ) is the group mean plus error. ANOVA finally then produces the F-Statistic which tells us the ratio between group variation and within group variation.

If the Between Group Variation is significantly greater than the Within Group Variation, then it is likely that there is a statistically significant difference between the groups. “The statistical package will tell you if the F ratio is significant or not. “Here, F-Statistic is 4.786 which shows that value is greater than 3 and fits perfectly and hence there are not more variations within data.

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	9.848	11	0.895	4.79	.024 <sup>a</sup>
1	Residual	1.31	7	0.187		
	Total	11.158	18			

Hypothesis Testing

Like other classical statistical test, we use ANOVA specifically to calculate test statistic (the F ratio) with which we can get the probability (the –P value) of obtaining the data assuming the null hypothesis i.e. 0. A significant P- value usually is taken as  $P < 0.05$  suggests that there should be at least one group or value that could be significantly different from others.

Null hypothesis: **H0: Operational Performance of Executives is negatively affected by labor disputes.**

Proved from the table of correlations that operational performance of Executives is not negatively affected by labor disputes i.e. The relationship between operational performance 'X' and Disputes 'Y' is (positive .331). This means that Labor unions disputes does not affect greatly on the day to day and daily operational performance of Executives. Hence this hypothesis is rejected.

#### **H1: Operational performance of Executives is affected negatively by labor demands.**

Proved from the table of correlations that operational performance of Executives is negatively affected by the labor union demands i.e. the relationship between operational performance of Executives 'X' and Demands 'Y' is (-.310). This means that the increasing labor demands puts a greater pressure on the Executives operational performance and affects negatively. Hence this hypothesis is proved.

#### **H2: Pressurizing labor union tactics decreases operational performance of Executives.**

Proved from the table of correlations that operational performance of Executives is being negatively affected or decreases with the pressurizing tactics of labor unions i.e. strikes/ boycotts/ protests. The relationship between operational performance of Executives 'X' and pressurizing tactics 'Y' is (-.180). This means that increasing number of protests/ strikes and boycotts tends to reduce the operational performance of Executives which is delay of daily smooth work of activities. Hence this hypothesis is proved.

#### **H3: Contract agreements with labor unions have positive impact over operational performance of Executives.**

Proved from the table of correlations that operational performance of executives is being positively affected by having the contract agreements with labor unions i.e. the relationship between operational performance of Executives 'X' and Contract Agreement 'Y' is (.293). This means that as soon as possible the contract agreement is being formulated or come into paper documents being signed by the cooperation and signature of both labor union and management this will impact positively on the operational performance of Executives by the smooth functionality and working within the organization. Hence this hypothesis is proved.

#### **H4: Operational performance decreases with increase in labor union members.**

Proved from the table of correlations that operational performance of executives is negatively affected by the increasing strength of members in labor unions i.e. the relationship between operational performance of Executives 'X' and Labor union members 'Y' is (-.554). This means that increasing number of labor union members tends to decrease the operational performance of executives because increase in the members means increasing pressure on management because the greater, they are in number the greater the decrease in their daily activities. Hence this hypothesis is proved.

Coefficients<sup>a</sup>

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	1.543	1.359		1.135	0.294
	What do labor union's demands mostly for?	-1.434	0.519	-0.763	-2.762	0.028
	Your decision making is influenced by the pressurizing tactics of labor unions?	0.097	0.231	0.116	0.422	0.686
	during the times of strikes / boycotts and protests, labor unions damage physical assets of an organization	-0.035	0.189	-0.039	-0.185	0.858
	How many members are there in each union?	-1.009	0.222	-1.16	-4.537	0.003
	your negotiations are politically influenced?	0.589	0.191	0.759	3.076	0.018
	Your daily basis performance and tasks are affected by labor union disputes	-0.651	0.242	-0.789	-2.691	0.031
	How many members are there in negotiations team?	0.074	0.373	0.078	0.198	0.848
	What is the probability of success in negotiations according to your experience?	0.915	0.7	0.694	1.306	0.233
	Do unions interfere when you promote anyone?	1.54	0.657	0.617	2.344	0.052
	Do unions demand for promoting their workers?	-0.515	0.446	-0.335	-1.155	0.286
	contract agreement is reached successfully	-0.078	0.227	-0.09	-0.343	0.742
a. Dependent Variable: Your Operational performance is hampered?						

**Operational performance** = 1.543 – 1.434(What do labor union's demands mostly) + 0.97(Your decision making is influenced by the pressurizing tactics of labor unions) – 0.35(during the times of strikes / boycotts and protests, labor unions damage physical assets of an organization) – 1.009(How many members are there in each union) + 0.589(your negotiations are politically influenced) – 0.651(Your daily basis performance and tasks are affected by labor union disputes)

+ 0.74(How many members are there in negotiations team) + 0.915(What is the probability of success in negotiations according to your experience) + 1.54(Do unions interfere when you promote anyone) – 0.515(Do unions demand for promoting their workers) – 0.078(contract agreement is reached successfully).

Here, 1.543 is taken as Constant value of operational performance.

### Regression Analysis

Correlation and regression analysis are related in the sense that both deal with relationships among variables. For simple linear regression, the sample correlation coefficient is the square root of the coefficient of determination, with the sign of the correlation coefficient being the same as the sign of b<sub>1</sub>, the coefficient of x<sub>1</sub> in the estimated regression equation.

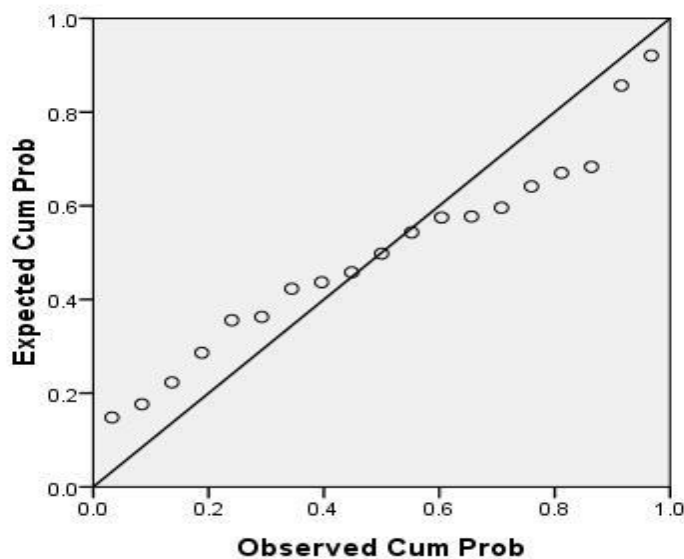
Neither regression nor correlation analyses can be interpreted as establishing cause-and-effect relationships. They can indicate only how or to what extent variables are associated with each other. The correlation coefficient measures only the degree of linear association between two

variables. Any conclusions about a cause-and-effect relationship must be based on the judgment of the analyst.

The picture given below shows that our data is valid and reliable that is authenticated data has been analyzed with real research questionnaire and input from respondents.

### Normal P-P Plot of Regression Standardized Residual

Dependent Variable: Your Operational performance is hampered?



Now, further for identifying the relationship between the operational performance of Labor union, we have done the co-relational analysis for finding out the cause and effect of every independent with one dependent variable and also the ANOVAs table that determines beta value of our use that how much one variable is dependent on other and the relationship between two, whether our model is fit, i.e. variables that are chosen best describes about the research topic. Independent variable is 'X' i.e. operational performance of Labor unions while Dependent variables are 'Y' i.e. Management, Negotiations, Promotions, Demands, Disputes, Contract agreement, Decision making, Political influence, Strikes/ boycotts / protests.

We will see that what are the findings of our Labor Questionnaire to check whether and how much they impact on the operational performance of labors which is taken as Dependent variable 'X' and all Independent variables are 'Y'. In descriptive statistics the 'Mean' tells about the Average of every question's validity and Standard deviation tells that how much our data variates and deviates from mean which can be represented by 'S.D' and also 'sigma' whereas 'N' is the number of observations (Labor Union Members) that is number of respondents taken.

Here, the labor operational performance indirectly tells us that if their performance is hampered that means the Executives performance will also be hampered because of the un-needed interference of the labor union in the daily operational performance of Executives

### **Conclusion**

SSGC has been serving the country since 1954 and is the leading gas company along with SNGC involved in transmission and distribution of gas throughout the country. SSGC covers the South region of Pakistan and SNGC covers the North region. It serves as an autonomous body with 70% of shares owned by the government.

As public sector companies in Pakistan have strong labor unions, so does SSGC. Labor unions were meant to be beneficial and healthy for the organization working mutually together but in Pakistan this is not the case, it's opposite here. Unions have been politicized and political parties in Pakistan have strong influence both at Federal and Provincial level.

While going through literature review, that also stated that unions pressurize and use unfair mean to achieve their goals. They have become labor unions less and political parties more. Summing up all this we came to a conclusion that unions do affect the performance of executives. Management's daily routine gets upset and their work also gets delayed.

SSGC Hyderabad had four unions from which one got dissolved in the other. The CBA working there has been elected from PLU, second consecutive time. Findings and observations led us to conclude that the relationship between management and unions is average, neither good nor bad. But they have a negative effect on the operational performance of executives. As these union members do not work sincerely, they remain absent from their seats and are found busy chatting and enjoying with the rest of the union members. They all are very proud of being affiliated with PPP.

In all the days we visited SSGC we witnessed unprofessional attitude of union members, roaming around during working hours, not sitting in their cabins and were arrogant in nature towards management. They use to move around as if they were the bosses there.

What we came to an overall conclusion is that public sector organizations that serve the entire population are drastically influenced by these labor unions and their political affiliations. And their strikes, boycotts lead to cease the operations resulting unfavorable in everyone's interest, the organization, labor unions and the society as whole. Hence, founded from the analysis of our data that operational performance of executives is greatly affected by the influence of labor unions, i.e." greater impact of labor union-management relationship on the operational performance of executives"



### **Suggestions**

Firstly, labor unions should not be politicized, because when politics is involved, things go out of control and get worse. There should be a ban on political workers emerging as union leaders that then become CBA.

Second point is also related with the first one that the negotiations should not involve politics it should only be between the CBA and Management in order for a fair and transparent outcome.

Instead of spying each other's activities, both the parties should work with mutual consent so that the atmosphere remains healthy and conducive.

Rather than handling grievances daily, there should be a separate committee or team comprising of both management and union representatives. The team should come together once in a week and discuss all the grievances and problems faced in the following week and solve them till the next session of week. Hence doing this will favor both the parties as they will have equal time to prepare themselves in their respective manner and the best part is that the management would not be bothered in their working hours and will carry out their tasks with ease.

As the workers affiliated with unions seek utmost advantage of their membership by not working sincerely and remain absent from their seats, although they are present but refrain from work as much as possible. Both management and union leaders should come to a mutual agreement or understanding that during office hours no one will leave their seats and will not involve in any activities during that time. This will create a type of uniformity that no one is superior either management or unions.

Labor unions are an integral part of any organization and instead of using pressurizing tactics they must rely on building positive and healthy relationships with the management. They should focus on long term goals rather than short term benefits.

### **Limitations**

Our sample size is small due to time and budget constraints and because the scope of our research is limited to one organization in Hyderabad city, Sindh, Pakistan. This research can be conducted in other public sector or private companies as well where unions exist. The results of this study can be wider and valid if conducted at the Head Quarters of organizations, because they are the centers of attraction. The input for this data has been gathered from 19 executives only who mainly tackle or face these labor union issues and whose performances are greatly affected by these obstacles. There can be many other employees who might face issues with this labor union relationship with management or their issues with any. In the conduct of our research firstly we decided for the exploratory research and thought for qualitative one through in-depth interviews but after getting nil response and suggestions from the officers of SSGC we switched to

quantitative research through designing the questionnaires and then selecting the important variables which best describes about our topic of research.



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