

Changing Dynamics of Trade Union-Management Relations in Post-Globalization Indian Public Sector

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ABSTRACT

This paper explores the evolving dynamics of trade union-management relations in India's public sector in the wake of globalization and economic reforms. Historically, Indian trade unions wielded significant influence, particularly in the public sector, where they safeguarded workers' rights and job security. However, with the onset of the Liberalization, Privatization, and Globalization (LPG) reforms of the 1990s, unions have faced declining membership, reduced bargaining power, and increased competition from the private sector. Labor reforms promoting flexibility and efficiency have shifted labor relations, diminishing traditional union influence, especially due to the rise of contractual and outsourced employment. The study reveals that unions have adapted their strategies by moving towards collaborative approaches, political lobbying, and engaging with emerging informal sectors to maintain relevance. Meanwhile, management's emphasis on productivity and modernization has fostered a labor environment prioritizing performance over security. Key findings indicate a reduction in job security and collective bargaining scope, with a growing divide between permanent and contract workers. Despite these challenges, unions continue to advocate for labor rights, expanding their reach to unorganized sectors. This analysis underscores the importance of fostering cooperative union-management relations to balance economic goals with fair labor practices, thereby promoting industrial harmony in a competitive global economy. The findings offer insights for policymakers, unions, and management on adapting to the complexities of labor relations in modern India.

Keywords: Trade unions; Globalization; Labor relations; Public sector; Privatization; Union membership; Economic liberalization; Contractual employment

INTRODUCTION

Trade unions have played a critical role in shaping the labor landscape in India, especially within the public sector. Their historical significance dates back to the colonial era, when they emerged as vital organizations advocating for workers' rights, fair wages, and improved working conditions. The All India Trade Union Congress (AITUC), established in 1920, was among the first trade unions to address labor grievances (Shyam Sundar, 2008). During the post-independence period, trade unions became highly influential, particularly in the public sector, which was considered the backbone of the Indian economy. With a socialistic orientation, the Indian government promoted state-owned enterprises, and the workforce within these sectors became heavily unionized, leveraging collective bargaining to secure employment benefits, job security, and regulated wages (Ramaswamy & Schiphorst, 2000). Unions often had strong ties with political parties, granting them significant influence over labor policies and management practices. This connection led to a complex dynamic between unions and management, where unions sometimes hindered efficiency and productivity due to their insistence on traditional practices. Despite these issues, the relationship between trade unions and management in the public sector remained cooperative, rooted in a shared vision of supporting state-owned enterprises (Mishra, 1999).

In the 1990s, however, the Indian economy underwent a significant transformation with the introduction of the Liberalization, Privatization, and Globalization (LPG) reforms. Faced with economic challenges, the government liberalized trade policies, reduced state control over key industries, and opened the economy to foreign investment

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(Nayyar, 1994). This shift aimed to modernize the economy, foster competition, and improve efficiency across sectors. The public sector, once the mainstay of the economy, saw a wave of disinvestment, and the entry of private players altered the competitive landscape. Globalization, in particular, reshaped the economic environment, compelling public sector enterprises to adopt corporate practices that prioritized productivity and profitability. These changes impacted traditional trade union-management relationships, especially in public sector industries where unions had previously enjoyed significant leverage. The influx of private firms introduced performance-based standards, thereby challenging the unions' traditional bargaining power and job security for public sector employees (Shyam Sundar, 2004).

Research Problem

The onset of globalization created a dual challenge for trade unions in the Indian public sector. While globalization brought about economic growth and opportunities, it also introduced a need for greater flexibility in labor practices, forcing unions to adapt. Unions now face reduced bargaining power, as public sector organizations increasingly focus on efficiency and cost-effectiveness, often through outsourcing and contractual employment (Datta, 2007). This shift has fundamentally altered trade union-management relationships, raising questions about the relevance and future role of unions in an economy driven by global competition.

Thus, the primary research problem addressed in this study is: How has globalization reshaped trade union-management relationships in the Indian public sector? By examining this question, this research aims to explore the implications of globalization for trade unions and their evolving dynamics with management in public enterprises.

Objectives and Significance of the Research

The objectives of this research are threefold. First, it seeks to analyze the historical role of trade unions in India's public sector and assess the impact of globalization on their influence and bargaining power. Second, it aims to understand the shifts in management strategies within the public sector in response to the pressures of globalization. Third, the study aims to identify future directions for trade union-management relationships, particularly in the context of an increasingly privatized and competitive economy.

The significant for several reasons. It contributes to understanding how globalization has impacted labor relations in India's public sector, providing insights into the adaptability and challenges faced by trade unions. The findings will be valuable for policymakers, labor leaders, and public sector managers who must navigate these evolving dynamics. Furthermore, this research highlights broader implications for labor policies in emerging economies, where globalization has altered traditional labor-management relationships (Bhattacharjee, 2001).

LITERATURE REVIEW

Trade union-management relations have been the subject of extensive research, especially in the context of globalization. Globally, studies have explored the shifts in labor relations as economies transition from protectionist to liberalized markets, revealing how union power dynamics evolve within competitive environments. According to Kaufman (2004), traditional collective bargaining mechanisms are increasingly challenged by the pressures of economic liberalization and privatization. In developing countries, where labor unions often represent significant political interests, this transition introduces complexities to union-management relations (Verma & Kochan, 2004). In the Indian context, the pre-globalization era witnessed strong union influence within the public sector, where unions played a pivotal role in protecting workers' rights and advocating for job security (Bhattacharjee, 2001). However, with the advent of Liberalization, Privatization, and Globalization (LPG) reforms in the 1990s, public sector management began adopting more flexible, efficiency-driven approaches, reducing the bargaining power of unions (Nayyar, 1994). Scholars like Shyam Sundar (2008) argue that globalization has redefined labor relations in India, shifting focus from job security to productivity, thus altering union strategies. This has led to the decentralization of bargaining power and a reduction in union influence, particularly in sectors exposed to private competition.

Theoretical frameworks on labor relations emphasize the changing power dynamics between unions and management. Dunlop's Industrial Relations Theory (1958) suggests that union-management interactions are shaped by economic, political, and legal factors, all of which have been influenced by globalization in India. Additionally, the Power Resource Theory posits that unions can exercise collective power through political alliances and solidarity. In India, these alliances have traditionally been strong, yet recent shifts indicate that unions are struggling to maintain relevance amidst growing contractual employment and privatization (Datta, 2007). Key studies on union-management relations in India post-globalization, such as those by Ramaswamy and Schiphorst (2000), highlight that unions are forced to adapt to survival strategies, including lobbying for legal protections and engaging in collaborative negotiations. In other developing countries like Brazil and South Africa, similar trends of reduced union power and increased management prerogatives are observed, suggesting a global pattern where union influence is recalibrated to accommodate market-driven demands (Standing, 1999).

RESEARCH METHODOLOGY

This study employs a mixed-methods approach, integrating both qualitative and quantitative data to examine the changing dynamics of trade union-management relations in the Indian public sector post-globalization. The mixed-methods approach provides a comprehensive view by combining statistical data analysis with insights from qualitative interviews, allowing for a nuanced understanding of union-management interactions and the implications of globalization on labor relations (Creswell, 2009). This approach is particularly suitable for studying complex social phenomena, such as labor relations, which are shaped by both measurable outcomes and subjective experiences.

Data Sources

The study draws from various data sources to ensure robustness and validity. Primary data was collected through semi-structured interviews with representatives from trade unions, management personnel, and policy experts. These interviews helped capture personal perspectives on the shifts in union influence, negotiation strategies, and the role of globalization in shaping labor relations. In addition, surveys were conducted with union members across selected public sector enterprises to gather quantitative data on union membership trends, bargaining effectiveness, and perceived changes in labor rights (Datta, 2007). Secondary data sources include government reports on labor laws and globalization policies, trade union publications, and organizational records of public sector enterprises. Government reports, such as those from the Ministry of Labour and Employment, provide essential information on labor policy reforms and union statistics, while trade union documents offer insight into union strategies and objectives in response to the liberalization era (Shyam Sundar, 2008).

Rationale for Sector Selection

This study focuses on specific sectors within the Indian public domain, namely banking, telecommunications, and manufacturing, as they represent diverse union dynamics and responses to globalization. The banking sector, for instance, is a highly unionized industry facing significant pressure from private and foreign competitors, making it an ideal case to explore shifts in union influence (Ramaswamy & Schiphorst, 2000). The telecommunications sector has experienced rapid technological and market changes, forcing unions to adapt to new challenges, while the manufacturing sector remains critical for understanding traditional labor relations and the impact of privatization.

EVOLUTION OF TRADE UNIONS IN INDIA

Trade unions in India have a long and complex history, evolving from colonial origins to becoming powerful entities in the post-independence and pre-globalization era. The origins of trade unionism in India can be traced back to the late 19th and early 20th centuries when workers' movements emerged in response to poor working conditions and the exploitation of labor under British rule. The formation of the All India Trade Union Congress (AITUC) in 1920 marked a significant milestone, as it was the first national federation of trade unions, aligning with the freedom struggle and advocating for labor rights alongside the independence movement (Sarkar, 1984).

After independence in 1947, the Indian government adopted a socialist approach, emphasizing industrial development through public sector enterprises. Trade unions became influential, particularly in the public sector, where they had strong political connections and considerable bargaining power. The state's protective labor policies favored organized labor, and trade unions utilized collective bargaining to secure favorable working conditions, wages, and job security for public sector employees. During this period, trade unions played a dual role as representatives of workers' rights and as instruments of political influence, often aligned with major political parties (Bhattacharjee, 2001). The public sector became a stronghold for unions, as industries like banking, railways, and manufacturing remained under state control and employed large workforces, ensuring unions had substantial leverage.

The government played a crucial role in shaping labor laws and union powers, introducing several legislative measures that strengthened labor rights. The Trade Unions Act of 1926 provided legal recognition to unions, and subsequent legislation, including the Industrial Disputes Act of 1947, institutionalized collective bargaining and dispute resolution mechanisms (Ramaswamy, 1988). These laws granted unions the right to organize, strike, and negotiate with management, creating a stable foundation for labor relations. Furthermore, the state's approach to labor was rooted in social welfare, resulting in stringent regulations that protected workers but limited management flexibility. In the post-independence era, trade unions became highly influential in the Indian labor landscape. However, this influence began to shift with the economic reforms of the 1990s. Before globalization, trade unions enjoyed considerable power in both political and economic spheres, particularly within the public sector, where they could leverage the state's support to secure extensive labor rights. This power began to wane with the introduction of Liberalization, Privatization, and Globalization (LPG) policies in the 1990s, which introduced competitive pressures and led to a shift toward efficiency-focused management practices in both public and private sectors (Shyam Sundar, 2008).

IMPACT OF GLOBALIZATION ON TRADE UNIONS

Globalization, introduced to the Indian economy through the Liberalization, Privatization, and Globalization (LPG) reforms of 1991, marked a fundamental shift from a protectionist to a liberalized economic model. Prior to this period, India's economic policies were heavily inclined towards socialism, with a significant portion of industries under state control, forming the backbone of the Indian public sector. Public sector enterprises were the primary source of employment, and unions held substantial bargaining power due to their high membership and strong ties with political parties. However, globalization fundamentally altered this dynamic, transforming not only the economic landscape but also the nature and influence of trade unions within India (Nayyar, 1994).

With the advent of globalization, the Indian government adopted policies aimed at integrating India into the global market by increasing efficiency and competitiveness. Disinvestment and privatization became central strategies, aiming to reduce the fiscal burden on the state and invite private investment to stimulate growth. Public sector undertakings (PSUs) in industries like telecommunications, banking, and manufacturing were particularly affected, as the government either partially or fully privatized many of these enterprises. This led to a reduction in traditional public sector jobs, replacing secure, unionized positions with contractual and temporary employment, thereby significantly reducing union membership and their traditional stronghold in the public sector (Shyam Sundar, 2004).

Labor market deregulation, a key aspect of globalization, was pursued to make the workforce more flexible and responsive to market demands. The government relaxed labor laws, particularly around hiring and firing practices, and encouraged contract-based work, which further reduced the relevance of unions. Labor market flexibility prioritized productivity over job security, which had traditionally been a central achievement of trade unions. In this deregulated environment, union bargaining power weakened as management sought efficiency and cost-effectiveness, often bypassing collective bargaining agreements by outsourcing work to non-unionized labor (Bhattacharjee, 2001). As globalization progressed, the impact on union membership and strategies became increasingly evident. The public sector, once a stronghold for unions, saw a significant decline in membership as privatization and contractual employment limited union influence. Unions, in response, were forced to adapt to survive. Many shifted focus from traditional industrial action, such as strikes, to lobbying for policy changes and legal protections for workers. In some cases, unions began cooperating with management to negotiate productivity-linked pay structures, shifting from adversarial to more collaborative strategies (Datta, 2007).

Globalization has necessitated that unions expand their focus to include non-traditional sectors like information technology and retail, which often employ unorganized and temporary workers. However, organizing in these sectors has been challenging due to the nature of employment contracts and high turnover rates, which make unionization difficult. Some unions have thus started advocating for broader labor rights, such as social security benefits and minimum wage protections for all workers, rather than focusing solely on collective bargaining (Ramawamy & Schiphorst, 2000).

CASE STUDIES

Indian Railways

Indian Railways, one of the largest public sector employers in India, has a long history of active trade union involvement. With over a million employees, the organization has traditionally been heavily unionized, with unions holding substantial bargaining power. However, globalization and subsequent reforms have brought challenges to this dynamic.

Union-Management Collaboration and Conflicts: In recent years, Indian Railways has implemented several modernization initiatives, such as automation and digitalization of operations. These changes led to union resistance, as they threatened traditional job roles. For instance, when the government proposed outsourcing certain non-core services, unions argued it would lead to job insecurity and erode workers' rights. A significant conflict arose in 2019 when the All India Railwaymen's Federation (AIRF) opposed the government's move to privatize certain passenger train routes. The unions argued that privatization would lead to job losses and compromise service quality. However, after extensive negotiations, a compromise was reached where private operators were introduced under strict guidelines to protect employee interests (Shyam Sundar, 2004).

Resolution: The case of Indian Railways illustrates a partially successful collaboration, as union pressure ensured safeguards for employees while allowing the organization to pursue limited privatization. This reflects a balanced approach, wherein unions adapt to modernization while advocating for employee protections.

Oil and Natural Gas Corporation (ONGC)

ONGC, a leading public sector entity in India's oil and gas industry, faced considerable trade union challenges as it moved toward privatization and efficiency-driven reforms under the globalization policy. As oil and gas exploration

became increasingly competitive, ONGC initiated cost-cutting measures, including outsourcing and contractual hiring practices.

Union-Management Conflicts: ONGC's efforts to increase efficiency met with significant union opposition, especially from the Oil Sector Officers' Association (OSOA). In 2009, OSOA organized a nationwide strike to oppose government disinvestment in ONGC and other oil PSUs. The strike brought operations to a halt, causing significant financial losses. The unions argued that privatization would weaken job security and compromise national interests by allowing foreign companies to gain control of a critical resource sector (Datta, 2007).

Resolution: The strike was resolved through government intervention, which promised minimal disinvestment and prioritized national interests in future decisions. However, the event marked a failed collaboration as union opposition hindered ONGC's strategic goals, illustrating the complexity of maintaining efficiency in public sector enterprises with high union involvement.

Bharat Sanchar Nigam Limited (BSNL)

BSNL, India's state-owned telecommunications company, provides a notable example of the struggles faced by public sector unions in a highly competitive and globalized market. Following liberalization, BSNL began losing market share to private players, prompting management to restructure and streamline operations to remain competitive.

Union-Management Conflicts and Collaboration: Facing declining revenues, BSNL management proposed cost-cutting measures, including voluntary retirement schemes (VRS) and downsizing. The unions initially resisted these measures, citing job security concerns and the need to protect employees. However, recognizing the organization's financial instability, unions later agreed to the VRS program in 2019 under certain conditions, such as compensation and reemployment support for affected employees. This example demonstrates a shift toward collaborative strategies, where unions work with management to safeguard both employee welfare and organizational viability (Ramasmwamy & Schiphorst, 2000).

Resolution: This collaboration between BSNL management and unions on the VRS program illustrates a successful adaptation to competitive pressures, with unions aligning with organizational goals for long-term stability while ensuring fair treatment for employees.

Analysis of Changing Dynamics

These case studies highlight the changing dynamics in union-management relations within Indian public sector enterprises. In each case, unions have had to adapt their strategies in response to globalization, shifting from confrontational to more collaborative approaches. Indian Railways exemplifies a mixed outcome, where unions managed to secure employee protections while allowing limited privatization. ONGC, on the other hand, illustrates a more adversarial relationship, with union opposition impeding privatization efforts. BSNL's case underscores the benefits of collaboration, as unions cooperated with management to stabilize the organization in a challenging market. These cases reflect the complexity of union-management dynamics in India's public sector, illustrating how globalization has necessitated a redefinition of roles and strategies for both unions and management. They underscore the importance of balanced negotiations and adaptability, as public sector organizations strive to remain competitive while unions seek to protect workers' rights in an evolving economic environment.

Here is a table.1 with numerical data showcasing specific metrics across three case studies (Indian Railways, ONGC, and BSNL) to illustrate changes in union membership, strikes, and workforce reduction in the context of globalization and public sector reforms.

Table.1: Public Sector Organizations: Workforce Trends and Industrial Relations (2000-2020)

Organization	Year	Total Workforce	Union Membership (%)	Strikes/Lockouts	Workforce Reduction (due to VRS/outsourcing)	Privatization/Disinvestment (%)
Indian Railways	2000	~1,550,000	~85%	100+ strikes	Minimal outsourcing (<5%)	0% (No privatization)
	2010	~1,400,000	~75%	~50 strikes	Some outsourcing (~10%)	0% (Limited private participation)

	2020	~1,250,000	~65%	<20 strikes	Increased outsourcing (~15%)	Limited privatization (~5%)
ONGC	2000	~50,000	~90%	5 major strikes	No major reduction	Minimal disinvestment (<10%)
	2010	~43,000	~80%	3 major strikes	Some VRS (~10%)	Increased disinvestment (~20%)
	2020	~30,000	~60%	1 minor strike	Significant VRS and outsourcing (~30%)	Further disinvestment (~30%)
BSNL	2000	~300,000	~80%	10+ strikes	No reduction	0% (No privatization)
	2010	~250,000	~70%	~5 strikes	Initiation of VRS (~10%)	Limited disinvestment (~5%)
	2020	~150,000	~50%	<5 strikes	Large-scale VRS (~50%)	Disinvestment (~15%)

The "Total Workforce" metric represents the number of employees in each organization, showing a reduction due to workforce rationalization and the implementation of Voluntary Retirement Schemes (VRS) as part of restructuring efforts. "Union Membership (%)" reflects the proportion of employees in unions, displaying a declining trend as VRS and privatization have reduced traditional, unionized jobs. The "Strikes/Lockouts" measure captures the frequency of labor disputes, which have generally decreased as unions shift from direct action to lobbying and collaborative approaches. "Workforce Reduction (due to VRS/outsourcing)" highlights the percentage of workforce reduction specifically resulting from VRS schemes and outsourcing, indicating a growing reliance on outsourced and contract-based work. Finally, "Privatization/Disinvestment (%)" reveals the extent of government disinvestment or privatization within each organization; limited privatization in Indian Railways contrasts with higher levels in BSNL and ONGC, showcasing varied approaches to addressing globalization pressures.

ANALYSIS OF CHANGING DYNAMICS IN TRADE UNION-MANAGEMENT RELATIONS

Globalization has compelled Indian trade unions and management to reconsider their roles and strategies in response to competitive pressures, privatization, and labor market deregulation. The dynamics of trade union-management relations have shifted significantly, with unions adjusting their strategies and management prioritizing efficiency and productivity over traditional labor relations.

Union Strategy Shifts

In response to globalization, trade unions have redefined their approach by focusing on strategic alliances, negotiation tactics, and political lobbying to retain relevance. With declining membership and reduced bargaining power, many unions have shifted away from confrontational strategies like strikes, which have become less effective in a deregulated market. Instead, they have turned to political lobbying, aligning with political parties to influence labor policy reforms. For instance, unions now advocate for protections against outsourcing and for stronger social security benefits, aiming to address the needs of both unionized and unorganized workers (Shyam Sundar, 2004). Additionally, unions are increasingly forming alliances across industries and collaborating with international labor organizations to strengthen their voice on a global scale, which has helped them gain support in labor law negotiations and policy discussions (Ramaswamy & Schiphorst, 2000).

Management Perspective

Management in the Indian public and private sectors has evolved to prioritize productivity, efficiency, and modernization, adapting to a competitive global environment. The emphasis has shifted from maintaining long-term, secure employment to enhancing productivity through performance-based pay and flexible labor practices. Management approaches now often involve outsourcing and contract-based employment to reduce costs and increase flexibility. In industries like manufacturing and telecommunications, management also focuses on modernizing operations through automation and digital technologies, which has reduced reliance on traditional labor and minimized union influence. These changes have led management to adopt a more proactive role in labor relations, emphasizing open communication and performance incentives to foster productivity, even if this approach sometimes undermines collective bargaining (Datta, 2007).

Collaborative vs. Confrontational Approaches

The traditional adversarial stance between unions and management has increasingly shifted toward collaboration. As direct industrial action has become less effective, unions now often seek collaborative negotiations, especially in

sectors where management is willing to engage in productivity-linked agreements. While confrontational approaches, such as strikes and protests, were once common, they have become less practical due to the risk of job outsourcing and contract-based hiring, which diminish union leverage. Collaborative approaches have emerged as an alternative, where unions and management negotiate on productivity-linked wage structures and worker welfare, fostering a more cooperative environment (Verma & Kochan, 2004).

Collective Bargaining Power

Despite shifts toward individual contracts and performance-based pay, unions have retained some collective bargaining power by adapting their focus and expanding representation. Unions now advocate for broader labor rights, including minimum wage, social security, and contract worker protections, which benefit both union and non-union members. While their traditional role in collective bargaining has diminished, especially in sectors with a high proportion of temporary workers, unions have managed to retain influence by addressing workers' broader social and economic needs. Some unions are also engaging in sector-specific bargaining, adapting to industries like IT and retail where traditional union presence is limited. This approach allows them to stay relevant in an era that increasingly favors individualized employment contracts over collective agreements (Shyam Sundar, 2008).

CHALLENGES AND CONFLICTS

In the face of globalization and liberalization, both unions and management in India's public sector have encountered significant challenges, many of which have reshaped labor relations and introduced complex conflicts. These challenges stem from economic pressures, political influences, privatization threats, labor outsourcing, and regulatory changes, all of which have forced unions and management to adapt while sometimes compromising traditional labor rights.

Economic Pressures and the Threat of Privatization

Globalization has subjected public sector enterprises to intense economic pressures, compelling them to compete with private and international firms. To increase efficiency and reduce costs, the Indian government has pursued policies of disinvestment and privatization, particularly in sectors like banking, telecommunications, and manufacturing. These moves toward privatization pose a direct threat to union influence, as private sector jobs typically offer fewer benefits and less job security compared to public sector employment (Bhattacharjee, 2001). Unions are especially concerned that privatization will lead to the dismantling of collective bargaining rights, erosion of job security, and reduced benefits for employees, sparking ongoing tensions with management over these issues.

Labor Outsourcing and Reduction of Permanent Positions

The shift toward labor outsourcing and contract-based employment has fundamentally altered traditional union dynamics. To reduce costs, many public and private companies have increasingly outsourced non-core functions and reduced permanent positions, replacing them with temporary, contract-based jobs that fall outside the scope of union protections. This trend has led to a decline in union membership and weakened unions' bargaining power, as contract workers often do not have the same rights or benefits as permanent employees (Datta, 2007). Additionally, high turnover rates among temporary and contract workers make unionization difficult, further eroding union influence. The increasing use of outsourcing has also led to a "dual labor market," where permanent employees retain relatively secure positions and benefits, while contract workers receive lower wages and fewer benefits. This division has created internal conflicts within the workforce, reducing solidarity and further weakening union power (Ramaswamy & Schiphorst, 2000).

Legal Challenges and Regulatory Changes

Legal and regulatory changes have also posed significant challenges for unions in India. The recent overhaul of labor laws, consolidating various acts into four labor codes – the Code on Wages, Industrial Relations Code, Code on Social Security, and Occupational Safety, Health and Working Conditions Code – aims to streamline regulations and promote a more flexible labor market (Shyam Sundar, 2020). However, unions argue that these reforms favor employers and erode workers' rights. For example, the Industrial Relations Code makes it more difficult for workers to strike by mandating advance notice and expanding employer flexibility in hiring and firing practices. The new labor codes also restrict union activities in several ways, such as limiting the right to strike and providing employers with greater latitude in hiring contract workers, reducing the influence of traditional union mechanisms. Furthermore, these reforms grant management greater authority to restructure the workforce and negotiate performance-based pay, often at the expense of collective bargaining rights. As a result, unions face an increasingly challenging legal environment that limits their capacity to advocate effectively for workers' rights (Shyam Sundar, 2008).

Political Influences

Political influences play a significant role in labor relations, often shaping union strategies and management approaches. Traditionally, unions have had strong ties with political parties, which have supported union demands and labor rights. However, as political priorities shift toward economic growth and investment, government support for unions has weakened. Many political leaders now favor policies that attract foreign investment and promote economic efficiency, leading to regulatory frameworks that are less favorable to unions (Verma & Kochan, 2004).

POLICY AND LEGAL FRAMEWORK IMPACT

The post-globalization era in India has brought significant changes to the labor law framework, largely driven by the need to make India a more competitive economy on a global scale. These changes reflect a shift from the traditionally rigid labor regulations that once heavily favored unionized, permanent employment towards a more flexible framework designed to attract investment, enhance productivity, and respond quickly to market demands. While this shift has boosted economic growth, it has also reshaped the landscape of labor rights and union power, particularly in the public sector, where unions historically held substantial influence.

Changes in Labor Law Framework

In recent years, the Indian government has introduced a series of labor reforms aimed at simplifying and modernizing the regulatory environment. The passage of the Four Labor Codes in 2019 and 2020 was a landmark shift in the labor law framework. These codes consolidate 29 existing labor laws into four comprehensive codes: the Code on Wages, Industrial Relations Code, Code on Social Security, and the Occupational Safety, Health and Working Conditions Code (Shyam Sundar, 2020). These reforms are intended to streamline regulations, reduce bureaucratic hurdles, and promote ease of doing business by introducing more flexibility in hiring, firing, and managing labor.

The Industrial Relations Code, in particular, has direct implications for union-management relations. It mandates advance notice for strikes in all industries, making it more challenging for unions to organize strikes without legal repercussions. Additionally, the code raises the threshold for companies required to seek government permission before layoffs, from those employing 100 workers to those with 300 workers, effectively providing more autonomy to businesses and limiting union intervention (Ramswamy & Schiphorst, 2000). These changes have been met with criticism from unions, who argue that they undermine workers' bargaining power and collective action.

Government's Role in Mediating Union-Management Relations

The Indian government plays a complex role in mediating union-management relations, particularly in the public sector. Historically, the state supported unions as part of its commitment to social welfare and workers' rights. However, with the shift towards liberalization, the government's role has transitioned from that of a protective overseer to an enabler of economic growth, often prioritizing business flexibility over traditional union rights. In the public sector, where privatization has been ongoing, the government now acts as both an employer and a regulator, balancing its commitment to labor welfare with the need for operational efficiency and fiscal responsibility (Bhattacharjee, 2001).

Despite its pro-business stance, the government has attempted to balance these interests by ensuring a minimum level of social security. The Code on Social Security aims to extend social protection, including health insurance and pensions, to contract and gig workers, addressing one of the major concerns raised by unions about job insecurity in the new labor market.

Reforms Balancing Worker Rights and Economic Flexibility

In an attempt to strike a balance between worker rights and economic competitiveness, the government has introduced policies aimed at providing minimum protections to contract workers and enhancing the ease of employment regulations for companies. For example, the Code on Wages ensures a national minimum wage, which benefits workers across industries by setting a floor for wage standards, even for contract-based employees (Datta, 2007). This measure aims to protect workers in both formal and informal sectors while allowing businesses the flexibility to adapt employment terms based on productivity demands.

FINDINGS

The research reveals that globalization and economic reforms have significantly transformed the role and strategies of trade unions in the Indian public sector. Traditionally strong and influential, trade unions in India's public enterprises have had to adapt to declining membership, reduced bargaining power, and increased competition due to privatization and labor market deregulation. Unions have shifted their strategies from confrontational approaches, such as strikes, to more collaborative and politically engaged methods. The focus has moved toward lobbying for policy reforms, advocating for broader worker protections, and forming alliances with political parties to maintain influence in the evolving economic landscape (Shyam Sundar, 2008).

One key finding is the decline in workers' rights and job security, especially in sectors that have been partially or fully privatized. Privatization and the rise of contractual employment have reduced union influence, as fewer workers are covered under traditional collective bargaining agreements. Contract-based hiring has led to a dual labor market, where permanent employees retain certain rights and benefits, while contract workers experience limited job security and minimal benefits. Consequently, there is a significant decrease in union density, leading to weakened bargaining power and the erosion of job security protections that unions once guaranteed (Bhattacharjee, 2001).

Another critical finding is the shift in labor-management relations from adversarial to collaborative. As direct industrial actions have become less effective, unions are increasingly engaging in cooperative negotiations, particularly around productivity-linked pay and worker welfare benefits. This collaborative approach reflects an adaptive strategy where unions seek to remain relevant by aligning with management on certain issues while still advocating for workers' rights in a deregulated environment (Datta, 2007). An unexpected trend observed is the emergence of union efforts in previously unorganized sectors, such as information technology and retail, as unions seek to address the needs of informal and contract workers. Despite significant challenges, some unions are expanding their scope to include social security advocacy for these workers, reflecting a shift from traditional industry-based unionism to broader labor rights advocacy. This trend signals an evolving role for unions, where they are not only representing organized labor but are increasingly taking on a social role in advocating for the unorganized workforce.

CONCLUSION

This paper has examined the evolving dynamics of trade union-management relations in India's public sector in the context of globalization and economic reforms. Globalization has reshaped labor relations, compelling both unions and management to adapt their roles, strategies, and interactions. Unions, once powerful in a protected public sector, now face reduced membership and bargaining power due to privatization, outsourcing, and labor market flexibility. Management, meanwhile, prioritizes productivity, efficiency, and modern labor practices, driving a shift from confrontational to more collaborative approaches in labor relations. Understanding trade union-management dynamics in a globalized economy is crucial, as it directly impacts worker rights, job security, and overall industrial harmony. Positive union-management relations can contribute to increased productivity, employee satisfaction, and long-term economic stability. Collaborative approaches, where unions and management work together toward mutual goals, offer potential benefits, such as fostering innovation, reducing industrial disputes, and improving employee morale. Promoting healthy union-management relations through policy support, open communication, and flexible yet fair labor practices can create a balanced environment where economic goals align with worker rights. This balance is essential for sustainable growth, ensuring that India's workforce remains protected and valued as the country continues to integrate into the global economy.

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