

The Impact of Sound Industrial Relations on Job Satisfaction: A Case of Different Manufacturing Industries in Bangladesh

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Abstract

Comparing to the enormous changes in the infrastructure and communication with the dramatic diversity at the workplace the norms, values and personal thinking of the workers have been changing drastically and the effect of those mental revolution influences at the workplace. As Bangladesh is a flourishing economy, the industrial sector faces different challenges at workplace. The focus of this study is to find out the current industrial relations practices and the relative job satisfaction at different manufacturing industrial sector in Bangladesh. The study is based on field survey where randomly selected twelve manufacturing industries in Barisal division through observing and talking with workers and managers information are collected through ninety seven respondents. It is found that for maintaining harmonious relationship at industrial premises twelve factors are much influential such as Job security, work environment, healthy and safely measures, Fair practices of Labor court, Wages & monetary benefit, Grievance handling procedures, Industrial democracy, Participation in Decision making, training and development, structured conflict resolution procedures, strong collective bargaining agent, Existence of Trade union and have positive influences with job satisfaction. Through this study it is found that there is a positive relationship exists between sound industrial relations and job satisfaction and the study developed by using hypothesis with multiple regression models. Finally the research finished on the conclusion that workers job satisfaction is the result of sound industrial relations.

Keywords: Industrial Relations, job Satisfaction, Manufacturing industrial sector, multiple regression model

1. Introduction:

Through the advancement of technology the relationship of human are dramatically changing day by day. Besides global competition, maintaining harmonious relationship with the workers has becoming the burning issue. In the context of a lower middle income country like Bangladesh sustainable industrial development for the long term industrial growth is the imperative topic today. The relationship between employees and the management or employers are called industrial relations. For maintaining industrial peace, harmonious labor-management relationship is necessary for the sake of the industrial growth. Sound industrial relations bring industrial peace that is positively correlated with higher productivity and higher worker satisfaction. For the overall organizational development of any country industrial relations have many roles to play. If it can be ensured sound industrial relations workers must be assured attractive pay, good working environment, freedom for trade unions, participation in decision making and the total well-being of the workers here industrial peace is the fruits of sound industrial relations. According to V. L. Allen, "Industrial relations occur within a dynamic conflict situation which is permanent and unalterable so long as the structure of the society remains unattained" According to ILO "Industrial relations deal with either the relationship between the state and the employers and the workers organization or the relations between the occupational organizations themselves" both parties need to work in a spirit of cooperation, adjustment and accommodation. Through the changing situation in the 21 century it becomes tough task for every organization and both parties have to pay long term sufferings. Sound Industrial relations have positive relationship with productivity and employ engagement at work and employees pay citizenship behavior which is very positive indicator for any organization.

Labor Management Relations and Job satisfaction:

Labor management relations depends on the satisfaction with influence over the job satisfaction with the amount of pay, satisfaction with the sense of achievement and satisfaction with respect from supervisors (Tansel and Gazioglu 2013). Different authors proposed that a good management-employee relationship is indispensable for the Organizational and performance satisfaction of any firm and for the employees to feel engaged (Tansel and Gazioglu 2013). Improving the management-employee relations in large firms will increase employee satisfaction in many respects as well as increase productivity and reduce turnover (Tansel and Gazioglu 2013). Others define job satisfaction as individuals' subjective valuation of different aspects of their job. Higher job satisfaction may be due to improvements in the objective aspects of the job either because of reduced expectations or because dissatisfying aspects of the job are downplayed while pleasing aspects are given greater weight (Locke 1976). There have many dimensions that are influential factors such like Job security is one of the prime indicator for satisfying workers here Perceived job security is positively associated with job satisfaction. The study provides evidence that the perception of job security rather than flexible employment is an important contributor to job satisfaction for Turkish workers (Zeytinoglu, et al. 2012). organizational justice can bring positive result for defining grievance settlement attitudes here the amounts of procedural and distributive justice

afforded by a grievance system were the strongest predictors of satisfaction (Fryxell, et al. 1989). Union members also have positive attitudes towards job satisfaction where job satisfaction is influenced by unionization when the terms of collective agreements are extended to all the workers, whether members or not. Empirical findings suggest that there is a negative influence of union membership on job satisfaction and a positive one for collective agreements at firm level, but these effects vanish once variables capturing working conditions and the industrial relations climate are taken into account (Serrano 2009). Data on job satisfaction indicate that unionized workers in Canada are less happy with the quality of their jobs than non-union workers (Meng 1990). Taking parts in management is also influential dimension on job satisfaction. The congruence between desired and perceived participation best predicts satisfaction with participation in decision making (Driscoll 1978). Another finding is that participation in decision making appears to promote job satisfaction and commitment, whereas task variety and work effort foster participation (Brenda Scott - Ladd 2006). Fair pay has strong relationship with satisfaction research Results suggest that pay level is only marginally related to satisfaction (Timothy A. Judge October 2010). People who are poor in nature and lived in poor countries like Bangladesh have high correlation with job satisfaction and overall happiness but when the individual reaches a certain level of living the relation between pay and job satisfaction virtually disappears (Stephen P. Robbins 2013). Results show that the greater the degree of wage dispersion within academic departments, the lower is individual faculty members' satisfaction and research productivity and the less likely it is that faculty members will collaborate on research. Whereas Wage dispersion has a smaller negative effect on satisfaction in private colleges and universities in which salaries are less likely to be known (Jeffrey Pfeffer September 1993). Another results suggested that Money Ethic endorsement was a moderator for both relationships (Thomas Li-Ping Tang 2000). Workers satisfaction levels are shown to be inversely related to their comparison wage rates (Andrew E. Clark 1996). A significant relationship was found between job training and overall job satisfaction (Schmidt 2007). It is also found that climate was influenced by the overall organization and subunits within the organization. Organizational Climate where workers work was fairly strongly related to subunit performance and to individual job satisfaction (Robert D. Pritchard 1973).

2. Objective of the study: The main objectives of this study are to measure workers job satisfaction on different industrial relations related dimensions. Some specific objectives regarding this study-

- ❖ To find out the real scenario about industrial relations practices in Bangladesh.
- ❖ Retrieving the important dimensions that have much influence on satisfaction.
- ❖ Figure out some suggestions for prevailing sound industrial relations between workers and employees

3. Theoretical Framework and Hypothesis Development: Here in this study identify job satisfaction as dependent variable and the different dimensions such as Job security, work environment, healthy and safely measures, Fair practices of Labor court, Wages & monetary benefit, Grievance handling procedures, Industrial democracy, Participation in Decision making, training and development, structured conflict resolution procedures, strong collective bargaining agent, Existence of Trade union are identified as independent variables. In this study a regression model has been developed by using multiple regression analysis as follows

$$Y = a + b_1 x_1 + b_2 x_2 + b_3 x_3 + \dots + b_n x_n$$

Where, Y= Job Satisfaction, x_1 , x_2 , x_3 , and x_n = The different dimensions that are related for prevailing sound industrial relations such as x_1 = Job security, x_2 = work environment, x_3 = healthy and safely measures, ..., x_n =Existence of Trade union., a= constant & b_1 , b_2 , b_3 , and b_n = The coefficient.

Hypothesis: The hypothesis has been drowned on the basis of finding out the relationship between sound industrial relations and workers job satisfaction.

H_0 = There is no significant relationship between sound industrial relations and workers job satisfaction.

H_a = There is a significant relationship between sound industrial relations and workers job satisfaction.

4. Data and Variables

The study was conducted through field work where all the data have been selected from Barisal city in Bangladesh. For conducting this study twelve manufacturing industry have been selected and by observing and talking with the workers all data have been collected by the 100 respondents where 97 responded properly. The sample size was selected through random sampling method. In this study both primary and secondary data have been used. Primary data has been collected from field level survey and secondary data collected from different journals, books & research papers. The questionnaire consists of different dimensions which are related with sound industrial relations such as Job security, work environment, healthy and safely measures, Fair practices of Labor court, Wages & monetary benefit, Grievance handling procedures, Industrial democracy, Participation in decision making, training and development, structured conflict resolution procedures, strong collective bargaining agent, Existence of Trade union. The questionnaire was developed by using five point likert scale where 1= dissatisfied, 2= somehow satisfied, 3= satisfied, 4= moderate satisfied, 5= highly satisfied. A structured

questionnaire with closed ended questions has been used for collecting primary data. In this connection some statistical tools such as Cronbach's alpha, reliability testing, Mean, Standard deviation, Anova, F test, linear regression model and Multiple regression analysis are used for processing data by using statistical package for social science (SPSS)

Reliability & validity of data: The primary reliability of the data has been tested by using cronbach's alpha. According to some researchers, the required reliability is 0.70(Kothari 2004). In this study by considering the value of cronbach's alphawe get 0.831for the questionnaire used in this paper.

5. Analyses and Results

	Mean	Std. Deviation	N
Job security	2.5052	0.99083	97
Work environment	2.7732	1.15023	97
Healthy and safely measures	2.5155	1.29995	97
Fair practices of Labor court	1.7629	0.96580	97
Wages & monetary benefit	2.3711	1.12101	97
Grievance handling procedures	2.3299	1.14311	97
Industrial democracy	2.1649	1.10567	97
Participation in Decision making	1.6907	1.01408	97
Training and development	2.7732	1.36554	97
Structured conflict resolution procedures	2.5155	1.37562	97
Strong collective bargaining agent	2.1031	1.35417	97
Existence of Trade union	1.6495	1.09144	97

The above table (table 2) shows the major dimensions through which sound industrial relations may be expressed. The workers who have high job satisfaction through the existence of trade union, participation in decision making, fair practices of labor court etc. The above table shows the mean and standard deviation of the dimensions of sound industrial relations. Considering the means the most important factors the employees consider for better industrial relations are: Existence of trade union (1.6), Participation in decision making (1.7), Fair practices of labor court (1.8), Strong collective bargaining (2.1), Grievance handling procedures (2.3), Wages & monetary benefit(2.4) etc. The statistics also shows that the mean value of work environment and training & development is (2.77) indicates high mean value where the workers give these dimensions less emphasis for prevailing sound industrial relations that's may be the reason most of the workers here are illiterate and don't know what is right and what is wrong about themselves.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.470a	.221	.110	.8285

a. Predictors: (Constant), Existence of Trade union, Wages & monetary benefit, Fair practices of Labor court, Work environment, Structured conflict resolution procedures, Strong collective bargaining agent, Grievance handling procedures, Job security, Training and development, Healthy and safely measures, Participation in Decision making, Industrial democracy

From the above table (table 3) we can see that the value of R (Pearson's r) is .470 where Pearson's r measures the linear correlation between two variables. +1 indicates positive correlation between two variables. R indicates that the relations between the dependent and independent variables are positive and strong enough to represent the model.According to Davis (1971) the relationship between two variables is strong when the r was ranged from 0.50 to 0.69 and the ranged between ± 0.30 to ± 0.49 , it shows moderately strong relation among the variables. Thus the result revealed a moderate significant relationship between sound industrial relations and job satisfaction. It is also found that the value of Adjusted R² (Coefficient of multiple determination measures how close the data are to be fitted regression line) is 0.221 that means the dependent variable is 22% explained by the independent variables that are included in the model.

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	16.368	12	1.364	1.987	.035a
Residual	57.653	84	.686		
Total	74.021	96			

a. Predictors: (Constant), Existence of Trade union, Wages & monetary benefit, Fair practices of Labor court, Work environment, Structured conflict resolution procedures, Strong collective bargaining agent, Grievance handling procedures, Job security, Training and development, Healthy and safely measures, Participation in Decision making, Industrial democracy

b. Dependent Variable: Work satisfaction

The above table (table 4) shows that the value of F is 1.987 at .05 level of significance that means we are 95% confident about the findings, which is higher than the critical value of F from the F distribution (1.869) and the P value is 0.035 that are $P < 0.05$ both study can reject the null hypothesis. So in fine we can say there is a significant relationship between sound industrial relations and workers job satisfaction.

Table 4: Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	2.150	.313		6.880	.000
job Security	.056	.119	.063	.474	.637
Work Environment	-.069	.098	-.091	-.706	.482
Health& Safety Measures	-.031	.094	-.046	-.330	.743
Fair practices of Labor Court	.191	.101	.210	1.886	.063
Wages & Monetary Benefits	-.266	.089	-.340	-3.000	.004
Grievances Handling Procedures	.039	.110	.051	.354	.724
Industrial Democracy	.076	.124	.096	.617	.539
Participation in Decision Making	-.058	.120	-.067	-.481	.632
Training & Development	.078	.079	.121	.991	.325
Structured Conflict Resolution Procedures	-.025	.083	-.037	-.302	.763
Collective Bargaining Issues	-.138	.113	-.182	-1.224	.224
Existence of Trade Union	.259	.105	.295	2.459	.016

a. Dependent Variable: Job Satisfaction

The above table (table 5) shows the value of different coefficients to construct the regression model. Since the beta value of standardized coefficients is 0 we will use the unstandardized coefficients. Hence the regression line will be:

$$\text{Job Satisfaction} = 2.15 + 0.056 (\text{Job security}) - 0.069 (\text{Work environment}) - 0.031 (\text{More secured job}) + 0.191 (\text{fair practices of labor court}) - 2.66 (\text{Wages \& Monetary Benefits}) + 0.039 (\text{Grievances Handling Procedures}) + .076 (\text{Industrial Democracy}) - 0.058 (\text{Participation in Decision Making}) + 0.078 (\text{Training \& Development}) - 0.25 (\text{Structured Conflict Resolution Procedures}) - 0.138 (\text{Collective Bargaining Issues}) + 0.259 (\text{Existence of Trade Union})$$

Table 5: Factors Descriptions

SN	Description	YES (%)	NO (%)
1.	Management policies for ensuring long run workers benefit	59.17	40.83
2.	Satisfactory work environment as like said in labor law 2006	55.29	44.71
3.	Discriminations between male and female workers	32.01	67.99
4.	Presence of child worker who are below 18	31.04	68.96
5.	Knowledge about labor law	11.64	88.36
6.	Compensation paid according to Bangladesh labor law 2006	35.89	64.11
7.	Trade union movement at work place	12.61	87.39

In this study it is found that among the respondent, 40.83% think that organizations do not have any long term plan for the benefit of their workers. 44.71% said that work environment, where workers work, are not as same as said in Bangladesh labor law 2006. 31.04% respondents saw the existence of child labor at work place. 88.36% respondents think that workers do not have much knowledge about the existing Bangladesh labor law. 64.11% respondents argue that workers do not get stipulated remuneration in accordance with Bangladesh labor 2006. 87.39% respondents don't see the existence of trade union related activities.

6. Challenges and Future research:

The findings of this study have many challenges. Use of the only twelve manufacturing companies as a sample collecting arena is the first challenge of the study. Secondly here used only twelve dimensions which is proved very congenial for sound industrial relations but there are other dimensions which may be proved effective for this research. Thirdly everybody must keep some secrecy about itself. As for ATM, it also has some limitations related administrative secrecy most of the organizations do not provide the actual answer of those questions

which is related with the report. Fourthly to collect internal and external information of the organization, most of them were very busy at their work and some of them are not responsive because they were unfamiliar about sound industrial relations related dimensions and existing labor law related terms. Fifthly workers perception varies person to person and organization to organization so it's very difficult to find out the concrete result so which dimensions they emphasis much and which dimensions they emphasis less for comparing satisfaction for this study. so results of this study should be evaluated with keeping on those factors in mind.

7. Conclusion

Prevailing Sound Industrial relations is a debated topic now a days in Bangladesh. Public sector employees along with private sector employees and management are not aware about it. Even major portion of the workers don't know about their rights and existence labor law practices of the country. Most of the industry in Bangladesh faces adverse industrial relations because of some dimensions such as the indifference attitude of the government, gender discriminations, autocratic attitudes, lack of securities. Poor working environment, lack of knowledge about current labor law, adopting centralization policy for decision making, adopting poor collective bargaining procedures, low level of monetary policy, ineffective training and development policies taken by the organizations, poor labor court's jurisdiction proceedings which is run by only three members (one chairmen and two members) that are also inadequate comparing the cases, political support and investigation etc. the study can conclude that because of the above dimensions the relationship between workers and management decorate drastically and the results are in front of us; lock out, strike, sabotage, industrial killing, low productivity and most vital causes is low job satisfaction. So because of the poor industrial relations industries fail to take the opportunity of huge earning of money. In this study it is identified some most important dimensions that can be fruitful for prevailing sound industrial relations in the industry arena.

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