

An Empirical Investigation of Union-related Factors Contributing to Labour-Management Relationship in Manufacturing Firms in Sri Lanka^{**}

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Abstract

Existing literature reveals a gap in the empirical knowledge in respect of factors that affect Labour-Management Relationship (LMR) at the firm level. The present study, which was part of a comprehensive study of effects of some union-related factors and management-related factors on LMR, empirically evaluated six union-related factors that could have an effect on LMR namely union satisfaction at work, grievance handling, worker discipline administration, worker performance evaluation, union attitudes to management, and competence of union officials. The study involved 202 union officials who were selected from 23 unionised manufacturing firms in Sri Lanka. The results indicated that all the independent variables were positively and significantly correlated to LMR. However, results of regressing the independent variables on LMR showed that union satisfaction at work, grievance handling, worker discipline administration, worker performance evaluation, and union attitudes to management are strong predictors of LMR while competence of union officials is a weak predictor. On the whole, the independent variables accounted for almost 70% of the variance in the LMR. The paper is of empirical and theoretical importance as the findings confirmed an original explanatory model of LMR that could enhance our understanding of the dynamics of LMR and can be applied to enhance LMR in the manufacturing sector in Sri Lanka.

Key words: Grievance Handling, Labour-Management Relationship, Worker Performance Evaluation, Worker Discipline Administration, Union Satisfaction at Work

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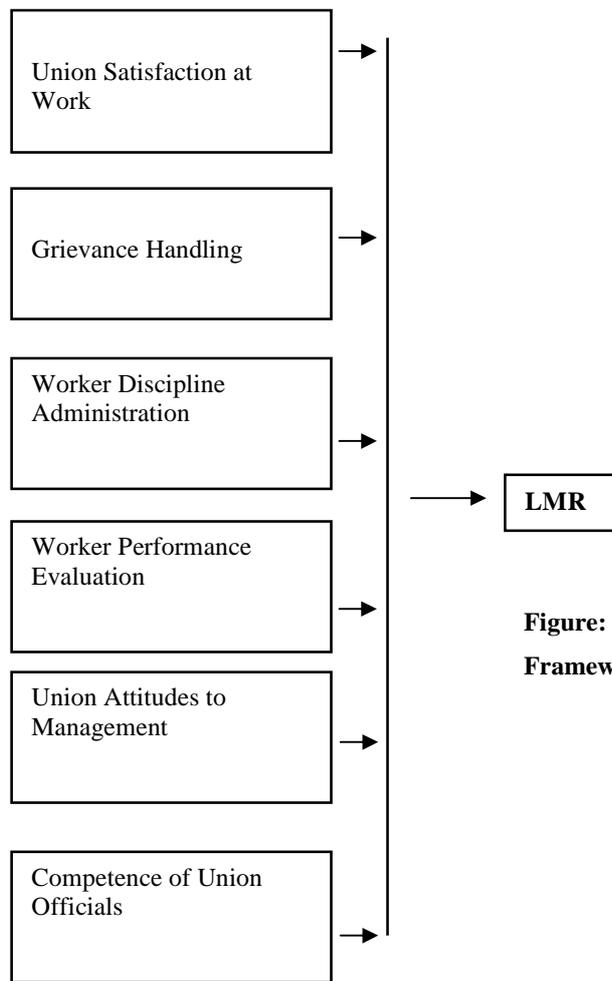


Figure: 1 Schematic Diagram of the Theoretical Framework

Table: 1 Pearson Correlation Matrix for all Union-related Variables

No	Variables	1	2	3	4	5	6	7
1	LMR	1.0						
2	Union Satisfaction at work	.661**	1.0					
3	Grievance Handling	.560**	.670**	1.0				
4	Worker Discipline Administration	.594**	.425**	.328**	1.0			

5	Worker Performance Evaluation	.309**	.011	-.037	-.031	1.0		
6	Union Attitudes to Management	.594**	.551**	.343**	.249**	.428**	1.0	
7	Competence of Union Officials	.174**	.221	.079	.045	.086	.174**	1.0

** p < .0.01 n= 202

Table: 2 Aggregate Impact of the Independent Variables on LMR

R	R Square	Adjusted R Square	Std.Error of the Estimate	F Value	Sig. F
.835	.698	.688	9.0964	74.989	0.0005

Table: 3 Influence of the Independent Variables on LMR

Variable	Std.Beta	T	Sig. t
Union Satisfaction at Work	.245 (.057)	3.820	.000
Grievance Handling	.216 (.059)	4.042	.000
Worker Discipline Administration	.381 (.040)	8.712	.000
Worker Performance Evaluation	.247 (.051)	5.397	.000
Union Attitudes to Management	.178 (.055)	3.255	.001
Competence of Union Officials	.038 (.055)	.828	.409

(Standard Error in Parentheses)

Table: 4 Stepwise Multiple Regression Analysis: Predictors of LMR

Variables	R ²	+R ²	Beta	Sig t
1. Union Satisfaction at Work	0.436		.255	.0005
2. Worker Discipline Administration	0.556	0.120	.379	.0005
3. Worker Performance Evaluation	0.656	0.100	.249	.0005
4. Grievance Handling	0.680	0.024	.212	.0005
5. Union Attitudes to Management	0.697	0.017	.179	.001

R Square: .697

Adjusted R Square: 689

F = 89.995

D.F. = 201

Sig.F = .0005

